Leadership Development in Emerging Market Economies

Edited by
Alexandre Ardichvili and Khalil M. Dirani

Palgrave Studies of Internationalization in Emerging Markets

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Contents

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List of Abbreviations

ASEAN   Association of Southeast Asian Nations
CCL   Center for Creative Leadership
CEE   Central and Eastern European countries
CEO   Chief Executive Officer
CU   Corporate University
DIKTI   Indonesian Directorate General of Higher Education
EU   European Union
GDP   Gross Domestic Product
GLOBE   Global Leadership and Organizational Behaviour Effectiveness study
HE   Higher Education
HRD   Human Resource Development
HRM   Human Resource Management
ICF   International Coaching Federation
ICT   Information and Communication Technologies
IDP   Individual Development Plan
ILO   International Labor Organization
INTAN   National Institute of Public Administration (Malaysia)
KSA   Kingdom of Saudi Arabia
LD   Leadership Development
MBA   Master of Business Administration
MNC   Multinational Corporation
OECD   Organization for Economic Co-operation and Development
PISA   Program for International Student Assessment
PMAT   Personnel Management Association of Thailand
SMEs   Small and Medium-sized Enterprises
T&D   Training and Development
TM   Talent Management

USAID   United States Agency for International Development
WEF   World Economic Forum
WTO   World Trade Organization

LIST OF FIGURES

List of Tables

Leadership Development in Emerging Market Economies

Alexandre Ardichvili and Khalil M. Dirani

INTRODUCTION

This edited monograph addresses an important and so far largely unexplored area of practice and research: leadership development (LD) in emerging market economies. In the USA, LD comprises the largest and one of the fastest growing segments of training and development efforts of the majority of business organizations. For example, in 2012 for-profit firms in the USA have spent $14 billion on LD, and this amount has doubled compared with the annual spending in mid-1990s (Loew & O'Leonard, 2012). Furthermore, research by Bersin by Deloitte's (2014) showed that LD accounted for 35 % of learning and development budgets of more than 300 large U.S firms. While leadership and LD studies originated mostly in the USA and a handful of European countries, over the past two decades LD has become a dominant HRD trend both in developed and emerging economies globally (Dinh et al., 2014).

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1

At the turn of the twenty-first century, Goldman Sachs projected that by 2050 the combined GDP of four emerging countries, known as BRIC (Brazil, Russia, India, and China), will be larger than that of the G7 (seven largest developed economies; Goldman Sachs, 2001). Later, South Africa was added to the list and the group became known as BRICS. In 2005, Goldman Sachs has added a larger group of emerging countries to their watch list, calling them *The Next Eleven* (Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, the Philippines, Turkey, South Korea, and Vietnam; O'Neill, Wilson, Purushothaman, & Stupnytska, 2005). Despite the recession of 2008–2009 and recent overall decline of the growth rates in many of the emerging markets, the combined economies of BRICS and of *The Next Eleven* have grown much faster than those of the G7, and today there is no doubt that soon the emerging countries will account for a larger percentage of the world GDP, compared to the developed countries. A concurrent development is the rapid global expansion of multinational corporations (MNCs) based in the emerging market economies. Thus, the 2014 Fortune Global 500 list of largest companies worldwide included dozens of MNCs from China, Brazil, Russia, India, and other emerging countries (Fortune 2014).

Given the growing importance of the emerging markets, understanding how current and future business leaders in these countries are educated and trained is a matter of high priority for academics, business executives, and policymakers worldwide. However, systematic studies of LD in emerging markets and especially English-language publications on this topic are scarce. We hope that this book will help to close an important gap in the academic literature by bridging LD studies and research on emerging markets and by providing analysis of LD practices in a number of key emerging economies.

A single volume cannot provide a comprehensive picture of the LD landscape of dozens of countries, classified as emerging markets. By necessity, we had to make difficult choices. We included some countries, while leaving out other, arguably equally important examples. We have attempted, nevertheless, to provide representative examples from most important country groupings and regions. Thus, we included chapters on all five BRICS (Brazil, Russia, India, China, and South Africa). Furthermore, four largest economies of the South-East Asian region were included (Indonesia, Malaysia, Thailand, and Vietnam), as well as examples from the Eastern Europe (Hungary and Poland), and Middle East and Africa (Ghana, Kenya, and Saudi Arabia). Two countries in our sample do

not fall into any of the above groupings but were deemed important to include: Turkey and South Korea. Turkey is located in both Europe and Asia and has close ties with both the European Union and the Middle East region. It is one of the largest (both in population and by the size of its economy) emerging markets and has a potential for becoming one of the leading economies in the world. We included Turkey in the Middle East grouping of chapters. In making this decision, we followed the example of the GLOBE research project where Turkey was classified as part of the Middle East cluster (Javidan, Stahl, Brodbeck, & Wilderom, 2005).

South Korea, having achieved status of one of the largest and most developed economies in Asia, can no longer be classified as an emerging economy. However, it was listed among *The Next Eleven* by Goldman Sachs, and we felt that it was important to include this country as an example of an impressive development of LD systems that paralleled equally fast transformation of its economy from the developing to developed status.

Topics Covered in This Book

Chapters in this book cover a wide range of LD practices and topics. While some authors focus exclusively on LD in the business sector, others are discussing such topics as LD in higher education (see the chapter on Indonesia), the role of higher education institutions in LD for managers and executives (e.g., chapters on China, Ghana, Poland, Russia, and South Africa), the role of religious institutions (Ghana), and LD in the government and public sectors (China, Ghana, Malaysia, South Africa, and Vietnam).

Chapters from Brazil, Malaysia, Russia, Thailand, South Africa, and South Korea include case studies of LD in individual companies. These cases and examples can be used in discussions of indigenous LD practices in courses on international and cross-cultural HRD, HRM, and leadership and organization development.

Since research on leadership and LD has originated in the West and LD is a relatively new phenomenon in emerging market economies, readers may assume that LD is at a rather rudimentary stage in most of the countries covered in this book. We hope that chapters in this book will provide ample evidence to suggest that this perception is wrong. Many of the countries in our sample have seen emergence, over the past 20–25 years, of rather sophisticated systems of LD that cover a wide spectrum of approaches. In some cases LD systems of emerging econo-

mies are more diverse and differentiated that those found in the West. Unlike the developed economies where LD is mostly concentrated in business organizations, in many emerging economies leadership capacity building is an important national priority. In these countries there are numerous government-led LD initiatives. In addition, LD is provided by foreign development agencies, local subsidiaries of foreign MNCs, professional associations, and non-governmental and not-for-profit institutions.

Since there are 16 country-specific chapters in this book, it would be impractical to devote this introduction to a chapter-by-chapter overview of the contents. Instead, we will discuss a number of common themes identified by us. We grouped these themes under three topics: factors related to national and ethnic cultures and norms, legislative and political frameworks, and global influences.

Sociocultural and Normative Factors

The role of networks, in-groups, and related cultural norms and practices. The role of informal networks and related social norms and practices in shaping the business environment of emerging markets has been widely discussed and analyzed in the academic literature (i.e., McCarthy et al., 2012). Several chapters in this book discuss implications of the existence of such networks and associated norms for LD. Thus, Alagaraja and colleagues (this volume) point out that in India leaders participate in multiple levels of relational networks in and outside their organizations, and this could have a strong influence on how LD is organized, conducted, and evaluated. For example, Alagaraja and colleagues suggest that in the Indian context multisource feedback on leaders' performance may reflect not only their performance at work but also their role outside of the workplace.

Likewise, in China *guanxi* (a concept describing reciprocal relationships between members of interpersonal networks based on common background and in-group ties) is central to success in business. Li and colleagues (this volume) point out that *guanxi*-based relationships between leaders and subordinates are reciprocal and obligatory, and this could complicate LD-related decisions. For example, if leaders have *guanxi* ties with some of their employees, but lack such ties with other employees, they may feel obligated to let their relationship influence their decisions when selecting candidates for participation in LD programs (especially if

such participation is perceived as a reward or path to a promotion). On the other hand, *guanxi* can be beneficial since it facilitates learning through knowledge sharing among members of in-groups.

In Saudi Arabia, Dirani and colleagues (this volume) presented how it is important for leaders to develop informal connections and networks with colleagues for reasons related to consulting, mentoring, and listening to different opinions. These skills are critical for leaders to succeed in their work and within society.

Additional evidence of the importance of considering the role of informal networks when designing LD interventions is provided in the chapter on Russia (Ardichvili and Zavyalova, this volume). The authors argue that successful conduct of business in Russian organizations depends heavily on informal networks (called *swiazi*) and on exchanges of favors with members of these networks. A potential negative implication is that selection of candidates for promotion or participation in LD opportunities is most likely to depend not on outcomes of 360 degree feedback or other assessments but on top leaders' personal preferences, informed by the considerations of *swiazi*. This also suggests that there may be serious concerns about the validity of multisource assessments, since considerations of loyalty to one's in-group and competition with out-group members are likely to affect objectivity of raters' responses.

Finally, another implication of the existence of complex systems of informal networks for LD is the difficulty in explaining nuances of such concepts as *guanxi* or *swiazi* to managers and employees from developed economies working in emerging markets.

The role of religion, spirituality, and philosophical traditions. Most of chapters from countries of Asia and Africa discuss the role of religion, spirituality, and philosophical traditions in shaping the leadership and LD practices. Thus, chapters on China and Korea discuss the role of Confucianism in shaping the image of an ideal leader as a benevolent, paternalistic, patriotic, and socially responsible individual. The chapter on India stresses the importance of ancient traditions of spirituality and influences of various religious traditions that have originated in or are currently playing significant role in India: Hinduism, Buddhism, Islam, and others. Finally, chapters on Malaysia, Saudi Arabia, and Turkey show how Islamic norms and beliefs influence all aspects of business management and leadership as well as perceptions of what should be the focus of LD.

The role of indigenous models of leadership. All three chapters in this book that are covering countries of Africa (Kenya, Ghana, and South

Africa) discuss the importance of indigenous concepts and models of leadership and their role in LD. Thus, chapters by Yawson and Muyia and Nafukho discuss in detail the concept of Ubuntu and its central role in shaping the unique African way of doing business and leading organizations. In addition, Osafo and Yawson discuss the role of traditional tribal leadership and LD approaches.

Muyia and Nafukho explain that, according to the concept of *ubuntu*, "leaders are expected to be caring and humane in their leadership roles by showing respect and empathy" (p. 233), and LD "should rely on the three *tenets* of *ubuntu:* consensus building, dialogue and spirituality" (p. 233). Furthermore, leaders "must focus on the learning and development of people" (p. 233). Another conclusion made by the authors is that in the African context there is a need for caring leadership that creates cooperative and nurturing environment that is also emphasizing self-development and self-discipline (p. 234).

Advancing a similar idea, Yawson discusses the current debate about the use of Eurocentric and Afrocentric leadership models in South Africa. He shows that, in contrast to Eurocentric models borrowed from the West and focused on achieving profit maximization goals, Afrocentric models are focused on human relations and on caring for employees and the community. Yawson concludes that in African countries a combination of the two approaches, with a predominant emphasis on servant leadership and caring, can provide a good fit with the cultural assumptions of the society and be more effective in the long run.

Similarly, Dirani and colleagues discuss how the leadership norms in Kingdom of Saudi Arabia (KSA) are rooted in Arabia Bedouin cultures. Dirani and colleagues. (this volume) suggest that individuals need to develop a clear understanding of the Bedouin or tribal norms, such as generosity, pride, and courage, and sacrifice for the collective good. As such, people within the tribe have their particular perceptions of factors such as leadership, decision-making, problem solving, and ways of communication. The tribal norms and Bedouin perceptions of leadership are clearly portrayed, both in the Saudi society and Saudi organizations.

Mindfulness and self-development. The theme of importance of leaders' self-development, discussed in the context of African leadership, was a recurring theme throughout a number of other chapters as well. Thus, Alagaraja and colleagues (this volume) pointed out that in Indian organizations an increasing attention is paid to self-understanding and healthy work–life balance. The authors suggested that, since mindfulness

and yoga-based approaches to leaders' self-development are gaining popularity in the USA and other developed countries, studying such practices in India, a country with millennia-long tradition of such practices, would be highly beneficial to LD professional around the world.

Likewise, the chapter on China (Li et al.) discusses the connection between currently popular in the West theory of authentic leadership and the Confucian philosophy. The authors cite Zhang and colleagues (2012) to assert that "all the qualities of an authentic leader—positive psychological capital, morality, self-conscience, and self-adjustment—could be found in Confucian philosophy" (p. 76).

Paternalistic leadership styles. Chapters on Malaysia, Brazil, Korea, Turkey, and Russia discuss the role of paternalistic leadership styles and implications for LD. A study of managerial behaviors in ten countries (Aycan et al., 2000) found that in a number of countries of Asia the paternalistic management style was one of the dominant. As pointed out by Aycan and colleagues, in paternalistic cultures leaders assume the role of parents who are expected to care for the needs of their employees; in return, employees are expected to show unconditional allegiance to the leader. However, leaders' behaviors are also affected by numerous other factors, including socioeconomic conditions in a given country, influences of legal and political frameworks, and the larger geopolitical situation. This means that, while the paternalistic style is found in a wide range of emerging market countries, specific manifestations of this style will vary, and its effects on LD could be different.

There are also signs that traditional paternalistic models are being challenged by the new generations of young leaders. Thus, the authors of the Turkey chapter cite a study by Aycan and Fikret-Pasa (2003) to point out that the young generation of Turks shows stronger preference for transformational leadership styles, as opposed to more traditional authoritarian and paternalistic styles endorsed by older generations, and values more individual growth and development opportunities. Similar tendencies toward the departure from traditional paternalistic and autocratic models can be traced in South Korea, as evidenced by the comparison of two very different LD models, implemented by two large Korean business organizations (Yoon et al., this volume).

In the KSA chapter, Dirani and colleagues argued that despite traditional paternalistic beliefs, more women are entering workforce in Saudi Arabia today. However, it is still obvious that men deal with external matters and women take care of household chores after work. These

traditional values undermine women's aspirations to pursue leadership positions, let alone career opportunities, and have resulted in the low presence of women in management and leadership positions in KSA.

Laws and Regulations, Ownership Structure, and Political Factors

Differences in LD practices of organizations with different ownership structures. A theme that is common to a number of the emerging market countries is the significant difference in LD approaches of companies depending on their ownership structure. In a number of emerging markets the role of state-owned companies is much more significant than it is in the developed world. And the state sector has, as rule, a distinctive set of norms that influence all aspects of management and leadership, including LD. This difference is especially pronounced in China and Vietnam, and the chapters on these two countries provide informative discussions of the specificity of LD in the state sector. While the said two countries are providing the most salient examples, the state sector is also playing a significant role in economies of Russia, Malaysia, Ghana, and many other emerging countries. Finally, in most emerging economies, in addition to the state and private sector companies there is a large presence of the third type of organizations—MNCs from Western countries. These organizations usually have a strong influence on the overall direction of LD in the country since local companies are often imitating or borrowing practices of MNCs. An example of the influence of MNCs on local LD practices is described by Ardichvili and Zavyalova (this volume): In a recent annual competition for the title of the best LD provider in Russia, all three top prizes were awarded to Russian subsidiaries of Western MNCs. Furthermore, the chapter demonstrates that practices of such MNC subsidiaries are regularly featured in influential leadership and LD publications.

The influence of dominant political ideologies. A unique characteristic of some of the emerging market countries covered in this book is the significant impact of dominant political ideology on leadership and LD. While in Western democracies such influence is virtually nonexistent, in countries that still have one-party political systems (China and Vietnam) the role of dominant political party and its ideological platform is impossible to ignore. Thus, Li and colleagues write, "The governing communist party has greatly influenced Chinese leadership and LD. Through

establishing a constitution that consists of guidelines for membership, organization system for central and local governments, party discipline, party cadres, and etc., the party tries to regulate members' behavior" (p. 78). Furthermore, "the party publishes six behavior guidelines for party members to follow … party members must demonstrate exemplary behaviors in production, work, learning, and social life." (p. 78). Since membership in the party is considered an important factor in securing leadership roles in organizations, it goes without saying that the above guidelines are likely to have huge impact on the behavior of Chinese business leadership.

Likewise, in Vietnam the Communist Party committees play a central role in shaping business strategy and leadership of state-owned organizations. Policies, developed by the party, also affect the work of private sector organizations. In the state sector, there are two parallel leadership structures: the party apparatus (which includes the enterprise-based committee of the Communist Party and the secretary of the Communist Party) and the management group, responsible for day-to-day operations of the firm. Under this dual system, party leaders often play a more important role in important management decisions than do business executives and managers.

The described parallel structure is also mirrored in the LD systems. The party leadership has its own system for LD (political academies), where education is heavily skewed toward teaching political subjects. Since many business leaders and leaders of Communist Party committees of the enterprises are going through training at such party academies, their leadership behaviors and value systems are likely to be significantly influenced by the party ideology.

Dirani and colleagues (this volume) discuss religion and authority as factors that have a significant imprint on leadership practice and development in KSA. They argued that Islam, as a religion, has shaped KSA people's national identity, way of thinking, and behaviors, which in turn have shaped the leadership approach taken by leaders in KSA. The social culture, as well as the religion, has its impact on people's lives. In addition, the KSA basic law declares the king as the point of reference for all branches of government (judicial, executive, and regulatory). Thus, the king becomes the ultimate leader and many politico-religious matters rely exclusively on his choice or judgment. As such, the king makes similar claims to the caliphs and sultans in traditional Islamic history who claimed two authorities: the temporal and the religious.

The role of the public sector. A number of chapters describe, in addition to organizational-level LD efforts, programs and systems that exist on national levels. Thus, Johnathan and Hamidi provide a detailed discussion of LD programs, initiated by the government of Malaysia, and an impressive system of national training and development organizations (institutes), tasked with management of these programs. The system prepares leaders from various organizations, both in the government and private sectors. Such systems also exist in Vietnam, Thailand, and South Korea.

Global Factors

Global competencies and localization. Several chapters discuss how the rapid internationalization of companies from the emerging markets leads to a new challenge facing LD providers: developing competencies for leading in foreign markets and beyond the national borders. Thus, chapters on Thailand and Vietnam point out that the impending integration with the ASEAN Economic Community means that most Thai and Vietnamese managers will need to develop new leadership competencies. Specifically, there is a need for developing global leadership competencies aimed at addressing the challenge of leading multinational workforce, consisting of nationals of other ASEAN countries, and leading their organizations' operations in other countries.

Alagaraja and colleagues (this volume) argue that developing global leaders is an important priority item for LD in a growing number of Indian MNCs. In discussing what global competencies may be important for Indian managers, they cite Mendenhall (2011) who identified two sets of such competencies: global business and operating expertise, and intercultural competencies.

Likewise, Li, Wang, and Wu (this volume) argue that global leadership competencies are highly important for leaders of Chinese companies, and currently there is a shortage of "Chinese talents with the necessary competencies and potentials to reach global and executive leadership positions in multinational corporations" (p. 81).

CONCLUSION

In summary, LD practices in countries, represented in this book, are influenced and shaped by a complex interplay of global economic and geopolitical factors, national and ethnic cultures, societal and organizational

norms, and government regulations, legislation, and policies. In each case, there are some country-specific expectations for preferred leadership styles and behaviors. These expectations are also complemented by sets of expectations that are common to a larger group of countries. Thus, despite the continued importance of traditional paternalistic models, in most countries transformational, participative, authentic, and servant leadership models are gaining significant traction, especially with the younger generation of leaders. Other often encountered themes are the concern for leaders' self-understanding and self-development, and the important role of spirituality and ancient philosophical traditions.

Overall, we conclude that in the majority of countries, represented in this book, LD has already become or is rapidly becoming an important part of the overall national- and organizational-level HRD efforts. While the majority of LD approaches are either borrowed from the West or have evolved based on Western models, the realization is growing that the creation of indigenous models is important, and there are encouraging examples of efforts to develop and implement such models in organizations.

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BRICs

Gerdau's Men of Steel: A Unique Case of Leadership Development in Brazil

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Introduction

The main goal of this chapter is to analyze the leadership development phenomenon in Brazil, a country facing historic challenges, including workforce qualification, low basic education levels, significant social inequality and infrastructure issues. We discuss the possibilities and challenges in leadership development based on the case of Gerdau, a Brazilian company that operates since 1901, considering internal organizational dimensions as well as external influences. Gerdau is the leading company in the long steel market. Internally, the company has developed, across many years, strategies, policies and practices that emphasize autonomy and self-management, experiencing potentialities and shortcomings associated with external influences and with traits of its own culture.

The keyword to understanding Brazil is diversity, in its many dimensions: human diversity, geographic diversity and cultural diversity. The human dimension is a product of the historical fusion of ethnical matrices as diverse as Portuguese, African and native Brazilian, enriched by

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15

migratory waves from different countries and continents. Geographically, these groups were distributed differently among the country's various regions which, in turn, have different climatic, ecological and physical traits, consisting of different biomes. These processes, acting together, resulted in unique socioeconomic developments in each region. One can say, therefore, that there is no single Brazil, but several "Brazils."

The official language is Portuguese or Brazilian Portuguese, slightly different from the Portuguese spoken in Portugal, a country with which Brazil shares historical roots from the colonial period. This is one of the factors that distinguishes it from its neighbors in Latin America, mostly countries colonized by Spain and whose official language is Spanish. Brazil borders with all other countries in South America with the exception of Chile and Ecuador (Renato Ferreira Leitão Azevedo, Ardichvili, Casa Nova, & Cornacchione, 2016).

The Brazilian territory spans over 8,515,767 square kilometers, being the fifth largest country in the world. The country is divided into five geographic regions: North, Northeast, Central-West, Southeast and South. Its population of 205 million inhabitants (IBGE, 2016a) is distributed unevenly between densely populated areas (e.g., South and Southeast) and "population voids" such as the North region, covered by the Amazon rainforest (IBGE, 2016b; Portal Brasil—Meio Ambiente, 2016).

Brazil's economy is also very diverse. Brazil has a strong primary sector: Its agricultural output is the fifth highest in the world, being the main producer of many commodities such as sugar cane, coffee, oranges, meat and so on. Brazil has an equally strong secondary sector, its diverse industries ranging from automobiles, steel and petrochemicals to computers, aircrafts and consumer durables. Brazil has also a strong tertiary sector: According to the *CIA World Factbook* (2014), it occupies the eighth position on the list of the largest countries by tertiary output, comprising the so-called service and commerce sectors, including energy, telecommunication, finance, healthcare, education and technology. This sector in Brazil is characterized by being heterogeneous, dynamic and knowledge intensive, although with significant elements of informality (De Negri & Kubota, 2006).

However, despite its natural wealth and diversity, there are still many hurdles in the path of Brazil's social and economic development. One particular challenge is structuring an educational system capable of offering a high-quality education that the country requires to achieve its social and economic development goals. This human capital gap has led

companies to invest in workforce qualification. However, there are achievements to celebrate: Illiteracy rates have shown a declining tendency during the period 2007–2014, followed by a growth in school enrollment rate in the 6–14 years old age group. Additionally, for the same period, according to the Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística—IBGE) the educational attainment has grown among those 25 years or older. For example, the group of population with at least 11 years of schooling has grown from 33.6 percent in 2007 to 42.5 percent in 2014 (IBGE, 2016c).

Taking this context into account, the main goal of this chapter is to analyze the leadership development phenomenon in Brazil, a country facing historic challenges, including workforce qualification, low basic education levels, significant social inequality and infrastructure issues. We aim to discuss the possibilities and challenges in leadership development based on the case of Gerdau, a Brazilian company that operates since 1901, considering internal organizational dimensions as well as external elements.

Internally, the company has developed, across many years, strategies, policies and practices that emphasize autonomy and self-management, experiencing potentialities and shortcomings associated with external influences (i.e., regional differences, cultural diversity, deteriorating public education) and with traits of its own culture which gives prominence to both participatory management (Coutinho & Kallás, 2005) and working cells. The case study adopts a configurational perspective (Martín-Alcazar, Romero-Fernández, & Sánchez-Gardey, 2005) with respect to leadership development policies and practices, in which the interaction between social capital and human capital becomes more important than any other isolated practice in the development of leaders (Cullen & Yammarino, 2014; Day, 2000). The configurational perspective affords a unique take on educational activities as well as aspects related to career, values, performance assessment, communication and other relevant issues that could emerge.

In this chapter, we work toward contemplating the complexity involved in the interrelations of the factors that influenced the development of leadership in the company, based on company documentation (e.g., business presentations and emails) and in managers' narratives. We interviewed six managers who were directly involved in two organizational culture change projects. Both projects were connected to leadership development. The interviews were conducted, recorded, transcribed and analyzed in two

stages: Analysis of data was performed independently by two of the authors and authors' notes were compared to develop common interpretations of emerging meanings. As demanded by the company representatives, we kept the interviewees' anonymity, coding their answers as Manager 1–6.

Gerdau: A Brazilian Company Seeking to Achieve World Class Leadership

Gerdau is the leader in long steel production segment in the Americas and one of the main specialty steel suppliers in the world. In Brazil, it also produces flat steel and iron ore, activities that are expanding the range of products offered to the market and the competitiveness of its operations. Gerdau has industrial operations in 14 countries distributed among three continents: the Americas, Europe and Asia. Moreover, it is the largest recycler in the world; it transforms millions of tons of scrap into steel every year, reinforcing its commitment to the sustainable development of the regions in which it operates. Gerdau is a public company with almost 45,000 employees (Gerdau, 2016). The company was chosen for the discussion on leadership development in Brazil because it is a benchmark in human development and autonomy for work teams and also because of the scope of its operations in Brazil and elsewhere, experiencing the cultural particularities and demographic challenges of each one of the regions in which it operates. The company was founded in the southern Brazil, a region with temperate climate to which many immigrants, mainly Italians and Germans who, in the nineteenth century, came looking for opportunities, playing an important role in the replacement of slave labor after the abolition.

The Configuration of Leadership Development at Gerdau: Two Important Episodes

Leadership development at Gerdau has a long history. In terms of human capital, the company became one of the national references with its programs and practices oriented to leadership development, such as Gerdau Executive Education (Executives' Capacitation Matrix), Accelerated Engineers Program, Technical School and Leadership School.

In more recent years, though, even the most well-known and referenced practices needed to be reviewed in face of the revision of the company's strategy, influenced by both external and internal aspects. This change

is intimately tied to two remarkable episodes in the company's recent history, which will be described below: "Our Cause" and "Gerdau 2022."

Us vs. *Them: Creating a Shared Mindset by Asking "What Is Our Cause?"*

In 2011 the merger of *Gerdau Aços Longos* (Gerdau Long Steel) and Açominas, two important business operations of Gerdau in Brazil, gave rise to *Gerdau Aços Brasil* (GAB, Gerdau Steel Brazil) and demanded the search for an operational synergy in the business that just emerged: an aged newborn. Aligned to this operational issue was a cultural one. Both companies, part of the same business group, in the same market, had had fundamentally distinctive cultures, in part because of their unique traits. On one side, Açominas, one of the biggest steel operations in the country (in the past a state-owned company), had had a regional culture tied to the state of Minas Gerais, in the Southeast region of Brazil, valuing family and traditions, strong work centrality and openness to new cultural influences while maintaining its regional characteristics. On the other side, *Gerdau Aços Longos* had worked with small-scale industrial plants, controlled by a family of German origin since its foundation, with a strong "gaúcho" culture, very typical of the Southern region of the country, with such characteristics as attention to details, perfectionism, work centrality and attachment to regional traditions and symbolisms.

Therefore, beyond the operational synergy, there was a need for cultural synergy, a need for a transformation that could lead to overcoming the differences between those two business operations and the realization of the potential, based on their distinctive features. The arrival of Açominas managers to occupy important positions within Gerdau brought concerns and an additional feeling of insecurity attached to the need for a performance boost.

At that time, going through the backstage of the organization, one might have been able to hear the following saying, used by the employees: "The Vatican acquired the Protestant Church, but now the Minister became Pope" (implying that the merger would give more opportunities to former Açominas employees). To deal with the unstable climate caused by the merger and by the usual consequences of generating synergy, Gerdau used one of its distinctive features throughout the years: rallying everyone around a purpose, a cause.

Thus, the organization decided to engage all employees in one single cause: the audacious goal to become a world reference in the industrial segment. The cultural shift needed to achieve this goal gave origin to "Our Cause," a project that brought on the definition of goals, initiatives and expected behavioral attributes to this new phase of *Gerdau Aços Brasil.* The project disseminated a climate of change that was key to the company's global initiative.

Coherent with its participatory management style and geared toward changing the mentality of "Us *vs.* Them" that was created during the merger, the company relied on a team of consultants specialized in organizational culture transformation to determine expected behavioral attributes aligned with business goals. In addition to boosting the cultural shift, "Our Cause" had also boosted other initiatives related to competitiveness and efficiency in the new structure. In comparing small- and large-scale plants, many issues arose and these could be addressed within a singular cause mentality.

One of the related projects was the "Hidden Production Plant" (or Hidden Mill), an industrial competitiveness program that fit perfectly with "Our Cause" through a principle increasingly valued by the company: simplicity. According to one of the interviewed managers (Manager 3) who was directly and actively involved since the beginning of the Hidden Production Plant project, the main goal was to optimize operational assets, increasing their efficiency. The group leading the project found that some industrial units assumed to be highly efficient were in reality utilizing biased indicators. After applying new efficiency indicators, the efficiency analysis of the units provided different results. "We could say that inside one plant, we have another Hidden Plant in terms of assets," the executive told us. This project was also aligned to an initiative of simplifying the routine facilitator's (how the production supervisor is called) agenda, and it consisted of important improvements in simplifying management.

The "Our Cause" project promoted a shared mentality between the two merged companies and, in the words of one interviewee, simplified processes and goals, helped to create a unique culture, dismantled the "Us *vs.* Them" idea and renewed various cultural aspects in the quest for competitiveness (Manager 1). "Our Cause" was the first major movement in culture renewal in this decade and it demonstrated that it truly is possible to act in an integrative way even while considering what is different. This trait is especially important in Brazil, a country with continental dimensions, many cultures and ways of life influenced by many aspects such as

weather, demographical density and successive immigration waves over many years. Even so, the company's change process would not stop there. To many collaborators, it was as if "Our Cause" had set conditions for an even greater change, focused on the future and on strengthening Gerdau's global presence.

Developing World Class Leadership from the Inside Out

For many years, Gerdau was as a ship sailing in calm waters. Its product quality, the auspicious economic conditions for the steel market, and a successful and well-consolidated management system were high points that together allowed the company to act while looking more inward, to its product quality. However, various external factors such as the growing competition in its operation market and the crisis in the steel sector, along with the need for change emphasized by internal factors such as the fusion of the business operations, made clear that it was time for the company to undergo significant changes. Intending to respond to a strategic concern about what would be necessary to achieve the results projected for 2022, significant restructuring points in the areas of business culture, organizational structure and leadership development were raised.

One of the managers involved in this process reported that three task force groups were assembled, each dedicated to one area to be developed and transformed. The work groups faced a scenario with a consolidated culture, in a 115-year-old company, with plenty of stories and achievements and with a multitude of attributes that differentiate it from its competitors. Because of that, they decided to enlist opinions about what it would, as a company, "continue doing," "stop doing" and "start doing and experiencing" in the culture and in the leadership positions to meet the 2022 challenges. Each task force group was formed by a global and diverse team, with sponsors in the top management positions participating actively (Manager 5).

Acting on those three fronts at first and then in an integrated manner, the task force sought to identify barriers and boosters on the path to attaining the 2022 goals. Conducting interviews with executives, numerous workshops with the Gerdau Executive Committee (*Comitê Executivo Gerdau*—CEG) and with the Business Operations Committee (*Comitê de Operações de Negócio*—CON) and collecting data from 4730 leaders through benchmark activities and the support of external consultants, the team gathered recommendations to be submitted to CEG's analysis.

The organizational changes were guided by four main attributes: openness, simplicity and austerity, leaders developing leaders, and empowerment with accountability. The recommendations submitted to the committee were all approved with modifications and improvements, initiating a plan with the orientation linked to seven grand projects that would make viable the implementation of each recommendation. Those projects were started in July of 2014 and implied significant changes in terms of leadership development, which will be detailed in the following pages.

For many years, the company has consolidated a culture of success that resulted in leading the markets in which it is present. Past successes usually turn into challenges when trying to implement cultural change: After all, why change a winning formula? Moreover, the company has in its roots the trait of respecting people, something that its employees are proud of recognizing. This value ended up, at times, being associated with the Brazilian paternalistic culture that is understood as being the opposite of meritocracy. On one hand, this is a challenge because paternalism usually carries within itself the importance of personal relationships and, if managed harshly, the importance of such personal relationships, so valued in the Brazilian culture, can be reduced. On the other hand, as discussed by Ardichvili et al. (2012), the cultural emphasis on personal relationships and loyalty along with flexibility (the latter identified with the "jeitinho brasileiro") could lead to "organizational cultures that are both effective and humane at the same time" (p. 417).

The familial trait of valuing older people gave rise to the image of those employees who were "Gerdau since the beginning." Thus, it was common, in a meeting, for participants to introduce themselves and proudly highlight how long they had been working for the company—and though this shows a sense of belonging, to newer employees it sounded like a message: You have to work for years in here before trying to change anything.

Another trait that has been part of the Gerdau business culture ever since the days it started to produce nails in Southern Brazil is the constant quest for excellence in every aspect. Part of this is attributed to the culture from which the company evolved from: a German culture, from a family that started the company and that believed that everything must be done with perfection from the very beginning. The challenge that arises from this trait is expressed by the Brazilian popular saying "the best can be the enemy of the good"; that is, over-refinement can result in slowness, unnecessary complexity and reduced efficiency, threatening the company's position in an increasingly competitive market. Furthermore, the fear of

making errors and the underestimation of mistakes as learning opportunities could result in barriers to innovation and to the adoption of new technologies (Manager 5).

Among many of the changes sought, some of them led to the abandonment of the certitude of doing what one already knows how to do and navigating uncharted waters. The organizational culture change pointed to a challenge that involved all the company, starting from its top leaders. In this way, structural cultural and leadership changes needed to take place to enable successful progress toward the 2022 goals. Leadership development had influence and has been influenced by this process significantly.

Systems, Behaviors and Symbols: Sending the Message and Developing Leaders

According to some of our interviewees, the establishment of the necessary attributes for the cultural change implied a review of the systems, behaviors and symbols, as elements that form and consolidate the culture (Managers 1, 2 and 5). The impact on leadership development policies and practices was immediate.

Corporate education in Gerdau was being modified and improved, moving from a culture of self-study and of materials available in a virtual environment to a set of new face-to-face and distance learning experiences. However, the new proposal was burdensome and would cause a huge investment at a time in which the company was looking for austerity and simplicity.

Thus, the company adopted the experiential learning perspective developed by Lombardo and Eichinger (1996) which summarizes the lessons learned by effective managers as coming 10 percent through courses and lectures; 20 percent from sharing and discussing thoughts and ideas formally and informally with leaders or peers, especially the immediate superiors; and 70 percent from practical experience. This came to be often referenced as "the 70/20/10" whenever talking about corporate education in the company and inspired Gerdau to review its people development program and consequently the leadership development practices. More important than the proposed percentages was the new company's decision to use leaders' internal knowledge in developing new leaders.

One of the attributes was directly linked to this issue. The leader is expected to devote 30 percent of their time to developing new leaders. In this context, based on the approach of Charan, Drotter, and Noel (2010), they chose to focus on developing the "top talents": those with greatest

development potential, accelerated learning agility, ability to deliver differentiated results and thus have the potential to hold critical positions (Manager 1). The criteria to define and analyze critical positions have been proposed based on the approach chosen and the top talents identified should have their professional plans discussed in People Development Committees (*Comités de Desenvolvimento de Pessoas*—CDPs).

Thus, it is understood that part of the leader's role is to identify and develop the talents: the "leaders developing leaders" attribute. This attribute also needs to be more developed, for a number of reasons. One is related to the fact that some practices are subjective and that leaders have doubts about certain activities, such as: Would a meeting to explain a new practice be considered part of the development of new leaders? (Manager 1 and Manager 4).

In a survey with employees and leaders about the evolution of project "Gerdau 2022," the idea of leaders developing leaders still remains a point of attention (Manager 2). The reorganization of roles and responsibilities, aligned with the austerity and simplicity principles, resulted in leaders with a greater number of direct employees reporting to them and with a greater work demand (Manager 4). Another element that hinders this process is the fact that the daily routine is still not as simple as it should be because leaders still dedicate a lot of their time to discussing issues they could have delegated. Emphasizing the importance of realizing this attribute, at the highest hierarchy levels, the CEG members and the company's senior leaders also play their role in leadership development by implementing the goal of investing 30 percent of their time into training other people.

In the systems dimension, the design of the new Gerdau competencies that should support strategies for achieving the 2022 goals was carried out. The attributes became the new competencies, with the addition of those specifically related to the business, and they had an important advance in the first year of implementation. However, this myriad of systems, symbols and behaviors are under development and the company now faces the great challenge of putting them into practice and consolidating the organizational culture change. To support this process, the top leaders seek to serve as role models, setting examples of actions and behaviors and thus inspiring other leaders to follow them.

Another challenge arises from the fact that many of the behaviors that should be changed are deeply rooted in the organizational culture and some of them were responsible for the company's success in the past; moreover, the board of directors itself is developing some of these behav-

iors in seeking to consolidate a new culture. The process of change is based on this cascading approach in which the new systems, behaviors and symbols are first adopted by the top management to only then flow naturally into the other levels of the organization.

To support the development of the dimensions expressed by these attributes, several projects were put into action to provide ambience and the results aligned with the "Gerdau 2022" project. In Table 2.1, we provide brief descriptions of those initiatives that are directly related to leadership development.

Several other initiatives aligned to these attributes that promote cultural change are directed at people development. One initiative is oriented to empowerment and accountability, seeking to empower leaders to make decisions and be accountable for results, and it involves the non-mandatory use of 360-degree assessment. The leaders start using the tool when they decide it is relevant, such as at the end of a project.

The career assessment review is one of the projects most adjusted to the search for a new mentality. Its objectives include in-depth performance discussion, potential assessment, career design and people development. In this context, three practices are highlighted: (a) mapping of critical positions, (b) mapping of top talents and (c) succession. One of the differentials of the new CDPs is that now the strengths (talents) of each employee are discussed as well as how they utilize them in generating results for the company, always bringing real examples of results obtained.

The mapping of top talents and the succession practices are carried out in stages that involve the preparation and analysis of the people development plan, with discussion and validation in the CDPs as well as subsequent development of each individual development plan. This practice has helped to retain talents and reduce the risk of critical positions remaining vacant.

The focus of the discussion, some managers explain (Manager 1, Manager 2 and Manager 4), is on the positions that generate greater impact on the company's results. In order to define critical positions, the main challenges of the business, country or locality in question are externalized in a temporal limit and in what is necessary to overcome such challenges. In addition, it is evaluated whether there is any position that relies on critical abilities that might be hard to find in the job market or to develop in-house. Each leader must then map their team and understand who could potentially take each of the positions, discuss the positions and roles in CDP meetings and identify successors and talents to be developed

Table 2.1   Initiatives related to leadership development

Initiative	Goal	Dimensions in the configuration of leadership development (Day, 2000)
Having top leaders invest 30 % of their time in people	Making people development a priority in the organization and having top leaders investing 30 % of their time	Intellectual capital
Competence Model and 360-degree feedback	Updating the leadership competence model and applying 360-degree feedback aligning them to the needs of the business and to the new culture	
Revising the development plan	Reviewing the development plan process and artifacts with the aim to accelerate leadership development and career advancement	
Leadership as a model in the new culture	Giving support to leaders transformation for them to serve as role models in the new culture	Social capital
Meritocracy	Differentiating employees, promoting performance and high performers' retention	
Revising the career planning process and critical positions	Guaranteeing a robust talent pipeline and reviewing and renewing the annual cycle of people development committees	
"Gerdau 2022" change management	Engaging leaders in cultural transformation. Creating conscience, making the connection between "Gerdau 2022" strategy and what we must transform	

Note: Table developed based on company documentation. The dimensional classification of the initiatives is based on Day (2000) and especially on two elements that make up leadership development: intellectual capital (leader development) and social capital (ambience that promotes the development of leadership as a whole).

for such positions. The main objective of the CDPs for the company is to make sure the right leader is occupying the right position and providing their best talents with the most challenging and critical positions. Thus, the new approach for project 2022 is to have simplified CDPs focused on critical positions.

Leadership on the Therapist's Couch

As said before, the cultural change has been cascading down from the top leadership, expanding from there into all other levels of the company. As

the project is robust, there is still a lot of work to be done so the new culture gets fully implemented throughout all levels. While some processes have been developed and validated by the participants (i.e., the process of career assessment reviews), others still need to be put in place, tested and assessed (i.e., the processes associated with meritocracy).

Regarding discussions about meritocracy, some of the issues gain even greater complexity when considering the company's international operations. One example of this issue is the different understandings about meritocracy between representatives from the USA and from Brazil, two important countries where the company operates (Manager 6). For Brazilians, meritocracy is related to performance and results which can be rewarded in various ways including compensation—but peer recognition is just as important. The US vision of meritocracy, though, according to that manager, is directly linked to financial rewards, placing less value on other forms of recognition.

This perception has been confirmed in literature. According to Barbosa (2014), Brazilians profess selective modernity and individualism. They want material results coming from efficiency, productivity and competitiveness. However, they also want to avoid the costs related to those concepts, especially costs of a personal nature. This means not only a desire for equality but also the acceptance of various hierarchical structures when seen as beneficial. On the other hand, meritocracy is seen as a value that rejects organizational mobility when it comes from other factors than those linked to performance (Barbosa, 2014).

This is an example of the importance of creating shared meaning among all the company's business units in order to discuss the impact of the adoption of a reward system, either financial or non-financial, based on merit. Thus, the creation of a shared meaning with respect to the company's new competencies and goals goes through an ample engagement of the people.

Economic changes, the steel industry crisis and an increasingly competitive global scenario all show that diversity can be a means to transform and innovate. The culture that Gerdau is seeking can be strengthened through the increase of knowledge and diversity of thought, through leaders with a global mindset and through openness to the new, all traits aligned to "Gerdau 2022."

Another important challenge the company will face is fostering both diversity and meritocracy. Castilla and Benard (2010) counterintuitively argue that in an organizational culture that promotes meritocracy the management "may ironically show greater bias in favor of men over equally

performing women," resulting in what they call the "paradox of meritocracy" (p. 543). They conducted three experimental studies designed to test the hypothesis that "employers' efforts to promote meritocratic beliefs or cultures in organizations may ironically yield unintended negative consequences, perhaps by leading individuals to feel unbiased, fair, or objective, and as a result become more likely to express individual bias toward low-status groups of employees" (p. 548). In the case of Gerdau, this can be especially difficult considering that it is a company in which "the profile [of the workers] is the engineer, male, of a certain age" (Manager 5), in which "diversity is really low, there is low female presence and where someone who has developed her or his career internally is more valued. Those who come from outside [the company] are looked upon with a certain suspicion. Only now do we hear talk about diversity of ideas. This is a fundamental issue to work in innovation, to allow the implementation of that meritocratic culture that we talked about" (Manager 6).

Systems and symbols are in the process of being realigned and restructured to meet "Gerdau 2022" demands and challenges. Although there are points to be developed, the project was planned and is being executed with compromise and has been achieving expected results. Even so, behavioral changes will be decisive in the consolidation of the necessary transformations. The company's culture is still very devoted to the use of "management tools," which can be a challenge for leaders in becoming effective role models (Manager 6). Interviewees often talked about the importance of "management tools"—that is, well-consolidated practices, processes and systems such as, for instance, 360-degree feedback, career development plans, working cells or performance assessment programs.

The main concern of the respondents was that this devotion to the use of management tools could lead to a premature development of new tools to support the new strategy even before the appraisal of all the impacts of the strategy change.

As an example, human resources may describe actions a leader can adopt to develop new leaders. But if a manager uses it as a checklist, they may ignore the need for other, unlisted actions. Even the leaders of the cultural change process admit their understanding of the consequences of "Gerdau 2022" grows as the project progresses. Therefore, when one is sailing in uncharted waters, there is a chance that they will meet thunderstorms, and much more important than well-used and management tools is understanding the philosophy and having behaviors aligned with the strategic goals.

Another issue in applying the new competencies is having a clear compromise between autonomy and strategic alignment. The company's operational units are managed by leaders with traits that generally spread throughout the unit. If one of those leaders, for instance, wants to be fair and egalitarian and thus believes that career assessment needs to be considered for all employees, which will prevail, autonomy or strategic alignment? If the strategy of assessing critical positions prevails, the autonomy of the leaders, a desired attribute to be developed, might be jeopardized.

In fact, many challenges to leadership development have emerged from the "Our Cause" and "Gerdau 2022" organizational change projects. Or, as an interviewee suggested: "With the 2022, the leaders went to the [therapist's] couch" (Manager 5). And as long as they are there, they will need to rethink their systems and symbols—but mainly they will need to promote the adoption of behaviors that may lead to the cultural transformation that the company needs.

Gerdau: A Configurational Model for Leadership Development in Search of World Class Excellence and Competitiveness

Martín-Alcazar et al. (2005) understood that the configurational perspective can be one of the ways to explain the strategic management of human resources and its subsystems. When analyzing the Gerdau case, that perspective is useful in comprehending how the phenomenon relates to leadership development, which involves both the development of leaders and the environmental configuration (culture, structure, processes, values) that make up the company's social capital.

In this study, we adopted a qualitative approach to analyze evidence and represent the configuration that forms leadership development in Gerdau. From this analysis, using the theoretical perspective of Martín-Alcazar et al. (2005), Cullen and Yammarino (2014), and Day (2000), we propose a configuration model for leadership development at Gerdau, appropriate for this period of significant cultural change, represented by the "Gerdau 2022" project implementation. The model is based on the blast furnace[1] metaphor.

The steel production process in a blast furnace has many phases, as shown in Fig. 2.1, utilizing elements as iron ore, coke (carbon-rich coal) and other materials to facilitate the smelting of iron ore. The blast furnace is made of various parts where iron ore and coke are distributed, the coke providing the heat and carbon needed to produce an intermediary
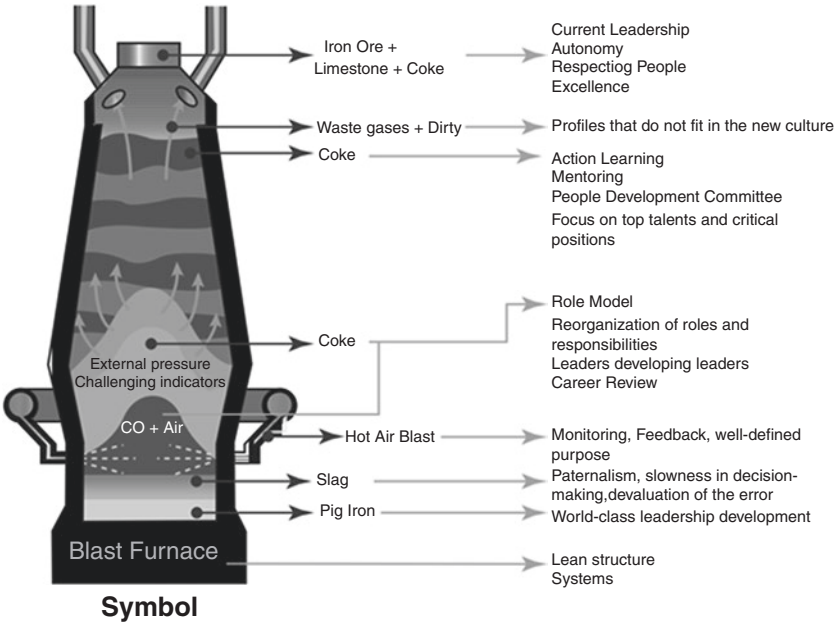
Fig. 2.1 Process of cultural change: The blast furnace metaphor

product known as pig iron. During the process, preheated air is blown into the bottom of the blast furnace, burning the coke carbon and producing CO_2, causing a chemical process that results in a sort of carbon regeneration, and it prolongs the combustion process. There are two liquid layers in the lower part of the blast furnace: the denser, rich pig iron and the "slag" that results from the breaking down of impurities in the ore. Each product and sub-product is drained in liquid form through different exit ways. It is possible to analyze the diverse elements that constitute Gerdau's leadership development model employing the blast furnace metaphor.

The intake of materials represents the current leadership, with its traits, beliefs, values and behaviors. The heat and transformation brought upon the materials by the coke are mirrored by the leader development practices, with emphasis to action learning (70/20/10), mentoring, the career assessment process with focus on identifying top talents, and the mapping of critical positions to be validated by the CDPs.

The social capital in which this process takes place is represented by the blast furnace's fusion zone, in which change is urged by blasts of hot air. In this process the external pressure for competitiveness and the establishment of challenging indicators weight heavily. The projects aligned to the company's strategic goals also heat the furnace, leading to the melting of some of the men of steel's—Gerdau employees and leaders—solidified conceptions through the role model, the restructuration of roles and responsibilities, the competency of leaders developing leaders and the career assessment reviews. The hot air blasts themselves are the performance evaluation and the one single cause that pushes leaders and spurs them into action.

The blast furnace itself symbolizes the company's lean structure and its contextual traits. Paternalism and other unfavorable and sometimes outdated values, previously consolidated at room temperature, are melted into slag by the heat of change and need to be thrown away. Also part of the slag are the slow decision-making and the underestimation of errors as opportunities. These may be side-effects of the toughness of iron—the search for excellence—while it still is rough ore, and through refinement they are purged and thrown away with the slag. The resulting product that is still tough, but refined, is pig iron, the world class leadership, which is the basis for achieving the strategic goals of the company.

The "Our Cause" project had a smaller scope, local; "Gerdau 2022," however, aims to heat Gerdau operations worldwide, which implies a much greater complexity. It could be said that the 2022 furnace is much, much bigger and is fed with more diverse "kinds of iron ore" and other products.

Two elements of this process should be emphasized. One is not the process itself but the chemical reaction produced by the combination of elements (organizational culture competencies and attributes) and the "composition" of leaders (leader development systems and practices). It is the response of the leaders to this process that will indicate whether they can be part of the process. Otherwise, they wind up in the exhaust vents of the furnace just like the waste gases and dust in pig iron production.

The second element consists in remembering that the blast furnace metaphor has various limitations, among them the fact that such furnaces only produce a very limited variety of products. In the new global context, Gerdau can profit from its experience and production capacity to invest in different markets—for example, chemicals or civil engineering, markets that it knows well—as well as the development of services and systems

associated with its operation. It seems, however, that this is still a long way down the road.

Final Considerations

As it occurs in the integrated mills producing pig iron, "Our Cause" was a project dedicated to emphasizing strengths in order to melt distinctive elements. Once combined, those elements increased company's competitiveness, facilitated the merger and inspired a greater change. In this manner, the project altered a basic conception and became a milestone in cultural change. In a company that grew through the acquisition of diverse smaller companies each with its own culture, this transformation was vital.

Now, "Gerdau 2022" seeks to melt steel-solid conceptions in striving to assimilate into organizational culture attributes like meritocracy and innovation. The first, meritocracy, implies trimming some edges in assumptions tied to personal value and respect, an unquestionable belief at Gerdau. The second, innovation, implies questioning some of the assumptions related to the search of excellence and the idea of 'doing it right the very first time' that, in certain ways, are part of the company since its beginning. "Gerdau 2022" needs to melt these conceptions, separate respect from paternalism, excellence from slowness and perfectionism; separate the values that help from those that hinder effectiveness. To heat this furnace, the company can use positively the external pressure to accelerate the advancements that need to be implemented and, more than this, support those advancements on its cause, on the example of its leaders and the role of people in decisions, both core elements of its culture.

However, some issues demand that we transcend the furnace metaphor. The global change will require more openness to the different, greater inclusion of leaders from many global regions in the strategic decision process and the development of a global, rather than top-level only, mindset in leadership.

The furnace metaphor as a depiction and description of our interpretation of the process was validated through sharing a draft of this chapter with several key informants, managers at Gerdau. The key informants have provided suggestions and reflections, which were incorporated in subsequent revision of the chapter. Implementing this approach, we used recommendations for testing or confirming findings through getting feedback from participants, provided by Miles, Huberman, and Saldaña (2014).

In the studied case, it is worth recognizing Gerdau's leadership development as a configuration that forms the organizational learning system. The learning process and the organizational change reveal a tension between exploration and exploitation (March, 1991). The first is tied to the renewal of practices, to the change in mindsets and to creation of knowledge; the second is linked to applying preexisting knowledge and patterns within the organization (Crossan, Lane, & White, 1999). When leadership development is focused on action learning and on leaders as role models, in a familial and traditional company such as Gerdau, the following results are the most usual. The exploration tends to be intense insofar the organization members gain proficiency in the usage and sharing of knowledge. On the other hand, Gerdau's current practices in culture change and leadership development have little focus in exploitation, which limits the abstraction and renewal capacity of institutional standards.

The consolidation of meritocracy and the company's preparation to do business in a differentiated manner and, eventually, in new markets lead to the development of exploration capacity. Crossan et al. (1999) recognize that there is a competition for organizational resources between exploitation and exploration, demanding companies to decide how to distribute their investments and focus their efforts. For Gerdau, the next steps of change will demand experience in new cultural and mental patterns that transcend those typical of the Brazilian culture, as well as detachment from established practices and symbols, even within the top management team. It is worth considering, thus, that attention to exploration must be encouraged, transcending current policies and practices that form the current configuration of the leadership department.

Note

1. A smelting furnace in the form of a tower into which a blast of hot compressed air can be introduced from below. Such furnaces are used chiefly to make steel from a mixture of iron ore, coke and limestone.

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Leadership Development in the Russian Federation

Alexandre Ardichvili and Elena K. Zavyalova

INTRODUCTION

Over the last decade leadership development (LD) has become one of the most important areas of focus for human resource (HR) development professionals in the Russian Federation. Russia is an interesting case study of a rapid evolution and development of the LD field in an emerging market economy. Under the socialist regime the term "leadership" was largely absent from the professional vocabulary of management and HR scholars and practitioners and was reserved exclusively for the discussion of political leadership. In the former USSR management training was conducted at management development institutes, run by state industrial branch ministries. There were virtually no enterprise-based, in-house training programs for managers and leaders, university-based executive development programs, or independent LD consulting firms. Today, 25 years after the collapse of the socialist system, the situation is completely different. Leadership development programs are offered by a large and

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diverse group of providers. Formats and methodological approaches also vary greatly and include not only traditional classroom training but also distance learning programs, experiential learning, field studies and individual coaching and mentoring (Ardichvili & Zavyalova, 2015). Programs are designed and delivered in-house at business organizations, offered by university-based business schools, or provided by private LD consulting firms. Recent research studies and industry reports suggest that the majority of large and medium-sized Russian firms offer LD opportunities to their managers and executives, and many large firms have fairly sophisticated LD programs (Amplua Insights, 2012, 2014; Ardichvili & Zavyalova, 2015; Duchnich, 2012; RUIE, 2013).

To provide an analysis of the emergence and the current state of LD in Russian business organizations, we start this chapter with a brief review of literature on values, skills, competencies and development needs of Russian business leaders. This review is followed by a section on LD programs, offered by various types of providers. Next, we present the results of our case study research on LD at nine large Russian business companies, representing key sectors of country's economy. Finally, we provide recommendations for LD practitioners and implications for research.

Russian Business Leaders: Values, Competencies and Development Needs

A series of studies of Russian business leaders and their subordinates, conducted by the first author of this chapter in late 1990s to early 2000s showed that at that time authoritarian and transactional leadership styles were predominant, and participative and transformational leadership approaches, while being recognized by some study participants as important, were not widely used in practice. Thus, when asked which leadership behaviors are most often used by managers and executives, respondents assigned low scores to three out of four transformational leadership behaviors. Only inspirational motivation received a relatively high score. At the same time, the highest ranking was assigned to the transactional leadership behavior of contingent reward (Ardichvili, 2001; Ardichvili & Gasparishvili, 2001). Another study, conducted by the second author of this chapter in 2005 demonstrated that by mid- 2000s, Russian managers and executives still preferred authoritarian and transactional leadership styles. This preference was observed at various organizations regardless of the form of ownership or industry sector (Zavyalova, 2006).

A more recent study, conducted in 2009–2010 by RosExpert, a research and consulting organization, largely confirmed the persistence of the trend for predominance of transactional leadership and hierarchical leadership styles. This study showed that Russian top executives felt that it was important to project an image of self-confident, tough and self-reliant leaders. They believed that they could not afford any public display of doubt, acknowledgment of their mistakes or confession that they did not have answers to their subordinates' questions. The study authors concluded that this resulted, among other things, in the lack of recognition of the need for continuous LD. Furthermore, the study showed that executives lacked communication skills. In negotiations they attempted to dominate the conversation, were not inclined to listen to others' opinions, were not willing to compromise and find mutually beneficial solutions, and preferred top-down management styles.

In the area of employee motivation, they used mostly negative feedback and punishment strategies and did not believe that it was necessary to acknowledge employees' achievements and praise them in public. Low priority was given to value-based leadership, inspirational motivation, participative approaches and mentorship. In most cases, organizations either did not have clearly formulated mission and value statements, or treated these only as espoused values, thus creating double standards and discrepancy between declarative statements and actual behavior. The study authors observed that, as a rule, the participating executives were highly intelligent and technically competent but lacked interpersonal skills and emotional intelligence, were unable to evaluate and acknowledge their own weaknesses and were reluctant to show their emotions in public. They were also ambitious and highly motivated by status and material gain. As a result, they tended to quickly lose motivation and loyalty to their companies in times of economic downturns and crises (Sicheva, 2010).

Yachontova (2008) conducted a study of leadership behaviors of 221 Russian managers and executives and concluded that Russia was experiencing a crisis of leadership. She believed that the roots of the crisis could be found in growing discrepancy between societal values and the demands of the new knowledge-based economy. Yachontova listed the following symptoms of the crisis of leadership in Russia:

- The individual value systems of the majority of Russian leaders were inconsistent and contradictory, which negatively affected their ability to lead effectively. An example was the lack of commitment to inno-

vation: Under pressure from the public opinion, leaders often paid
lip service to this trend but were not convinced that this activity was
really necessary and beneficial for their organizations.
- There were widely held negative societal stereotypes of leaders,
largely due to a growing gap between the affluent and poor groups
of population, and the existence of the small elite of super-rich oli-
garchs, who have built their fortunes in astonishingly short periods
of time. As a result, the level of employees' respect and support for
organizational leaders was low.

Yachontova (2008) also found that the authoritarian leadership style
was predominant in organizations, which, among other things, led to neg-
ative consequences for organizations' ability to develop intellectual capi-
tal. There was a serious discrepancy between espoused value of developing
human capital in organizations and the realities of organizational practice.
In many organizations the importance of leadership, especially participa-
tory leadership, was not acknowledged, and priority was given to tradi-
tional management approaches. In addition, Yachontova's study identified
that there was a discrepancy in understanding what leadership was when
comparing opinions of organizational leaders and their employees. For
example, employees believed that such qualities as "stress resistance" and
"energy and resilience" were on top of the list of leadership competen-
cies that were needed in their organizations, while leaders listed "strate-
gic vision" and "ability to build top leadership teams" as the top priority
items. Only communication skills and ability to organize and prioritize
one's work were listed as some of the most important competencies by
both groups. Yachontova concluded that, to combat the above-described
negative trends, organizations need to prioritize investment in leadership
training and in organization development interventions aimed at creating
more leadership-oriented organizational cultures (Yachontova, 2008).

A large-scale survey of LD professionals, conducted by the Malakut
consulting company, showed that, while the emphasis on interpersonal
skills, individual motivation and emotional intelligence was growing, a
large percentage of respondents still believed that leadership is mostly
about organization and coordination skills and related competences
(Grishakova & Sorokin, 2012).

In summary, the above review leads us to conclude that Russian execu-
tives and managers may have sufficiently well-developed traditional man-
agement and organization skills, but lack competencies necessary for

successful functioning in the new globalized and knowledge-based economy. Among other things, such leadership competencies as the ability to provide individualized motivation and intellectual stimulation, emotional intelligence, empathy and interpersonal skills, and self-understanding and self-regulation need to be further developed through LD programs.

Leadership Development Programs and Approaches

This section is divided into two subsections. The first of these subsections traces the development of LD between 1991 (the first year of the market reforms) and 2007 (the last year of the period of rapid economic expansion that started in early 2000s). The second subsection provides an overview of the developments after the economic crisis of 2008–2009 that resulted in a number of serious structural and fiscal changes in the LD systems of Russian business organizations.

Leadership Development in 1991–2007

Before 1991, under the socialist regime, Russia had a large network of governmental management development institutions, controlled by federal and regional branch industrial ministries or agencies. In the early 1990s, this state-sponsored system was disbanded, and individual enterprises found themselves in urgent need of finding new sources of managerial training. In-house training and development functions took some time to develop, and meanwhile the majority of companies relied on management training programs, provided for free by Western governmental aid agencies and universities (Ardichvili & Dirani, 2005). It must be noted that some of the largest Russian companies became early adopters of Western HRD and LD models, establishing in-house management development programs in early 1990s. However, a major shift toward in-house training occurred after the economic crisis of 1997–1998. A rapid economic expansion that followed the crisis resulted in shortages of qualified managers capable of dealing with the demands of the new economy. At the same time, companies were increasingly disillusioned by the quality of Western training programs that were perceived as not tailored to the complex realities of the Russian economy. As a result, many companies have created internal HRD and LD functions and took a large portion of managerial and leadership training and development in-house.

A study by Soltizkaya (2005) showed that by mid-2000s some Russian business organizations had HRD strategies that were integrated with overall enterprise-level business strategies. In such organizations, top executives were participating in developing management training content and, in some cases, in delivering corporate-wide seminars.

Polyakova (2012) traced the development of Russian management training programs over 20 years of market reforms. She found that in 1990s the emphasis was on customer relations, effective client communication, conflict resolution, employee motivation and effective HR management techniques. In 2000–2005, with the development of more sophisticated market mechanisms, such topics as team development, leadership, corporate strategy, corporate culture and project management were added. In 2005–2009 new popular topics, such as emotional intelligence and talent management (TM), took the center stage.

Leadership Development after the Crisis of 2008–2009

The economic crisis of 2008–2009 had, once again, resulted in major changes in approaches to management and LD. Before the crisis, companies were investing a significant percentage of their revenues in training and development (with the largest percentage of the training budgets devoted to executive and management development). Many of these programs were too expensive and involved off-sites in overseas and domestic resort locations, foreign study trips and short-term programs of study in Western business schools. Another problematic practice was the use of competency modeling. During the pre-crisis period large amounts of money were spent on competency models, developed for individual companies by foreign or domestic HR consulting companies. Unfortunately, in most cases these models were fairly generic and were not tailored to specific needs of individual organizations. As a result, these expensive models were not used in the design of management and leadership training.

The crisis led to a radical review of the effectiveness and cost-benefit analysis of such programs. Shenaev (2010) compared the LD practices in early 2008 (just before the crisis) and in 2009 (after the crisis) and found that the main shifts included: bringing more management programs in-house as opposed to outsourcing them to external providers; reducing investment in expensive executive coaching services; dramatically increasing the percentage of training, delivered online or in blended formats; and

offering short-term internal "Corporate MBA" programs as opposed to sending managers to regular MBA programs at universities.

In 2010–2015 a major change in corporate LD was triggered by the realization that traditional forms of education and development (e.g., executive-led seminars or in-house or outsourced classroom training sessions) were not sufficient and managers learn better on the job and from experience. This resulted in increased utilization of mentorships, job rotations and action learning. In most cases Russian companies did not have internal specialists who could organize these experiences and utilized services of outside vendors.

The adoption of e-learning for management and LD also started to expand but only slowly. Some HRD experts were pointing out that low rates of adoption of e-learning were due to low self-directed learning readiness among Russian managers. Overall, data on trends since 2010 suggest that a growing number of Russian companies are creating online and blended programs for management and LD (Khodak, 2012).

In most cases LD in large Russian companies was centralized under the umbrella of corporate universities (CU). The first CUs have emerged in late 1990s, and in early 2000s the creation of CUs has become a prominent trend. A survey showed that in mid-2000s large Russian companies were perceiving CUs as a major vehicle for strengthening corporate culture and instill corporate values in all employees and managers (Udovichenko, 2006). By 2011, more than 100 large Russian companies had their own CUs (Genkin, 2012).

In 2010–2015, LD has become the top area of training investment in large Russian companies. Thus, according to a study conducted by MTI System (an official representative of Franklin-Covey in Russia) in 2012, 75 percent of the surveyed companies had LD programs or were planning to create them (compared to only 60 percent in the previous year; Mart'yanova, 2012).

A 2011 study by HR portal *Trainings.ru* and the *Staff Journal* showed that competency modeling was still popular among Russian companies. Only 10 percent of respondents reported that their companies were not considering developing this tool, while 69 percent of companies were using it, and further 21 percent of companies were planning to implement it (Trainings.ru, 2011). Another growing trend was the use of mentoring: 63 percent of companies had developed a mentoring system and believed that the system was working well for them. Another 7 percent of companies were in the process of developing such systems (RB.ru, 2012).

A significant part of all LD efforts was conducted under the umbrella of the TM programs, especially talent pool development. According to a large-scale study by PwC-Russia (covering more than 50 percent of large Russian companies), 92 percent of respondent companies had some form of TM and 86 percent involved multiple levels of employees in TM programs (PwC, 2013). According to this study, the most commonly used talent development tools were individual development plans (30 percent of the responding Russian companies used this approach), and training programs for leaders (25 percent).

In 2010–2013, consulting company "Malakut-HR" conducted a series of annual studies called "Best LD companies in Russia." Three times (in 2010, 2011 and 2012) the top three companies, named as best in developing their leaders, were subsidiaries of foreign MNCs: Mars, Coca-Cola Hellenic and Procter & Gamble. In 2012, Malakut added to the study a goal of identifying top LD service providers and best practices in LD. The studies addressed such questions as: How important is LD for your company? Which levels of managers and employees are mostly targeted by these programs? What are the main methodological approaches and formats for LD? The 2013 study showed that for the large majority of participants (86 percent of more than 320 respondents from large Russian firms) LD was an important issue, while for 39 percent of respondents LD was a strategic priority, and only 6 percent of respondents indicated that they did not have plans for developing leaders. Most of the respondents indicated that the top two approaches to LD were coaching and classroom-based training. Between 92 and 97 percent of respondents had programs of LD for line managers, middle managers and top managers, while only 77 percent of respondents had LD programs for professional employees, and only 50 percent—for other employees. The study also found that companies for which LD was a strategic priority were offering LD to a wider spectrum of managers and employees, not just top or middle management. Thus, 100 percent of companies that indicated that they consider LD as a strategic priority had programs for top, middle and line management.

Over the last ten years, an infrastructure for professional development of LD professionals had also emerged. Thus, according to Duchnich (2012), Russian LD professionals were participating in conferences and meetings of such international associations as the International Leadership Association, and the Association of Leadership Educators. In Russia, the main professional association concerned with developing cutting-edge LD practices and methods was the Association of Russian Managers. LD pro-

fessionals could receive professional certification through the programs, offered by the Institute of Leadership and Management. In Russia there were two centers that are offering the ILM certification: in Moscow and in Chelyabinks (a major city in the Urals region of Russia; Duchnich, 2012).

In addition to earlier discussed in-house LD programs, numerous independent consulting companies offered a variety of services. Some of these services were short-term courses for managers and leaders. An example of a popular offering of this kind were short (usually day-long) courses on situational leadership, offered by independent Russian consulting companies. Participation in such courses was moderately priced, with a 7-hour online situational leadership course costing only 75 dollars per participant (Duchnich, 2012). There were numerous HR and HRD consultancies offering LD service. The 2012 list of best LD providers listed the following HRD consulting companies as the top providers of LD services: GK Institute of Training—ARB Pro (ГК Институт Тренинга—АРБ Про); Training Boutique (Тренинг-Бутик); ECOPSI Consulting (ЭКОПСИ Консалтинг); BEST T&D Group; EXECT Business Training; and the Russian branch of the Center for Creative Leadership (CCL; Grishakova & Sorokin, 2012). The LD repertoire of Russian HR consulting firms was fairly wide. For example, the website of Malakut-HR showed that the company offered succession management, diagnostics of leadership and managerial teams, diagnostics of the leadership culture in the company, evaluation and benchmarking of the leadership index, and other LD-related services (Malakut, n.d).

LD in Large Russian Companies: A Case Study of Nine Firms

In this section we discuss LD practices of nine Russian companies that are among the largest in the country and represent key sectors of the economy: oil and gas (Gazprom and Lukoil), banking (VTB and Sberbank), telecom (MTS and Vimpelcom), mining and metallurgical (Norilsk Nikel and Severstal), and transportation (Russian Railways). Of these firms, some were listed on the Fortune Global 500 list. In 2013, Gazprom was ranked as 21st among the Global 500, Lukoil 46th, and Sberbank 228th (Fortune Global 500, 2013). The discussion of LD practices of these firms in this chapter is based on extended case studies presented in our earlier published book on HRD in the Russian Federation (Ardichvili & Zavyalova, 2015).

All nine companies offered extensive internal training and development opportunities for various levels of managers, professional employees and executives. While training of the workforce was conducted predominantly in local or regional centers, management and LD was mostly conducted at centralized locations. Most of these companies were willing to spend extra money on bringing managers to the headquarters or other central locations for training, believing that such large-scale face-to-face meetings in one location were important for building organizational cultures. Face-to-face meetings were often supplemented by distance education.

Our study has uncovered an interesting feature of LD work in large Russian firms. In many cases the firms obtain special government licenses, enabling them to offer, through their CUs, management diplomas and certificates, equal in legitimacy to credentials offered by traditional universities. Most of the firms in our sample had such licensed programs. In addition, their CUs and corporate management centers were collaborating with traditional universities in offering joint degree programs. Management and LD programs were being developed in collaboration with leading Russian business schools (i.e., Skolkovo and HSE) and with top US and European universities.

As mentioned earlier, in many Russian companies CUs play the central role in delivering LD. All nine companies in our case study had created CUs, some of which were among the oldest in the country (e.g., Gazprom's CU was established in 1995). However, only four of these CUs could be classified as being full-fledged CUs: at Sberbank, Gazprom, Russian Railways, and Severstal. In the remaining five cases these organizations were more akin to traditional corporate centers, offering a limited range of programs for select groups of managers.

In four organizations (Gazprom, Severstal, Sberbank, and Russian Railways) LD was tightly integrated with the overall TM strategy of the company. At all four companies, comprehensive TM systems included strategic talent mapping and targeted recruitment, new hire orientation and onboarding, training and development for talent pool members, succession planning and retention efforts. The talent pool members, identified as promising future leaders, were provided with Individual Development Plans (IDPs) and carefully selected developmental opportunities. At three companies (Severstal, Sberbank, and Russian Railways) TM and LD systems were an integral part of larger corporate HRD strategies and were aligned with the strategy of creating the learning organization cultures.

All nine companies in our sample were using a wide range of learning and teaching methods that included traditional classroom delivery formats, online and blended formats, active learning, action research, temporary job assignments and job rotations, and field projects. All nine had well developed e-learning platforms and were offering dozens of LD courses online or in blended formats. They were using not only self-paced and instructor-led courses but also computer-based business games and simulations. In most cases these online systems were managed by the CUs and were supporting CU's coursework delivery and management strategies.

An interesting feature of LD and TM work at companies in our sample was a highly developed system of partnerships with federal and regional universities. These partnerships were part of the overall TM strategies, creating a pipeline of future leaders for the organization. Thus, companies were offering stipends, scholarships and housing subsidies to promising students targeted for inclusion in future talent pools. Moreover, they were organizing various events for university students, including job fairs, knowledge competitions and conferences. In addition, each of the case companies had programs for working with young employees, identified as future leaders. Such work was taking various forms: from providing Individual Development Plans for promising young employees, to creating and further supporting young professionals' clubs, to providing rotational and stretch assignments for young leaders.

Discussion and Implications

Our review of LD practices of Russian firms suggests that currently LD is one of the most important areas of HRD work in the majority of the large Russian firms and is increasingly popular among mid-size and even smaller firms. The repertoire of LD programs developed in-house and LD services offered by numerous LD consultancies is wide and based on contemporary approaches, including classroom and online training, coaching and mentoring, and various active learning and experiential learning approaches.

However, LD practices are not informed and supported by substantive LD research, conducted in Russian organizations, and based on indigenous models. While current LD approaches in Western countries have emerged as a result of a long process of trial and error and the evolution of management and leadership scholarship and practice, LD programs in Russia have appeared as a result of borrowing from Western practices and

have spread and were widely adopted very quickly. Overall, the level of understanding of theoretical underpinning of such programs is low both among the CEOs who commission such programs and among the ultimate customers (participants in the programs). In addition, there is a shortage of trained LD practitioners. There are no dedicated graduate programs, preparing HRD and LD specialists for industry, and only few leading academic programs in the country provide HRD-related coursework and doctoral work opportunities.

Implications for Research

As demonstrated in this chapter, first LD programs in Russia were modeled after Western practices, and even to this day advanced LD programs are often implemented by either Western consulting firms or by Russian subsidiaries of foreign MNCs (recall that according to the Malakut-HR [2012] survey, top three companies for LD in Russia were all subsidiaries of well-known US-based MNCs). At the same time, while many Russian firms seem to be mimicking foreign practices, there are also numerous examples of attempts to develop indigenous approaches to LD. Specific trajectories of development of new LD practices are shaped by an interaction of two conflicting tendencies: (a) Attempts to gain legitimacy through the imitation of world-recognized best practices and (b) desire to create indigenous practices, driven by ideological considerations, grounded in recent resurgence of nationalism and resistance to Western influences. It is important to understand how these conflicting interests and influences interact to shape the future development of LD practices in Russia. Such understanding is important for practitioners, enabling them to develop strategies for responding to these conflicting pressures while maintaining the focus on efficiency and interest of the ultimate customers at the same time. Since LD practice is influenced by global factors, national culture, industry norms, and government regulations and policies, related research would need to be based on the tenets and methodological approaches of the institutional theory and informed by its earlier applications in organizational and HRD research (Alagaraja & Li, 2015; Scott, 2014).

Another potential area of research is related to the institutional arrangements for organizing LD in Russian business firms. As mentioned earlier, at this stage CUs play a leading role in organizing and conducting LD programs in large Russian firms. However, data from the USA and other developed countries suggest that the CU trend may have run its

course and CUs as an organizational form of HRD are being replaced by other practices. In addition, in small- and medium-sized firm sector CUs never played a significant role and LD in these firms is mostly conducted by external providers. Therefore, it would be important to study various institutional forms of LD delivery and identify future trends in the evolution of such forms.

As pointed out in this chapter, LD in Russian companies is often part of TM strategies, especially in companies that have created strategically integrated HRD and TM systems. The need for strengthening both TM and LD systems is dictated by the shortage of (a) qualified managerial talent capable of functioning in global markets where intangible assets are key to competitive advantage, (b) experts on patenting and new technologies and (c) experts who possess cultural intelligence needed to work on overseas assignments (Ardichvili & Zavyalova, 2015; Latucha, 2015). Further growth of LD and TM systems is jeopardized, however, by a number of factors, including: (a) persistence of authoritarian leadership and management tendencies, (b) the culture of distrust and weariness of investing in developing leadership talent of individuals who are not part of the CEOs' loyal in-group and (c) by strengthening ideological pressures on business, brought about by the current political climate of isolationism and confrontation with the West.

One of the future research implications of the above challenges is to determine whether current Russian practices of LD, largely adopted from the West, can effectively function in the new economic, cultural and political conditions. For example, how will these new challenging conditions affect companies' ability to select the best candidates for participation in LD programs? Will LD be as valued by top management and by participants themselves in the future, given the changing political and business climate?

Furthermore, research on business ethics in Russian organizations (McCarthy & Puffer, 2008) suggests that Russian businesses are heavily dependent on personal networks and informal systems of exchanges of favors. In such conditions fear of competition from the young generation and reluctance to promote for performance may constitute a serious barrier to the implementation of LD, affecting the selection of candidates for participation in such programs. Therefore, studies aimed at identifying barriers to LD specific to Russia are needed. Such studies should take into account not only considerations of learning style preferences specific to

Russia but also institutional frameworks, political conditions and social norms.

Switching our attention to LD delivery methods, we note that in recent years the level of adoption of e-learning has increased, despite previously strong resistance due to cultural factors and technological challenges. An argument can be made that this trend toward growing adoption of e-learning is irreversible. Most young Russian professionals are highly proficient at using social media and are comfortable with technology-based learning. And as more and more Russian companies expand their operations over the huge country territory, they need to find more effective training opportunities for their geographically distributed workforce. However, the recent acceleration of the use of e-learning could also be explained by the cost-control considerations that are especially important in the current recessionary conditions (e-learning is perceived as more cost-efficient compared to face-to-face training for managerial personnel). In fact, the pervious spurt in e-learning usage can be traced to the crisis of 2008–2009, when it had become a favorite method of controlling corporate education expenses. Therefore, further research on the reasons for adopting e-learning for LD and barriers to such adoption is needed.

A parallel stream of research would be related to the adoption of experiential and field project–based LD. We noted earlier that over the past five to six years these methods started to grow in importance. Is there a solid and long-term foundation for this trend, or is this only another example of mimicry and attempts to gain legitimacy through borrowing currently popular methods from the West? And will the trend for adoption of Western methods be dampened by the resurgent isolationism?

Implications for Practitioners

As we have pointed out a number of times throughout this chapter, socio-economic conditions and political climate have a major effect on the development of LD systems. Thus, we observed that the amount of money, dedicated to LD, content of LD programs, and even preferred methodological approaches and delivery methods, were profoundly affected by two major economic crises (in 1998 and 2008). In both cases, the crises prompted both business organizations and LD providers to institute radical changes first as part of cost-control measures, and then in response to shortage of qualified managers and leaders, brought about by rapid economic expansions.

Unfortunately, at the time of writing this chapter the Russian economy was experiencing another deep recession fueled by the fall of oil prices, confrontation with the West over the events in Ukraine and Syria, and a range of other geopolitical factors. As a result, the investment in LD could decline over several years, until the economy improves. The increased ideological pressures on business management could also result in changes in the rates of adoption of foreign LD practices. While we don't have any specific data to support the above assumptions, we suggest that LD practitioners need to monitor these trends in order to develop both short-term responses to these challenges and long-term strategies for coping with such pressures. In addition, both the academicians and practitioners would need to contribute to the development of indigenous LD approaches, based on applied research in Russian business organizations.

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Leadership Development Models and Practices in India: Review of Literature

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Introduction

With increasing globalization, there is a strong evidence of the proliferation of leadership development (LD) theories and perspectives in both research and practice around the world (Day, 2001). The increasing complexity of leader and leadership development perspectives in theory and research enhances direct relevance to practice for organizations and for the managers and leaders who lead them. Burgeoning interests in leader and leadership development research in organizational practice have strongly connected scholars and practitioners (Gupta & Singh, 2015). The relevance to practice is an important driver and outcome of research on leader and leadership development. With an India-specific focus, we review both scholar and practitioner literatures and integrate key findings on this topic.

The purpose of this chapter is to review leadership and leader development literature in the national culture-specific context of India. Existing research emphasizes the application of leadership theories, models and research across national contexts and cultures. Cross-cultural researchers study transfer of leadership development theory, research and practices

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from the USA to other country contexts. Less attention is paid to indigenous scholar-practitioner publications that apply leadership development theory and research to their country-specific contexts. We address the gap by reviewing leader and leadership development literature and examine emerging leadership development practices in India. The primary purpose of this chapter is to review and identify scholar-practitioner literature on: (a) leadership development theories and models as applied to the specific context India and (b) examine emerging practices in leader and leadership development in India. We present implications for future research and practice in leader and leadership development in India.

Understanding Leadership Development

Leadership development emphasizes capacity development of the whole organization, including people, process and performance, by shaping organizational climate and culture. Leadership development has a multilevel focus that emphasizes opportunities that result from the interactive synergies between individuals and multiple layers of organizational processes, structures, differing values, norms and contexts. For instance, leadership development focuses on not only influencing followers but also strengthening social relational networks for shaping culture to enhance processes, improve people-related performance and develop the leadership capacity of the organization as a whole (Day, 2001).

According to Day, Fleenor, Atwater, Sturm, and McKee (2014), leadership development can be primarily understood as interpersonal, focusing on a process that involves multiple individuals and developing the collective capacity of the organization to adapt to external challenges. Leader development, in contrast, is focused on developing individual leaders and addresses intrapersonal factors. In addition to this traditional approach, leadership development literature emphasizes development of the structural capacity in the organization and the integration with cognitive and behavioral aspects of the organization (Morrison, 1990, 2000; Muczyk & Holt, 2008). Structural manifestations can be copied across cultural boundaries, although their effectiveness is more likely to be influenced by organizational and national contexts. Cognitive aspects are perhaps the most difficult to identify; however, these manifestations again are likely to be culture-specific. The cognitive aspects represent the extent to which there is a diffusion of shared meaning and collective representation of culture and climate. This can enhance the adaptive potential of the organiza-

tion (Lichtenstein & Plowman, 2009) as well as alignment of employees' values with those of the organization (Day et al., 2014). Behavioral manifestations of intrapersonal and interpersonal competence enhance adaptability to varying situations for individual leaders. These manifestations are probably the most open to culture-specific interpretations, which can be somewhat unique given organizational and national contexts. Scholars study the manifestation of leadership development models in research at the individual, team and organizational levels. The focus on developing individual leaders and leadership development as a whole has resulted in elevating the role of human resource development (HRD) research and practice.

Purpose and Methods

A vast majority of leadership theories and models is generated in the USA. The extant leadership literature is US-centric, which is likely to limit the application of these theories to other national and regional contexts (Jackofsky, Slocum, & McQuaid, 1988). In the HRD scholar community, there is a debate as to whether leadership competencies vary across countries as well as identifying a set of global leadership competencies to assess and develop leadership performance across cultures (Cumberland, Herd, Alagaraja, & Kerrick, 2016; Herd, Alagaraja, & Cumberland, 2016). Scholars also argue over the level and extent to which national culture influences leadership behaviors in a local or regional context (Agrawal & Rook, 2014). Therefore, it would appear that research that benefits our understanding of leadership and the extent to which leader and leadership development are impacted by national cultures can enhance the fit and transferability of leadership development practices from one cultural context to another (Morisson, 1990, 2000).

A focus on India is useful for several reasons. With a population of close to 1.3 billion, of which 40 percent are below the age of 35, developing human resources is not only critical and also fundamental for sustaining India's economic growth (CIA, 2016; Pelrecha, Spangler, & Yammarino, 2012; Rao, 2004; Rao & Varghese, 2009). In particular, a singular focus on leadership and leader development can be viewed as essential for also achieving critical social development outcomes such as reducing gender, class and caste-based inequities that are important predictors for the economic advancement of the country (Rao & Varghese, 2009).

The purpose of this chapter is to review scholar-practitioner literature on leadership development models and practices in India. We review leadership development theories and models and examine emerging leadership development trends in the literature. A search on Google scholar using the combination of keywords "leadership development, India" and "leader development, India" yielded a limited number of peer-reviewed research publications on the topic. The search was expanded to include practitioner publications. In the following sections, we first present a general review of the leadership development literature. We then review both scholarly and practitioner publications discussing emerging leadership development practices in India. From this macro-level perspective, we begin to focus on individual-level leader and leadership theories, investigating their application and identifying leadership challenges and issues. We made the decision to include leader development literature since the overall scholar-practitioner leadership development literature on India was limited. Finally, implications for leadership development research and practice are presented.

GENERAL REVIEW OF LEADERSHIP DEVELOPMENT LITERATURE

An important aspect of understanding leadership development has been the emphasis on context. At the individual level, context is important as it shapes how an employee views a leader as effective or not. This has important implications for leader development in organizations. In addition, contextual factors at the organizational level influence leader effectiveness as well as the extent to which the organization is willing to build and develop leadership capacity through effective structures (e.g., organization design, rewards, and incentives); diffusion of shared meaning, values, and beliefs (e.g., compelling mission and vision, the way things are done); and in behaviors of individuals and teams (Groves & LaRocca, 2012; Harms & Credé, 2010; Ravikumar, 2013). The larger societal context, which embeds the organization, also shapes culture and climate. This multilevel focus of leadership development research and practice is a common theme found in the extant literature. Several cross-cultural studies reveal the impact of contextual factors on leadership styles and competencies (e.g., Ardichvili & Gasparishvili, 2001; Walumbwa, Lawler, Avolio, Wang, & Shi, 2005). In terms of practice, structural- and cognitive-level

factors such as organizational design and culture affect leadership development efforts such as 360-degree feedback, coaching, mentoring, and building networks and coalitions (Reddy & Srinivasan, 2015; Singh & Krishnan, 2005).

What remains unclear is the influence of country-level and organizational-level contextual factors that facilitate or inhibit leadership development programs, practices and policies. For example, it is unclear to what extent cultural differences at the individual, team, organizational and country levels affect (positively or negatively) the organization's ability to build leadership capacity in systemic ways (Alagaraja, 2013). In organizations that operate in multiple locations in different countries, what is also unclear is the extent to which leadership development practices and programs should differ in order to address national culture-specific challenges (Gentry, Eckert, Munusamy, Stawiski, & Martin, 2013). Scholars acknowledge that there are certain aspects of leadership development programs that are universally accepted by organizations across the world. Several empirical studies identify leadership characteristics using national culture-specific frameworks (e.g., Ardichvili & Gasparishvili, 2001). For instance, these authors found two transformational leadership characteristics, individualized consideration and charisma, as a more prevalent style in four former USSR countries. We used these studies as an example to identify similar publications that situate leadership development models and practice in India.

Leadership Development Literature on India

Our article search on leadership development with a culture-specific focus on India identified scholar and practitioner publications. We draw on this literature to review the state of leadership development in India. An additional focus also addresses the gap and the lack of systematic research in addressing the culture-specific challenges of applying leadership theories from the West to India. We were able to identify a handful of scholar and practitioner publications that grappled with the issue of transferability and applicability of leadership theories from India to the West.

We acknowledge that defining national boundaries in today's global context may appear to undermine the contextual reality and complexity that managers and leaders face every day in their organizations. However, we also contend that leadership behaviors, skills and perceptions about leadership effectiveness manifest in different and unique ways that can

be generalized along national culture-specific boundaries. In terms of research, many studies provided evidence for the generalizability and cross-cultural fit and transferability of leadership scales and measures (e.g., Triandis, 2002). Few studies reported validity of existing leadership assessment instruments and the need for developing culture-specific tools measuring leader characteristics, skills, behaviors and attitudes (Palrecha, Spangler, & Yammarino, 2012; Singh & Krishnan, 2005, 2007). In the scholar and practitioner publications reviewed for this chapter, we were able to identify leaders and leadership development theories and models specific to India. Key findings from these studies are presented below.

Situating Leadership Theories and Models in the Indian Context

We found transformational leadership theory to be a commonly applied leadership theory in the leadership development literature in India. Singh and Krishnan (2005) utilized a grounded theory approach to identify country-specific attributes and describe transformational leadership characteristics of Indian leaders. In a later study (Singh & Krishnan, 2007), the authors developed, tested and validated a new scale for assessing transformational leadership to identify culture-specific attributes that were considered effective in the Indian context. They were able to identify transformational leadership characteristics that offered cultural divergence and convergence across national boundaries. They found that transformational leadership theory and its specific attributes as developed in the West had applicability in India and that this leadership theory demonstrated cultural convergence. However, in terms of fit and applicability in Indian contexts, transformational leadership attributes manifested themselves in culturally unique ways. Specific to the Indian context, Singh and Krishnan's study identified *nurturant-task* characteristics that empowered followers as an important attribute of transformational leaders. The behavioral manifestations of transformational leadership in the Indian context suggest that individual consideration—one of the key characteristics of transformational theory—manifests itself in an Indian leader's behavior as *personal touch* where the leader cares for subordinates' personal and professional well-being. In addition, nurturant-task behaviors emphasize the enduring aspects of individual leaders and were also found to be the best predictor of leaders' performance as measured by subordinate ratings of the leaders in the study.

Biswas (2009) provided additional evidence on the importance of transformational leadership as a leadership development theory in the Indian context. The empirical study involved leaders and managers from India and demonstrated the mediating role of HR in linking transformational leadership and organizational culture to employee performance.

In another study based on India, Palrecha et al. (2012) compared transformational leadership theory among 104 employees and managers in a rural organization in western India. Like the previous studies by Singh and Krishnan (2005, 2007), the individualized consideration dimension of transformational leadership was found to be important and significantly related to subordinate performance. In addition, the goal-setting and role-modeling dimensions of transformational leadership—known as the idealized influence leadership factor—were also found to be significantly related to subordinate performance. Thus, understanding the cultural contingencies of the organizational and country contexts is important when investigating leadership approaches that may be most appropriate in leadership development initiatives.

Because India has a unique mix of Western and traditional cultural influences that shape leaders' behaviors in the organization, rational aspects of organizational work as they relate to organizational design and structure can be understood as being influenced by the colonial legacy (Gupta & Singh, 2015). Thus, structural manifestations of leadership capacity building in India draw from Western concepts of organizing and designing work in terms of roles, responsibilities and reporting relationships that are primarily based on individual expertise, educational attainment, competence and personal motivation/aspirations (Singh & Krishnan, 2007). However, what remains unclear is the extent to which traditional cultural values influence the design and organization of work that adheres to espoused organizational structure and formal hierarchy in the organization. Furthermore, given the limited literature, we were unable to identify specific contributions that discussed the influence of traditional cultural values in the way work was done, how leaders' performance was assessed and how employees perceived their leaders to be effective. For instance, compared to Japanese management practices where there is sufficient evidence available in scholar-practitioner literature of how national Japanese culture influenced quality processes, similar work in India as it related to leadership or organizational development was not evident in the literature.

In further explicating transformational leadership characteristics that are unique or culturally divergent in the context of India, we offer addi-

tional perspectives that are described as follows. Leaders in India are viewed as change agents, not only in the work environment but also in society (Palrecha et al., 2012). Thus, in addition to individual-, team- and organizational-level contextual factors, leaders perceived as effectively transformational in India must emphasize transformation of the society as much as the organization. Their transformative impact does not necessarily focus only on achieving economic success for the organization but also on sustaining social transformation that can benefit both employees and society at large. Transformational leaders thus have greater influence in social and relational networks in their communities outside of their organization in India. The idea that leaders in India must grapple with paradoxes, such as the need for hierarchical reporting as well as the need for personalized relationships with followers, conforms Seki and Holt's (2012) assessment that Asians tend to be comfortable embracing leadership paradoxes.

Influence of National Culture-Specific Factors

India's sociocultural values emphasize power distance that is evidenced through a preference for formal hierarchy (Dorfman, Javidan, Hanges, Dastmalchian, & House, 2012). On the other hand, from the work of Gupta and Singh (2012) it would also appear that this power distance is offset by the need for developing personalized relationships with followers, conflict avoidance, and obligation to duty and responsibility in discharge of organizational, societal and community expectations. Given the collectivist view of the self or individual in relation to others, effective leaders in India are perceived as those leaders who view organizational work as an extension of their and others' personal life; that is, the leader–follower relationship extends beyond the work environment (Singh & Krishnan, 2005). Strong social ties, and the notion that life and work are holistic, suggest that the leader–follower relationship is viewed as an extended family. This strong relational network binds leaders and followers in both personal and professional lives. The relational network may appear to be constricting to a Western leader and it can also be perceived negatively in a US- specific context. At a broad level, if US leaders display strong relational ties, they can be perceived as ineffective for not drawing boundaries between personal and professional roles and responsibilities. The leadership development literature in India provides a culture-specific context that offers a perspective, potentially divergent from that of the

West, regarding how leaders can be perceived as effective in a national context. Effective leaders in India are viewed as having a positive influence over an employee's family and work environment. The potentially not-so-positive effects of such influence can lead to paternalism in the organizational climate, culture and ethos.

Leadership Development Research in India

Kang and Sidhu (2011) conducted a case study on leadership development practices in a major bank in India. They identified organizational best practices such as hiring leaders who were able to take deliberate and calculated risks in deploying key business strategies. The leaders were trained to deal with work-related stress and were given multiple opportunities to correct and learn from their mistakes as a way to encourage perspective building. In addition, the top management invited leaders to participate in intensive leadership programs for understanding social, political and economic global markets. Furthermore, leaders were incentivized to participate in leadership development as these programs were accounted for as part of leaders' annual performance and affected their annual merit increase and/or bonuses.

In another study, Dunnagan, Maragakis, Schneiderjohn, Turner, and Vance (2013) interviewed the HR director of General Motors in India to better understand the global imperatives of local Indian leaders. They identified three leadership development approaches: (a) institutionalizing leadership development strategies in the local offices, (b) identifying specific leadership practices unique for the local contexts as well as high-performing potential leaders and (c) facilitating mentoring relationships for these leaders. These leadership development approaches were found to be generalizable to other country contexts such as China (Hong Kong) and Singapore.

Chachra, Sahni, and Bansal (2011) identified four emerging leadership development trends in India that are relevant to this chapter. They suggested that leaders in India would have to learn and adapt focus on developing strategic skills to manage organizations, facilitating leadership development practices to support learning and innovation, and, finally, these leadership development solutions must be customized to the needs of leaders who operated in local, national and global environments.

Cappelli, Singh, Singh, and Useem (2010a) compared and contrasted the beliefs of CEOs from India and CEOs from the USA. Using qualita-

tive techniques, they identified four major role responsibilities described by CEOs in India. These leaders viewed their roles and responsibilities in the organization in the following ways. In leading organizations, these leaders sought to provide key inputs in shaping the business strategy and importantly the organizational culture. Their role primarily involved being a guide, mentor and role model for employees. Interestingly, they placed company owners' and investors' interests as fourth on the list of responsibilities. This is in contrast to US executives who were most attentive to the demands of their shareholders and the stock markets. However, what remained unclear were the organizational- and national-level economic, cultural and political contexts that reflect these country comparisons. The authors suggested that the growth in the Indian economy might encourage CEOs of leading organizations in India to personally drive strategy and culture. In contrast, the USA is experiencing slow recovery from the 2008 recession, and, therefore, CEOs operating in these contexts may experience the limitations of contexts to pursue employee-focused training and development strategies.

Nevertheless, it is clear from the review of leadership development literature that leadership is no longer the domain of an elite and select group of top management members who lead multinational corporations (Seki & Holt, 2012). In fact, local leaders in India lead organizations that can have regional and international presence in the world. In achieving global supply chain targets, local and global leaders need to demonstrate an understanding of global and local markets as much as being sensitive to cultural values and norms of the different locations in which the organizations operate. Given the paucity of leadership development literature, we include leader development research to complement the small but growing body of literature on leadership in India.

Leader Development Research in India

The GLOBE study is one of the most extensive cross-country and cross-cultural leadership research project that spans many countries of the world (House, Hanges, Javidan, Dorfman, & Gupta, 2004). In a more recent iteration of the study (GLOBE 3), Dorfman, Javidan, Hanges, Dastmalchian, and House (2012) provided evidence that regardless of country contexts, a common core of leadership skills, behaviors, knowledge and styles was identified in high-performing leaders. In addition, the authors also suggest that highly successful leaders demonstrate leader

characteristics that were consistent with the culture of the local operating environment. Mendenhall (2011) corroborated this line of thinking and identified two dimensions of competencies as important and necessary for developing global leaders in India. The first dimension categorizes global business competencies and identifies global business expertise, global organizing expertise and visioning as a set of competencies that characterize a global leader. The second dimension identifies intercultural competencies and identifies cross-cultural relationships, cognitive orientation, and traits and values to highlight the importance of effective intercultural competence as a defining characteristic of a successful global leader. Both dimensions of competencies are necessary for a leader to successfully operate in domestic and global markets.

Related to the wider span of influence and broader boundaries of Indian leaders' influence are implications pertaining to leaders' impression management activities (Mendenhall, 2011). Cappelli and colleagues (2010a) suggested that active impression management by a CEO or a leader would be a near-impossible task in India where the leader is embedded in complex, deeply entrenched social and relational networks that are extensive in terms of breadth (number of people with whom they are in contact as a result of their position in the organization as much as their status in the community) and that it would be difficult to keep up appearances 24/7. In contrast, leaders in the West working in India may find ways to cope and compartmentalize their professional and personal networks. Doing so would not harm employees' perceptions of their effectiveness as leaders in the West. Thus, culture-specific factors contextualize leadership development theories, models and practices in India (Reddy & Srinivasan, 2015; Singh & Krishnan, 2007).

LEADER DEVELOPMENT PRACTICES IN INDIAN ORGANIZATIONS

In terms of individual leader development, some scholars emphasize self-development of Indian leaders through yoga and meditation as a way to bring about self-transformation (Singh & Krishnan, 2007). Given the history and tradition in India, cultural values are internalized and, therefore, contribute significantly to personal growth.

In the leadership development literature (both specific to India and to non-Indian contexts), there is a general agreement that focusing on a leader's self-development is a cost-effective way to build leadership devel-

opment capacity in organizations (Day et al., 2014). In terms of cultural divergence, a leader in the West must primarily focus on creating positive learning environments within the organization (Marsick & Watkins, 1999). In India, this concept is extended and the leader is expected to contribute positively to their community and society as well. The effective Indian CEO is one who emphasizes societal transformation and social responsibility of their organization (Cappelli et al. 2010b). Effective leadership, therefore, would be evaluated differently when one compares a US and Indian CEO's performance. We agree with Day et al. (2014) that proxies for leadership development must involve more than just the leader's performance as measured by the usual return on investment (ROI) and 360-degree indices, given the complex ways culture contextualizes leaders' contribution to the bottom line.

The practitioner literature on leadership development practices in India identifies three key areas through which organizations build their leadership capacity: classroom (face-to-face and e-learning), on-the-job training (job rotation, international exposure, etc.), and reflective practice (through projects, feedback, etc.; Day, 2001). Typically, leadership development programs are assessed through the evaluation of executives' or leaders' career progression prior to and after the training program. Furthermore, the assessment of their career progression includes lateral, cross-functional, and upward growth of the leaders in moving their careers forward. Indian organizations in general also assess the retention rates of their leaders post training over a period of one, three, five, and sometimes even ten years upon completion of the program (Reddy & Srinivasan, 2015). In terms of individual leader development, competency-based behavioral training programs are conducted to assess gaps in their existing leadership profile and steps are developed to close the gap (Chachra et al., 2011). Leadership development programs are mostly offered to high-potential employees in organizations (Kang & Sidhu, 2011). The identification of high-potential employees is typically undertaken by human resource development (HRD) departments who support top management in building a pipeline of leadership talent for the organization (Reddy & Srinivasan, 2015).

Conclusions

In the present chapter, we put forward two perspectives of leadership development advocating for leadership capacity building at the individual and organizational levels. In terms of culture-specific factors, we contex-

tualized leadership development in terms of how it is manifested behaviorally, cognitively and structurally in the organization. In addition, we also identified leader development as an individual-level endeavor that is focused on competency development. Furthermore, we compared and contrasted leadership development theories using transformational theory highlighting leadership competencies that are universal for any leader as well as specific intercultural competencies that determine successful leadership performance at a local level. Mendenhall's (2011) description of the two dimensions of leadership competencies that are important for developing global leaders in India offers new perspectives in understanding and developing culture-specific content for leadership development programs. We examined these ideas utilizing a literature review of scholar and practitioner work on leadership development in India. We were able to report current leadership challenges that Indian or US-based leaders could potentially face if they were to be transplanted in cultures other than their own and how these transplantations can affect (positively and/or negatively) their leadership effectiveness. We offered an analysis of Indian culture-specific leadership characteristics that suggest what Indian leaders and their followers view and perceive as transformational qualities in leaders.

In general, an overview of transformational leadership theory suggests that there are certain characteristics of transformational leaders that are universally accepted across national cultures, as much as there are some leadership characteristics that are culturally endorsed in specific ways. We identified the contributions of Singh and Krishnan (2007), who developed and validated a new scale for measuring transformational leadership using a grounded theory approach. While it was not possible to identify all of the leadership theories and models that we could contrast and compare in different cultural contexts (e.g., in the USA and India), we provided summaries of findings from the literature review to elaborate on the central idea for this chapter.

According to Budhwar and Varma (2011), India faces the challenge of training its vast human resources into high-performing leaders who can transform organizations to compete in the global markets. The key to successful leadership development is developing HRD systems that can facilitate the acquisition, training and retaining of leadership talent. Given the current educational systems in the country, it would appear that private sector organizations need to take on the important role of developing leadership development programs and practices to develop new and

fresh hires as well as older employees in the organization (Chaudhuri & Alagaraja, 2014). Therefore, the imperative for developing leaders in India would encompass not only private sector organizations but also institutions of higher learning and the government sectors for simultaneously developing the workforce and leadership pipelines.

IMPLICATIONS FOR RESEARCH AND PRACTICE

Cappelli et al.'s (2010b) work highlights leadership development practices that differ between CEOs in the USA and India. Their study and assessment of CEOs suggest that national cultures contextualize leadership development and leader characteristics. As a result, leadership effectiveness criteria and perceptions appear to diverge in some ways as much as they also appear to converge across national boundaries. In terms of research, several leadership development practices such as 360-degree feedback, mentoring, networking and on-the-job training report improvements in leadership capacity in scholarly literature. Furthermore, these practices are common to organizations in India and the rest of the world. Furthermore, employees, supervisors, subordinates and stakeholders perceive the effectiveness of leaders differently. Future cross-cultural research could consider exploring the perceptions of leader effectiveness by different groups in the organization as well as the effectiveness of leadership development programs and practices identified earlier.

Research in leadership development in India also suggests both workplace well-being and family well-being as important for sustained performance. Singh and Krishnan (2007) identified knowing, being and doing as three primary ways for developing leader performance. Additional models of self-development through yoga- and mindfulness-based practices afford some comparative assessments with similar programs in the USA and around the globe. Self-development programs through yoga and meditation have created a buzz around the world. More research studying the long-term benefits of workplace well-being and its effect in building leadership capacity at the structural, cognitive and behavioral levels in the organization is warranted.

The coexistence of multiple levels of leaders' relational networks as evidenced in the Indian context suggests that 360-degree feedback appraisals of leaders may not reflect only work-related performance but may also include other feedback as they relate to a leader's performance outside of their workplace. Thus, cross-cultural comparative studies on the effec-

tiveness of these appraisal systems could offer more insights into culture-specific influences that shape and affect leader and leadership effectiveness. In addition, it is important to evaluate effectiveness as rated by different organizational groups—such as employees, supervisors or subordinates. Research has consistently supported the idea that leader effectiveness may be viewed in the eye of the beholder and that supervisors and subordinates rate a leader differently (Northouse, 2016).

In terms of practice, when designing mentoring, coaching and on-the-job-training interventions, practitioners could consider the long-term development of the leader as much as building leadership development over time. In the context of adult development theory, we identified a natural applicability for leaders in the Indian context. The process of leadership development at the individual level offers a fresh perspective for evaluating effectiveness and promoting long-term capacity development in organizations, employees and leaders. Drawing from the adult development theory, more recent leadership development approaches have begun to view a leaders' developmental process as holistic, where long-term development of the leader is assessed from an adult development lens. The life stage in which the leader finds themselves is an important but sometimes neglected aspect in leader development practices in organizations in general (Singh & Krishnan, 2007). As an extension of this theory, we suggest that Indian leadership development programs also consider adult development theory as a way to inform organizational practices. In addition, this approach also embraces the Indian cultural view that includes the personal and familial relationships with organizational or workplace ties in a better and more complete way.

Today's leadership development challenges are ill-defined, ambiguous and complex; therefore, leadership solutions need to be multilevel, process focused and longitudinal (Day, 2001). Sustaining leadership development through the engagement of leaders' life—personal, professional and societal—could offer an integrative way for identifying methods to build leadership capacity for the organization as well as for the individual leader in India.

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Leadership and Leadership Development in China

Jessica Li, Yarong Wang, and Feng Wu

INTRODUCTION

China's sprint to its position as the world's second largest economy can be credited in part to the contribution of a productive workforce (Hu & Khan, 1997; Whalley & Zhao, 2010). Having effective leaders is critical for workforce management. Effective leadership development is one of the most important corporate strategies (Marcus, 2004). Chinese organizations are in need of effective leadership development programs that can produce skilled leaders and managers in an increasingly competitive and global business environment.

The purpose of this chapter is to examine conventional Chinese leadership styles from historical and culture perspectives to provide an understanding of challenges facing Chinese leadership development. The

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chapter also captures what we believe are the key components of leadership development in China. We start with a review of Confucian-based Chinese cultural values that have influenced leadership values and behaviors. This discussion is necessary because leadership practices and leader behaviors are congruent with the core cultural values of a given society (Scarborough, 1998). The section on cultural values is followed by discussions of the influence of the Communist Party and the recent economic development on leadership and leader behaviors. Finally, leadership development in Chinese organizations is discussed on the basis of literature review. Two examples are provided to illustrate how leadership development programs are implemented in Chinese business organizations.

Traditional Values: The Inherited Gene of Conventional Chinese Leadership

Cultural values have been known to have persistent influence on leadership behaviors (Erez & Earley, 1993; Scarborough, 1998). Cultural values are often referred to as the internalized beliefs that provide guidance for people to determine what to do in a given context (Spreitzer, Perttula, & Xin, 2005). Cultural values are relatively stable (Hofstede & Perterson, 2000). While Chinese culture is extensive in scope and meaning, the parts that influence leadership behaviors can often be attributed to the traditional values of Confucianism.

Confucianism

Confucianism, as one of the most important Chinese philosophies, has been influencing the thinking of Chinese people for thousands of years. It is a complex system of moral, social, political, and religious teaching. Confucianism does not believe one can separate morality from leadership behavior (Tu, 1993); hence, a leader's behavior will reflect the morality of the leader (Zhang et al., 2012a). As a concept of leading a virtuous life and adhering to the performance of one's duty, Confucian philosophy has shaped Chinese leadership behaviors and management patterns (Ip, 2011; Lin & Ho, 2009; Warner, 2008).

Confucian concepts can be summarized as five basic virtues and five pairs of social roles. The five basic virtues are benevolence, righteousness, courtesy, wisdom, and trust. The five pairs of social roles consist of ruler and the subject, father and son, older and the younger, husband and wife,

and between friends. Different roles come with different responsibilities that compel subjects to obey their monarchs, sons to obey their fathers, and wives to obey their husbands. The monarchs must become exemplary examples for their subjects, fathers for their sons, and husbands for their wives.

Confucianism looks to normalize behavior in social relationships, including the relationships between monarchs and subjects, fathers and sons, husbands and wives, and superiors and inferiors. In essence, Confucian ideology when adopted for both life and work can be characterized as order, command, authority, discipline, obedience, benevolence, trust, and loyalty. Farh and Cheng (2000) concluded that the social relationship norms influenced by Confucian ideology have caused a paternalistic style of leadership to become the mainstream leadership style in China. Paternalistic leadership practiced in China reflects a relationship in which subordinates willingly reciprocate the care and protection of paternal authority by showing conformity. It leads to the forming of particular expectations of leaders and those being led. This Chinese expression sums it up well—*benevolent leaders and loyal subordinates (*仁慈的领导和忠诚的下属).

Benevolent and Paternalistic Leadership

Benevolent leaders take personal interest in employees' well-being not only in work settings but also in off-work settings. It is the obligation of leaders to provide protection to those under their care and in exchange for loyalty and deference (Aycan, Kanungo, & Sinha, 1999). There is no clear boundary between professional relationships and personal connections; hence, a leader may act as a father, a close friend, and get involved in employees personal lives, and vice versa. Paternalism seems to be working well for China because people often consent to power inequality between leaders and subordinates in a collectivistic and high-power distance culture (Hofstede, 2001; Pellegrini & Scandura, 2008). Paternalistic leadership style offers compliance and harmony, the two successful leadership requirements in Chinese business context (Westwood, 1997). Farh and Cheng (2000)'s paternalistic leadership model includes three dimensions: authoritarianism, benevolence, and morality. Authoritarianism is based on control and assumes unconditional obedience of subordinates. Benevolence reflects the concern about subordinates' needs and their family happiness. Morality is represented by the leader's personal virtues that gain respect from the subordinates.

Lang, Irby, and Brown (2012) proposed a Confucian leadership model that consists of leadership styles that have been developed and widely utilized in East Asian countries and societies, which include human and benevolent leadership, moral and ethical leadership, transformational leadership, professional and expert leadership, and paternalistic, bureaucratic, and authoritarian leadership. They believed that the virtue of benevolence is in the center of all Confucian virtues in pursuit of harmony and stability as the ultimate outcome. McDonald (2012) also asserted that Confucianism could be used to interpret the fundamentals of modern leadership. He has constructed the Confucian leader model as one of benevolence (aka "Junzi"; man of honor), pursuing the leadership principles of "virtue," "harmony," "mentor," "obedience," and "filial piety," while adhering to the leadership behaviors of "benevolence," "righteousness," "courtesy," "wisdom," and "trust."

Authentic Leadership

In a discussion of potential implications of the authentic leadership theory developed for Western societies, Zhang et al. (2012a) discovered that essentially all the qualities of an authentic leader—positive psychological capital, morality, self-conscience, and self-adjustment—could be found in Confucian philosophy. If Confucian virtues are practiced, how can we explain the widespread corruption in China? The only explanation is that these individuals are not practicing Confucian virtues; therefore, they cannot be considered as authentic leaders.

Zhang et al. (2012a) pointed out that, in China, leaders are not only required to possess a positive psychological capital, morality, self-conscience, and self-adjustment but also need to have the quality of self-authenticity and relational authenticity. Self-authenticity shows that the behavior of leaders conforms to their inner values and emotions; relational authenticity reflects the consistency between leaders' behaviors and the environment that they are situated within. Relational authenticity is otherwise known in the Chinese society as the behavioral principle of leaders to "act according to circumstances without compromising integrity."

Family Business Structure and Leadership

Privately owned enterprises have been the most important growth segment of Chinese economy since the economic reform. Ninety percent of

these private enterprises are family owned and have leadership structures that reflect the nature of family business—the owner is the head of the company and he/she is looking to have one or more of the children to inherit the family business. The family business leadership structure has also impacted Chinese leadership development. Sun and Huang (2012) analyzed current literature related to family business leadership successions in China and extracted six factors that affect the leadership development of the successors: father–son relationship, long-term orientation, cooperative spirit, knowledge acquisition, role consciousness, and risk awareness. Based on a review of literature, the authors (Sun & Huang, 2012) proposed a leadership development process model for family businesses. This model consists of four stages of leadership development. In stage one, the incumbent is the authoritative leader while the successor is in the process of learning. In stage two, the incumbent takes the role of the final decision-maker while the successor is acting as the assistant manager. In stage three, the incumbent works as the supervisor and the successor as the manager. Finally, in stage four, the incumbent steps down to become a counselor while the successor takes over as the leader.

Due to the nature of family businesses, the successors must demonstrate commitment to the family business before being given the position. In addition, the successors must uphold family interests when pursuing economic objectives of the firm. Decision-making is centralized, and family businesses are often subscribing to an autocratic leadership style. However, in a study of 171 Chinese managers who were part-time MBA students at a business school in Eastern China, Gao, Arnulf, and Kristoffersen (2011) found that autocratic leadership is not a highly regarded leadership style in China. Behaviors that reflect an autocratic leadership style (despotism, heroism, politicking, elite circles, lack of open communication, and inflexibility) are considered bad leadership behaviors.

Guanxi and Participatory Leadership

Guanxi, a Chinese concept of interpersonal network, is about relationships based on common background or existence of direct particularistic ties (Tsui & Farh, 1997). It is often seen as the outgrowth of Confucianism on personal relationships and responsibilities. According to conventional wisdom, guanxi is essential to complete virtually any task in China. The nature of guanxi demands the relationship to be reciprocal and obligatory; hence, one needs to do right for other in-group members. Relationships

between leaders and subordinates can be complicated by guanxi relationships. If leaders have guanxi with some of the subordinates but not with the others, this could have a negative impact on leader–follower relationship. In this case the leaders might let personal relationship influence their decisions (i.e., reward allocations) and that could result in losing trust among other subordinates (Jiang, Chen, & Shi, 2011).

As mentioned earlier, Confucianism intends to normalize social relationships into five hierarchical pairs: the ruler and the subject, the father and the son, the older and the younger, the husband and the wife, and between friends. It stipulates the relationship between leaders and subordinates as hierarchical; that is, leader is to command and subordinate is to obey. Therefore, subordinates are not often included in the decision-making process (Hofstede, 1980; Leung, 1997). One might conclude that participatory leadership style is not applicable in China. However, Chen and Tjosvold (2006) found that within established guanxi network, subordinates could participate in the decision-making process by engaging in open discussions with managers. Due to the reciprocal and obligatory nature of the guanxi network, it offers a safe environment for open debate and discussion. Some leaders invest in guanxi networks so they can solicit members for their ideas to enhance performance, gain support, and reduce employee turnover (Chen, 2006).

The Influence of Communist Ideology

The governing Communist Party has greatly influenced Chinese leadership and leadership development. Through establishing a constitution that consists of guidelines for membership, organization system for central and local governments, party discipline, party cadres, and so on, the party tries to regulate members' behavior. For example, the party publishes six behavior guidelines for party members to follow. First, party members must demonstrate exemplary behaviors in production, work, learning, and social life. Second, party members must place the party and public interests before everything else. Personal interests should be subordinated to the party and public interests. Members should be willing to endure hardships and sacrifice themselves for public interest. Third, party members must defend party unity and solidarity of the nation and members must be truthful and faithful to the party. Fourth, members are encouraged to reveal problems and issues in the workplace and to fight against corrup-

tion and negative attitudes. Fifth, party members are required to maintain a close connection and consult with the general public when problems arise and defend the legitimate interests of the general public. Lastly, the guidelines require the party members to promote party's moral codes, confront difficulty and danger, and protect the interests of the country and its people.

On the basis of the above description, a Western servant leadership concept appears to be suitable, especially for government administrative service divisions in China (Han, Kakabadse, & Kakabadse, 2010) because servant leadership puts the emphasis on and promotes the interests of the followers (Barbuto & Wheeler, 2006). Winston and Ryan (2008) contested that servant leadership's humane orientation makes it more of a global concept than a Western concept alone. As China is promoting a service-oriented government, a servant leadership style might help make much-needed improvements in the quality of public services.

In a study of servant leadership in China's public sector, Han et al. (2010) found a number of perceptions of servant leadership that are similar between China and the Western societies, such as putting people first, acting ethically with high level of self-discipline, caring for others and showing sensitivity and interest in the lives of the followers, possessing necessary conceptual skills and knowledge to be in the position to support and assist others, humility, and building relationships. They also found perceptions that are specific to the Chinese public sector: being dutiful, being devoted to the party and the state, and listening with an open mind.

In addition, under the Communist Party, collective leadership is promoted over the individual heroic leadership. Even though the party agrees that the development of leadership competencies of each individual leader is an important precondition, individual alone cannot advance the organization. Leadership development must be rooted in the context of the organization. Zheng et al. (2010) pointed out after their study of a principals' training program for public schools in China that leadership development should transition from individual to team-based leadership development. Individual leadership development (e.g., for public school principals) often focuses on individual knowledge, skills, leadership philosophy, and attitudes. Instead, leadership development programs should focus on how to lead as a team and how to form leadership network support groups.

Leadership Skills and Market Transition

The operating environment for Chinese leaders and managers became even more challenging when China initiated the economic reform in 1979. Chinese leaders and managers must adapt to the demands of global market under the party leadership while maintaining cultural traditions. Development Dimensions International (DDI) reported that during this time of market transition, a number of leadership skills that once were considered being important primarily in the Western societies were becoming critical skills for the success of leaders in China (Bernthal, Bondra, & Wang, 2006). Getting results has become one of the major dimensions of Chinese leadership, in addition to relationship management, coaching, and performance management. The DDI research also found that more than half of the Chinese leaders were inadequately prepared to lead in the new economy and were especially weak in the following critical leadership skills: motivating others, building trust, retaining talents, and leading high-performance teams. The quality of current leadership development programs was perceived as poor or fair because of a lack of clear understanding of what are the important characteristics and competencies of an effective leader in this new market economy.

To identify important skill sets of an effective leader, Yao and Yi (2006) conducted case study research in a mid-size state enterprise in Hunan, China. They found that personality traits, cognitive ability, teamwork, risk prevention, ability to manage and structure organization physical resources, and ability to manage and lead human resources are among the important skills. A dean of a major business school in China also reported saying that all Chinese leaders need to develop skills in teamwork, communications, presentations, and culture in addition to professional skills (Barton & Ye, 2013). In an effort to introduce emotional intelligence into the Chinese leadership discussion, Wang and Ma (2006) argued that an emotionally intelligent leader should be sincere, open-minded, sensitive to the needs of the employees, excellent in communications, capable of cultivating loyalty and devotion, confident, and lead by example.

In another study, Gao, Arnulf, and Kristoffersen (2011) identified what were considered to be good leadership qualities in China: virtuous leadership, transformational leadership, charismatic leadership, relationship-based leadership, decisiveness, communication skills, and attention to talent and learning. Virtuous leadership is reflected by a leader's personal integrity, self-cultivation, and selflessness. Leaders are expected to be role

models who represent good moral leadership in the Chinese context. Transformational leadership is perceived as an alternative to traditional leadership practice for its focus on intellectual stimulation. It is perceived to be a necessary approach to lead in a globalized Chinese economy. Charismatic leadership represents the expectation for leaders to energize the organization to achieve desirable goals. Relationship-based leadership is about building and utilizing guanxi in people management. The ability to manage relationships is the most prized leadership skills in China.

Leadership Skills and Globalization

Global leadership competency is another skill required of Chinese leaders in time of economic transition. It is believed that there is a short supply of Chinese talents with the necessary competencies and potentials to reach global and executive leadership positions in multinational corporations (Schmidt, Mansson, & Dolles, 2013). Liu and Zhao (2010) theorized that for Chinese business leaders to lead in global environment, they must possess the following competencies: culture adaptability, cross-cultural management, international business management, and cross-cultural networking. Ding and Zhang (2014) reasoned that entrepreneurial leadership could be the internal driving force for technology-based corporations in China. Using the core principle of entrepreneurial leadership, leaders can influence the formation of core teams, make connections and integrate with important social networks, thus providing human resources, knowledge resources, financial resources, and other social resources that are crucial for the organization.

The influence of Chinese traditional philosophies on contemporary leadership practices is apparent even though some of the Western management practices were adopted to introduce rigorous structure and regulation to improve efficiency and quality (Ma & Tsui, 2015). Attention to social network relationships is the result of Confucian influence and guanxi-oriented social culture. Zhang et al. (2012a) found that leaders might practice contorted behaviors and flexible traits to accommodate the contextual factors in Chinese business environment. The transition from a planned economy to a market economy demands different organization and leadership behaviors. Leaders must consider social network relationship in a guanxi-orientated social culture that may cause them to deviate from their values and principles.

It is considered being human for leaders to pay attention to the needs and expectations of the people they are working with, who are often part of their guanxi network. Guanxi can be beneficial as Gao (2014) suggested that organization could benefit from collective learning of the leadership team by sharing information and resources among the network group members. Adapting an action learning model might systematize this shared learning process. However, to explain and communicate guanxi and related behaviors to non-Chinese global business partners remains a challenge for Chinese leaders in global business environment.

Leadership Development in China

Leadership theories and leadership development are not well-studied areas in China; thus, Western leadership theories and development practices are very popular. Indications of this are provided by the significant expansion of MBA and executive MBA programs around the country (Gao et al., 2011). The effectiveness of these programs is sometimes questioned (Currie, 2007) because different cultural roots may cause leaders to behave differently from what is prescribed by Western models (Chen & Lee, 2008). Hence, effective leadership development programs must be able to bridge Western leadership theories and leadership practices situated in the Chinese cultural context.

Issues Related to Western-Designed Leadership Development Practices

Gao et al. (2011) found that some of the Western leadership development practices should be used with caution or adaptation. For example, the effectiveness of 360-degree feedback method is compromised by cultural values in China. Chinese managers will be reluctant to be reviewed by and provide feedback to their subordinates and peers because pointing out anything negative will likely cause the loss of face to someone. The respondents will also be likely to inflate the scores to be on the good side of the manager or to avoid any potential retaliation. Similar concerns exist for any type of multisource evaluations and personality assessments.

Lateral job rotation is another example; if the reason for such rotation is not well communicated, it can be perceived as a demotion. Schmidt et al. (2013) also found that the culture of family ties has made it difficult for Chinese managers to take on international assignments and job rota-

tions, and this could hinder the development of Chinese leaders and their ability to lead in the global market. Mentoring and coaching are common practices in China because they are linked to paternalism and guanxi. Managers are supposed to take care and look after their staff. Mentoring and coaching are ways for leaders to look after the professional development of their staff (Littrell, 2002).

The above discussion suggests that Western-designed leadership development programs may not be successful if local cultural context was not considered (Branine, 2005).

Chinese Leadership Development Strategies

Branine (2005) presented four training strategies worthy of consideration when conducting management development training in China. First is to adapt a learner-centered approach. Chinese leaders might be accustomed to a trainer-centered approach because they might want to focus on learning the content. To translate learned knowledge to daily leadership practices on the job requires the learner to complete the adaption and interpretation process. A learner-centered approach requires trainers to use a variety of training methods, including Chinese case studies and real-life projects.

Some researchers have found that for senior-level leaders, it might be necessary for organization to have a shared common set of competencies and personal traits regardless of national culture. In other words, cultural adaptation and localization of leadership development for senior leaders might not be necessary. Cultural adaptation only needs to be made at entry-level leadership development programs (Qiao, Rothwell, & Vicere, 2008; Schmidt et al., 2013). It should be pointed out that MNCs participating in the above two studies were mostly headquartered in Western societies; hence, the belief was that the Western leadership style would transcend national boundaries at the global leadership level. Moreover, MNCs tend to attract and recruit Chinese individuals who have adapted to the Western concept of leadership and who fit well with Western mindsets.

At this time when more and more Chinese MNCs are starting to operate in the global market how they adopt the Chinese culture to other societies is not yet well studied. To develop leaders who can lead Chinese MNCs to compete in the global market, cross-cultural work can be both rewarding and challenging. Doing business in another country and avoiding cross-cultural conflict is an important skill. To resolve or avoid cultural-related

conflict, Yue (2008) suggested to develop the following skills through cross-cultural training: ability to recognize cultural differences, interest in studying other cultures, and ability to develop an organizational culture that can integrate different national cultures.

As mentioned earlier, 360-degree evaluation might cause concern of potentially losing face. However, Wen (2009) recommended using it anyway. His argument is that without accurate assessment, it is difficult to develop effective individualized development plans. He believes that effective leadership development models must combine assessment, challenging assignments, and support. Assessment is the linchpin to determine what kind of challenge assignment and support are needed. Support is defined as establishing a guanxi network with other leaders for both short- and long-term support.

A joint research by the Center for Creative Leadership and China Europe International Business School (Zhang, Chandrasekar, & Wei, 2009) summarized three priority areas of leadership development in China: leading self, leading others, and leading the organization. Leading self includes developing management values, new knowledge, self-consciousness, perseverance, self-enhancement, sense of responsibility, and confidence; leading others includes communication, motivating employees, team building, humanistic management, and confidence; leading an organization includes constructing systems and regulations, adapting to and changing management methods, customer orientation, planning, strategic decision, and skills for implementation and operation. They also reported that four clusters of techniques that can be effective in leadership development activities in China are: challenging assignments, developmental relationships, adverse situations, and personal events.

Moreover, as the Chinese companies continued to expand their operation in the global markets, interest in developing more female leaders has been growing. In study on female leadership development, Chen and Zhang (2010) argued that the development of female leaders in China should consider three aspects: working environment, female psychological characteristics, and social cultural environment. From the perspective of working environment, female leaders are often left out of key informal networking opportunities. It is because of Chinese traditional culture of gender inequality and lack of other female managers to make introduction. In a relationship-oriented social culture, missing out on these opportunities to build guanxi network, female managers may miss out on opportunities for promotion, interesting assignments, and so on. From the

perspective of female psychological characteristics, women in the Chinese society are expected to be modest. That will cause the majority of female leaders not to aggressively or assertively seek job promotions and development opportunities. From the aspect of social cultural environment, gender discrimination in the labor market still exists and can strongly impact the number or proportion of female leaders in Chinese organizations. The development of female leaders in China requires active improvement and optimization of the organization environment that is conducive to female leadership development.

Examples of Leadership Development Programs

Effective leadership development consists of a strategic mix of well-designed and well-executed methods including formal workshops, courses, and seminars; coaching from managers; special projects or assignments; and job rotations targeted at skill development and necessary assessments (Boatman & Wellins, 2011). Here are two examples of leadership development programs in China.

Leadership Development in Wuxi AppTec (Assess-Systems, 2015)

Wuxi AppTec is a research-driven company based in Wuxi, China. It has 9000 employees worldwide and serves some of the world's most prominent pharmaceutical companies. The company places a high value on selection, development, leadership, and succession programs to foster effective, efficient communications across cultures and global locations. The company is faced with shortage of potential leaders for succession in three to five years, and hence, needs to accelerate leadership development.

The company's Learning Development Center initiated the effort by designing an Accelerate Leadership Development Program (The Program) that consists of multiple workshops covering leadership skills and competencies that are determined to be important for the company. Soon, the Center executives realized that The Program must be complemented with necessary assessment and coaching. Assessment tools were added that allowed self-discovery through multisource assessments and linking the results to the company's leadership competency model.

The assessment results were used in leadership discussions to help design individual development plans. Through this process, participants

gain self-awareness and are becoming motivated to engage in learning and specific behavior changes.

The above activities are coupled with a carefully designed coaching program. To ensure effective coaching, coaching workshops are offered to both managers and participants. The company has seen signs of accelerated development in many of the program participants.

Leadership Development in a US MNCs Chinese Subsidiary (Xue, 2014)

This is a Chinese subsidiary of a US-based MNC that offers technology consulting and services to its clients. The Chinese subsidiary was established about 30 years ago. It currently has 2600 employees in China. The company's culture is result-oriented and performance-driven and it emphasizes the alignment between leadership competencies and positions. Following is an outline of the key components of this company's leadership development program.

First, an annual assessment is conducted to identity high-potential and promotable employees. High-potential employees are those who demonstrate potential capability, learning agility, mobility, aspiration, and ambition. Promotable employees must demonstrate outstanding performance and leadership competencies.

Second, a competency model is developed to align competencies with descriptions matching leadership levels of the organization. The competency model is also used to define essential and critical skills, provide a common language for assessment, and offer guidelines for development.

Third, programs such as coaching, internally designed leadership development training programs, external MBA and EMBA programs, and cross-function and regional rotation opportunities were utilized to design appropriate individualized development plans for each high-potential and promotable employee.

Fourth, through a collaborative effort between business leaders, human resources, and employees, the individualized development plans are matched between organization's strategic business objectives and individual development needs and career aspirations

Fifth, strategies to retain these talents are established, such as meeting employee needs, whether they are continuous development opportunities, work–life balance, or proper pay for proper work. In addition to

this, emphasis was given to creating a brand image that is inspirational for skilled employees.

Summary

In the midst of market transition, Chinese leadership development is facing the challenge of integrating the influence of Confucianism, Communist Party ideology, and market economy. Leadership skills that were previously considered Western are now important for Chinese leaders. The virtue of the leader is of utmost importance among leadership qualities in China; it demands the leader to be benevolent, righteous, courteous, wise, and trustworthy. The influence of guanxi must be understood for leadership development to be effective because without guanxi it is hard for any leader to be effective in China's relationship-oriented social culture. In addition, the influence of the Communist Party persists in both public and private sectors. Because it is the only party in power, understanding how it might impact leadership development in China is important. Contradicting with the party leadership will result in conflict because the party leadership is manifested in all government and utility sectors, in addition to thousands of state-owned enterprises.

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Leadership Development in South Africa

Robert M. Yawson

INTRODUCTION

Contemporary formal leadership development in Africa owes most of its origins to Western management theories and practices (Kiggundu, 1991). There have been discussions about the negative impact of this Western heritage on leadership development, and several scholars have argued against the blanket implementation of universalistic models of leadership development (Blunt & Jones, 1997; Bolden & Kirk, 2008; Kiggundu, 1991). An alternate school of thought proposes universality in the theory and practice of leadership development in a globalized world (Bass, 1997; Den Hartog, House, Hanges, Ruiz-Quintanilla, & Dorfman, 1999). There are also the proponents of Afrocentric leadership development who argue that Africa's effort to engineer authentic leadership development will continue to be unsuccessful until endogenous leadership systems are established and institutionalized (Nkomo, 2011). As with many other aspects of leadership studies, the issue of leadership development and its impact remains highly contentious especially if discussed within the context of non-Western cultures.

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It is important that we understand the differences between leader and leadership development as we proceed with this chapter. Whereas leader development is about developing individuals in leadership roles, leadership development takes a systems approach—a more relational view of leadership as a process involving everyone within the organization or community (Bolden, 2005; Day, 2000). "'Leader development' is an investment in human capital to enhance intrapersonal competence for selected individuals, whereas 'leadership development' is an investment in social capital to develop interpersonal networks and cooperation within organizations and other social systems" (Bolden, 2005, p. 12). Although both leader and leadership development are equally important, most formal programs in practice and academic discussions are focused on leader development. In this chapter, my focus is on both and subsequently my use of leadership development is about both unless I specifically delineate.

It is also important that we make the distinction between leadership development and management development and make it explicit that discussion in this chapter is strictly on leadership development. There are parallel and overlapping literature sources on the two areas especially if it comes to scholarship on African leadership and African management theories that emanate from South Africa, but there are several key differences. As it is the case of leadership and management with different but interrelated concepts, approaches to their respective development have distinctive emphases (Day & Harrison, 2007). Management development principally embraces managerial education and training with more weight placed on the acquisition of particular types of knowledge, skills and abilities to improve task performance in management roles (Day, 2000). Management development is for the improvement of one's ability to apply proven solutions to known problems, which gives it mainly a training orientation, whereas leadership development expands the collective capacity of organizational or community members to engage effectively in leadership roles and processes (Day, 2000). Day (2000) and Heifetz, Grashow, and Linsky (2009) have described leadership roles as those that come with and without formal authority, whereas management development focuses on performance in formal managerial roles. "Leadership processes are those that generally enable groups of people to work together in meaningful ways, whereas management processes are considered to be position- and organization-specific" (Day, 2000, p. 582). Leadership development involves building the capacity of groups of people to be able to address adaptive challenges (Heifetz et al., 2009) or wicked problems (Yawson,

2015). That is, developing people to be able to learn their way out of complex problems and adaptive challenges that could not be predicted or that arise from the disintegration of traditional organizational structures and the associated loss of sense-making (Day, 2000).

Background and Context

The Republic of South Africa spans an area of approximately 1.2 million square kilometers with a total population of approximately 55.5 million as of December 31, 2015, with 79.2 percent black, 8.9 percent colored (people of mixed race), 2.5 percent Indian/Asian and 8.9 percent white. It is located at the southern tip of the African continent. South Africa has a dual economy: One part is modern and relatively well developed while the other is very underdeveloped with an entrenched poverty crisis and a distinct relationship between underdevelopment, poverty and race (Naidoo & Xollie, 2011). The historical reason is apartheid (1949–1994) where the interests of the white minority were promoted in all sectors of South African society, to the detriment of the other race groups (Naidoo & Xollie, 2011).

The unique, multicultural demographic composition of the South African population presents numerous pressing contemporary leadership challenges. "Traditionally, South African business leaders were required to lead Eurocentric, autocratic and hierarchical conglomerates that were based on Western value systems; but in the post-apartheid era they find themselves leading a multicultural workforce that is more collectivist and less competitive" (Shrivastava, Selvarajah, Meyer, & Dorasamy, 2014, p. 49). One of the key challenges to leadership development in South Africa is to manage the intricacies of multiculturalism and, at the same time, the dynamics of change. Cultural groups may vary in their conceptions of the most important characteristics of effective leadership (Den Hartog et al., 1999). Therefore, different leadership archetypes would be expected to occur naturally in societies that have differing cultural characteristics. This in itself has a bearing on leadership development approaches in different communities. Thus, anti-proponents of blanket implementation of universalistic models of leadership development are more inclined to base their arguments on these aspects of cross-cultural studies of leadership. In discussing leadership development in emerging markets, the proponents of universality in the theory and practice of leadership development in a globalized world cannot also be discounted, since the dominant theories

of leadership can be applied universally even in the discussion which is culturally based. Viewed from a level of abstraction, there are aspects of leadership that appear to be universal across cultures, and it is the practice that needs to be modified to suit the context (Dickson, Castaño, Magomaeva, & Den Hartog, 2012).

In this chapter, I made no attempt to situate the discussion in any of these schools of thought, as it would have been restrictive and created a bounded outlook. I, therefore, took a holistic view of leadership that is not situated in any particular philosophical orientation to provide a non-aligned perspective in looking at leadership development in South Africa.

LEADERSHIP IN THE SOUTH AFRICAN CONTEXT

It is over two decades now since South Africa became a democracy and committed to the principle of universal suffrage. This has resulted in changes in social identity, societal norms and power shifts (Booysen, 2007). There are also significant changes occurring in the workplace, and at the societal level identity crises and conflicts are increasingly finding their way into the workplace (Booysen, 2007). Before 1994, power at all levels of society was in the hands of white males, as the dominant group who exerted political, economic and social power (Booysen, 2001). Despite the changes that have taken place and the majority of the South African population being black, white males are still overrepresented in management and leadership while females as a group, particularly black women, are underrepresented. This imbalance has resulted in the dominance of the Eurocentric or Western style of leadership practices in many organizations in South Africa. However, there is a growing number of black managers and leaders who are also displaying an Afrocentric approach to leadership (Booysen, 2001). This is the duality of South African leadership in which leadership development is situated. This polarization of Afrocentrism and Eurocentrism permeates every sphere of South African life at present (Schutte, 2000). Frequently, it has been argued "that the Eurocentric leadership style is more consistent with the directive leadership approach while Afrocentric leadership overlaps between participative and servant leadership approaches" (Feldman & Msibi, 2014, p. 4).

Some researchers have used philosophical constructs of different global paradigms to categorize the underlying leadership values that exist around the globe into four broad, clear geo-socio-cultural identities. Northern (European) construct values rationality and scientific thinking, "I think,

therefore, I exist" or rather "I am because I think I am" (April & Peters, 2010, p. 3). Western (North American) philosophy can be described as more individualistic and self-serving and expressed by the phrase "I am because I, the individual hero, dream and do" (April & Peters, 2010, p. 3). Eastern ("Kaizen" and "Confucian") philosophy, on the other hand, is more collectivist with a focus on continuous improvement to attain perfection: "I am because I improve" (April & Peters, 2010, p. 3). Southern (Latin America and Africa) is also inherently collectivist in nature: "I am because we are." This has recently been articulated by several African scholars who describe the African leadership philosophy, which is encapsulated in the concept of Ubuntu (April & Epharaim, 2006; April & Peters, 2010; Booysen, 2001; Mbigi, 1994; Van Der Colff, 2003). "I am because we are; I can only be a person through others" (April & Peters, 2010, p. 3).

Undeniably these categorizations are overly simplistic, with substantial areas of overlap. Yet they highlight the significant challenges of defining leadership and creating or even describing leadership development in a multicultural country like South Africa.

EUROCENTRISM

The Northern (European) construct of leadership and the Western (North American) philosophies are collectively referred to as the Eurocentric approach. Thus, any reference to Eurocentrism or the "West" in this chapter refers to these two constructs. The South African business and social environment are made up of a cross-section of local, national and international for-profit and nonprofit organizations with the predominantly Eurocentric type of leadership principles. It has been argued that South African organizations lack informed prescriptions on developing local leaders with the extant prescriptions indiscriminately premised on generic approaches from the West (Luthans, Wyk, & Walumbwa, 2004; Shrivastava et al., 2014).

When I refer to "Eurocentric Leadership Approach" or "Western Leadership Philosophy" in this chapter, I am conscious of the fact that such generalizations obscure substantial differences and complexity—the idea of a homogeneous Eurocentrism is clearly as unsafe as the idea of a monolithic theory of leadership. I am also cognizant of the fact that in the general field of organizational studies, leadership is one of the most highly researched areas with a majority of leadership research being US-centric.

Having made these caveats, it is important to note that the dominance of the Eurocentric type of leadership practices creates a serious challenge for most organizations in South Africa because the cultural archetypes of people are not addressed in leadership development in most of these organizations (Feldman & Msibi, 2014). It has been theorized that this may have contributed to less "than optimal solutions on South African leadership development challenges as South Africans forgo their value propositions and structure of society" (Feldman & Msibi, 2014, p. 4). The challenge in South African organizations is to balance the two leadership practices.

Afrocentrism

Afrocentrism, which in Southern Africa, and in South Africa particularly, is aptly termed "African Management and Leadership," saw an emergence of its enhanced discourse in the turbulent times of the late 1980s and early 1990s (Van Den Heuvel, 2008). Evoking on the one hand feelings of fear about the changes that were about to occur and on the other hand a great deal of optimism about bright future prospects, this body of literature on Afrocentrism has arisen in response to Africa's relegation to the margins of leadership and management research as well as practice (Nkomo, 2011). Currently, a couple of South African firms strongly identify with Afrocentric approaches and make efforts to implement their principles. However, with the current predominance and overrepresentation of whites in leadership, when black managers are promoted to leadership positions, they operate in the same Eurocentric leadership environment. Thus, they tend to practice the Eurocentric style of leadership, which causes a conflict with the workforce on lower levels that is predominantly black (Feldman & Msibi, 2014). It is, however, important to point out that Afrocentric leadership must not be seen to be practiced only by black leaders, or African leaders.

Qualitative research on the evolution of Afrocentrism has shown that the promotion of Afrocentric viewpoints has the potential of encouraging processes of reflection and identity formation among citizens of an organization in various ways (Van Den Heuvel, 2008). Afrocentrism is not a radical "take-over" of existing Eurocentric leadership styles by some exclusivist Africanist model. It is a pursuit of integration and recognition, resulting in an appreciation of "other" views and different value orientations in respect to organizational effectiveness and performance improvement through leadership development (Van Den Heuvel, 2008).

As Geldenhuys and Veldsman (2011) have stated, "Afrocentric leadership must rather be viewed as a contrasting leadership mode (or a different approach or paradigm) to Western Leadership. Put differently; Afrocentric leadership must be seen as a proxy for a different mode of leadership" (p. 9). It is also a fact that Afrocentrism is an inherent part of the various cultures of Africa and, as such, persons brought up in these cultures are naturally acculturated into Afrocentric leadership (Geldenhuys & Veldsman, 2011). Fundamental to Afrocentric leadership is the concept of Ubuntu, a cultural worldview that captures the essence of what it means to be human (Malunga, 2006).

Ubuntu

Ubuntu is a philosophical thought system and a doctrine of African culture that informs a leadership approach emphasizing teamwork, attention to relationships, mutual respect and empathy between leader and followers, and participative decision-making (Nkomo, 2011). It incorporates East and Southern African indigenous worldviews as well as Western management concepts. It has been particularly valorized in South Africa, and it is often associated with the saying: *Umuntu ungumuntu ngabantu*, which means, "A person becomes human through other people." While it may mean different things to different people, the literature suggests a degree of convergence around Ubuntu-related values (Shrivastava et al., 2014).

Despite the fact that Ubuntu necessitates that individuals work for the collective good, it is a different conception from the more popular collectivism construct as espoused by Hofstede and other Western scholars. The difference is that with Ubuntu, individuals are not expected to merge wholly their identity with the collective (Booysen, 2001). "In a true community, the individual does not pursue the common good instead of his or her own good, but rather pursues his or her own good through pursuing the common good" (Lutz, 2009, p. 314). Afrocentric leadership as encapsulated in the concept of Ubuntu is therefore not only teamwork and inclusive participation down to grassroots level. It is also the necessity of team members to sacrifice their personal gain not only for the value of the group but also for the common good of the wider community (Geldenhuys & Veldsman, 2011). Any discussion of leadership development will, therefore, be incomplete without the discussion of Ubuntu.

Ubuntu as a leadership concept like all philosophical conceptualizations has not been spared its criticisms. It is important that a fair assessment

of Afrocentric leadership discourse should include critical aspects. The major critique has been on the use of stereotypes, selfish motives and the commodification of Ubuntu by its proponents (Van Den Heuvel, 2008). Mangaliso (2001) warned against the use of flawed superstitions and some customary practices in support of Ubuntu that could be oppressive and sexist or stifle individual aspirations. Another major critique is that the concept of Ubuntu is not situated in empirical research. However, leadership scholarship around the globe, especially in the United States in the past two decades has lent a lot of credence to the concept of Ubuntu. The history of the past 50 years of leadership development has been the telling of the story of the individual. It has its foundations in the discussions about "what" made a good leader and the evolution into the development of practices that helped a generation of individuals move closer to that ideal where at the workplace the ability of the heroic individuals to solve problems are sought after and rewarded (Petrie, 2011). The complexity of the twenty-first century workplace has not been suitable for any one person to know the solution or even define the problem (Yawson, 2015). Instead, challenges of the twenty-first-century organizations call for collaboration among various stakeholders who each holds a different aspect of the reality, and many of whom must themselves adapt and grow if the problem is to be solved (Petrie, 2011). This concept of the collectives is the same concepts and principles Ubuntu encapsulates and thus makes Afrocentrism a universal concept.

Examples of Firms Using Ubuntu Leadership Development Concepts

South African Airways (SAA) is an example of how Ubuntu has been incorporated into leadership development activities of hitherto a company led from a Eurocentric perspective. In implementing its leadership development programs in 1994, SAA introduced what it described 'the Ubuntu service philosophy,' which is the integration of Ubuntu principles into their values of customer care, corporate citizenship, employee care, personal integrity and teamwork (McFarlin, Coster, & Mogale-Pretorius, 1999). It is believed that the current success the airline enjoys is a direct result of this leadership development approach which has increased feelings of shared responsibility and community. Other companies that have invested in the Ubuntu leadership development strategies include Eskom (a public enterprise that provides sustainable electricity solutions), MTN

(a multinational GSM cellular network operator), CIDA City Campus (also called the 'Ubuntu University'), Eastern Highlands Tea Estates, and First National Bank, among others.

Examples and Approaches to Leadership Development in South Africa

The quintessential description of leadership development is that it involves developing people to guide the organization, create a long-term vision, develop strategy, staff the organization, communicate, and motivate people toward the vision, and it is targeted across levels. Petrie (2011) of the Center for Creative Leadership® categorized these levels as individuals, teams, organizations, communities, and fields of policy and practice. As I have discussed so far, leadership development in post-apartheid South Africa, like the rest of the world in the postmodern era, is situated in a dynamic, changing, unpredictable and complex environment. Leadership development in South Africa is also confronted with that which needs to be preserved from the South African perspective in a dualistic environment of Afrocentric and Eurocentric leadership.

Globally, effective leadership is generally accepted as the key to organizational success, and leadership development has become critical more than ever before (Hernez-Broome & Hughes, 2004). Developing individual leaders is no longer the particular concentration of leadership development, although it remains a critical aspect. As an emerging economy, and also the echoes of its contemporary history, South Africa is faced with the challenge of cultivating and establishing a leadership culture, a form of corporate DNA, in which the current and future generations of leaders can optimize their potential (Cotter, 2015).

Leadership development in South Africa is also partly driven by legislation. South African companies and organizations are required by the Skills Development Act to use the workplace as an active learning environment and to provide employees with the opportunities to acquire new leadership skills (Republic of South Africa Legislature, 1998). Leadership development has therefore become very prominent on the training agenda of South African companies. There are several settings for leadership development in South Africa. Significantly there are two main approaches: leadership development programs conducted within organizations, and formal leadership development programs based in academic institutions.

Leadership Development Programs Conducted Within Organizations

The South African business climate is dotted with a cross-section of industries, including local, national, multinational and international companies. Historically, leadership development practices and principles adopted in the workplace have been predominantly Eurocentric or Anglo-Saxon (April & Epharaim, 2006). The changing face of the South African workplace (from an ethnic, gender and generational point of view) as well as the changing nature of work—growth and change in the country—have created myriad new opportunities for leadership development. However, leadership development in South Africa cannot be treated separately from the overall human capital development situation in the country.

South Africa's education system is ranked near the bottom in global comparisons—it ranks 138th out of 144 countries in math and science education (Moolman & Breidenthal, 2013). The retention rate at the secondary level is very low despite high levels of enrollment, and only a few students graduate from tertiary institutions. Students who obtain degrees do not necessarily have the leadership training required by South African businesses and needed in the public service. "When companies are able to find and hire the right talent, these sought-after individuals tend to leave either the company or South Africa, a trend reflected in high rates of job switching and emigration by those with tertiary education" (Moolman & Breidenthal, 2013, p. 1). This creates a tremendous challenge for businesses with regard to leadership development in addition to all the other problems and challenges, previously discussed, facing leadership development in South African companies. There are, however, examples of organizations leading the efforts in developing efficient and effective South African workforce through leadership development. In this chapter, I discuss one example as an illustration.

Eskom Holdings SOC Limited

Eskom is a publicly owned electricity utility company and the world's eleventh-largest power utility in terms of generating capacity. It has over 46,500 employees (Eskom Holdings SOC Limited, 2016). It was established in 1923 as the Electricity Supply Commission (ESCOM) by the government of South Africa. Eskom's contribution to the South African economy is huge as it supplies electricity to millions of customers, spanning

many industries and residential homes. "In order to ensure Eskom provides sustainable electricity solutions to grow the economy and improve the quality of life of people in South Africa and in the region, it is critical to become a world-class power utility" (de Klerk, 2013b, p. 1). Leadership development is part of the core strategy of Eskom to achieve this espoused mission. Consequently, the Eskom Leadership Development Strategy was prioritized in 2010 and the Eskom Leadership Institute (ELI) was formed in 2011 to drive its implementation. Eskom believes that the leadership development strategy is a "key enabler to realize Eskom's aim of shifting performance and growing sustainability to become a Top Five global performing utility" (de Klerk, 2013b, p. 2).

Eskom, as part of its overall leadership development strategy, has been undertaking bold initiatives to institutionalize Afrocentrism. Eskom sees Afrocentric leadership and Ubuntu as a social identity, creating an African corporate identity in South Africa without characterizing it in any form or shape as "black victimhood" (Van Den Heuvel, 2008). Black victimhood is a new orthodoxy for blacks, particularly those doing pretty well, to provide pessimistic assessments of black progress and to deny that anything has changed for the better for political and socioeconomic gains (Wortham, 1994). The underpinning Ubuntu philosophy of the leadership development strategy is focused on assisting leaders first to get to their underlying beliefs, attitudes and values (mindset) that perpetuate ineffective behavior, before moving toward the leadership domains of others, the organization and the world (de Klerk, 2013a). Eskom's leadership development strategy is also not devoid of Eurocentric leadership development principle of "a strong corporate identity." With the assistance of IBM South Africa, Eskom reinforces its global corporate identity. Thus, Eskom combines in its leadership development strategy the Afrocentric values of Ubuntu with the Eurocentric leadership principle of a strong corporate identity.

Leadership Development Programs Based in Academic Institutions

There are several formal leadership development programs at several South African universities with the curricula modeled just like those at the Western universities with minimal local content. South Africa was segregated along race and ethnic lines in the days of apartheid that created world-class institutions for the white communities. "People of color con-

tended with minimum, inferior, under-resourced higher education institutions that were purposefully placed geographically from the main city centers" (April & April, 2007, p. 214). The University of Cape Town (UCT) was one of only two white universities that defiantly enrolled a handful of people of color. White institutions prepared white students for leadership roles in the top echelons of society and corporate South Africa. Apartheid undoubtedly stifled the incentive to understand the African worker and affected the kind of curricula content that existed in most of the universities and had continued up to the present (April & April, 2007).

This situation has affected leadership development programs that are entirely Eurocentric, creating a significant disconnect between leadership development in the universities and the requirements of the corporate and public service sectors of the South African society. The University of Cape Town and few other universities have, however, moved above the fray and introduced leadership development programs that are not solely modeled on Western curricula, but with local content and principles of Afrocentrism. The leadership development program at the Graduate School of Business, University of Cape Town, particularly, which they prefer to call "leadership enhancement," can be a model for the rest of South African higher education institutions. At the Graduate School of Business, the University of Cape Town, the traditional leadership development curriculum have been adapted and redesigned. This was guided by a new learning design, growth-stages methodology, a multipronged plan for moving management and leadership students through the growth stages of personal to intrapersonal and ultimately to interpersonal leadership by using ideas from systems thinking, scenario planning, coaching and mentoring, and organizational learning (April & April, 2007). These Eurocentric constructs are complemented by African knowledge, through the infusion of Afrocentric concepts like Ubuntu and use of African cases.

LEADERSHIP DEVELOPMENT IN THE SOUTH AFRICAN PUBLIC SERVICE

Leadership in the South African public service remains a daunting challenge. The South African government attributes this situation to a lack of capacity and appropriate leadership skills and also as a result of the adoption of ineffective and inappropriate leadership development approaches

(Naidoo & Xollie, 2011). As with all other sectors, the previous leadership approaches adopted by the public service is purely based on Eurocentric principles. This is also evident in leadership development initiatives, whereby the public service currently follows the dominant Eurocentric approach. The public service has come under heavy criticism in recent times from the lack of appropriate leadership development programs, the duplication of leadership development programs across departments, poor quality, and ad hoc crisis training.

The Department of Public Service and Administration rolled out a Leadership Development Management Strategic Framework in 2007 in which policies and performance mandates for public service leadership are defined. This framework highlights the importance of leadership development to ensure that the objectives of the developmental state are achieved. Public servants are trained to demonstrate leadership competence using some core leadership competencies (Republic of South Africa, 2002). The major critique of the leadership development in the public sector has been the lack of Afrocentric leadership principles. It has, therefore, been advocated by various scholars and opinion leaders that leadership development in the South African public service should be inclusive and should inculcate Afrocentric leadership principles, as a result of an increase in the diversity in the managerial and leadership ranks of the public service (Naidoo & Xollie, 2011).

Concluding Thoughts and Recommendations

It is my conclusion and recommendation that further extensive research to identify and appreciate the underlying processes, nuances, dynamics and interactions that inform both leadership and leadership development within organizations and communities in South Africa needs to be conducted. This research should move beyond just generating generic descriptions of what is being done, to a greater understanding of how effective is the hybrid approach of using both Eurocentric and Afrocentric Leadership principles in generating the expected outcomes of leadership development.

Most leadership development programs in South Africa currently follow the dominant Eurocentric approaches to the discipline and practice. However, there have been several concerted efforts to change the face of leadership development to an approach which is more suited to South

Africa. The rise of Afrocentrism is gradually changing how leadership development is approached.

Leadership development in South Africa is handled in different ways in universities, corporations and the public sector. However, many of the new programs stress the need to move beyond the generic approach to one that is both mission and customer driven with a hybrid of Eurocentric and Afrocentric principles (McFarlin et al., 1999). There is also an emergent commitment to developing collaborations between academia, industry and the public sector for effective leadership development. In this context, theory-based academic courses on leadership development strategies in the universities are complemented with more applied and customized courses that emphasize coaching, mentoring, relationship-building and problem-solving strategies.

As shown in Fig. 6.1, leadership development in South Africa can be seen from three broad contexts. The first is the political/legal context where the new political era demands South African companies and organizations under the Skills Development Act to use the workplace as an active learning environment and to provide employees with the opportunities to acquire new leadership skills (Republic of South Africa Legislature, 1998). There are also concerted efforts to see a more sociocultural and racial diversity in organizations and communities taking cognizance of the contemporary history of South Africa and the multicultural environment.
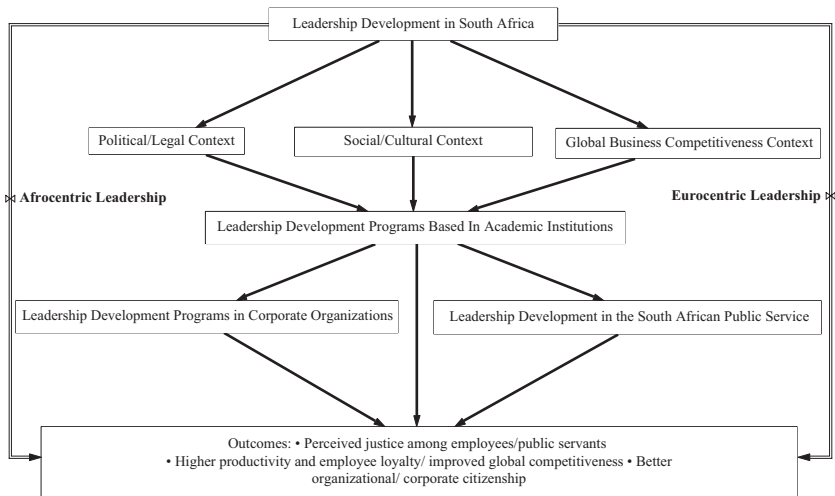
Fig. 6.1   Conceptual overview of leadership development in South Africa

Finally, leadership development in South Africa is also situated in the global context, where South Africa is part of the global village, and its businesses and universities must develop leaders capable of leading to make South Africa competitive. It, therefore, behooves on academic institutions in South Africa to develop leaders from these contexts, and that should inform leadership development in both corporate South Africa and the South African Public Service. This whole framework of leadership development needs to move beyond the generic approach to one that is situated in a hybrid of Eurocentric and Afrocentric principles, to lead to the desired outcomes of justice among corporate employees and public servants, higher productivity and employee loyalty, improved global competitiveness, and better organizational and corporate citizenship.

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Asia

Developing Leadership Capacity in Indonesian Higher Education

K. Peter Kuchinke

INTRODUCTION

Capacity building is a term commonly used in the development literature and refers to a set of interventions intended to strengthen overall system performance and goal attainment. It aims to set in place policies, structures, and processes that enhance current functioning and enable future growth in areas such as education, health, safety, and environmental protection (Century, 1999). This chapter is focused on such an initiative in Indonesia, with the specific goal of strengthening leadership and management capacity for current and future senior higher education (HE) leaders in academic units and in administration, such as heads of department, deans, and rectors. With its focus on systems development at the national, regional, and institutional levels of analysis, the project described in this chapter complements the widely adopted individual perspective of leadership development. Conger and Benjamin (2007), for example, describe four such approaches—classroom training, socialization, action learning,

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and strategic initiatives. Important as these individual development processes are, this chapter focuses on attempts to establish a country-level infrastructure for developing university leaders and thus improving the functioning and quality of the HE sector in Indonesia.

Leaders at all levels of an organizational hierarchy act within specific macro- and micro-level contexts. Leading takes place in specific cultural settings that shape the type of leader behavior and action deemed possible, appropriate, and effective. Leader development, thus, needs to account for cultural constraints and opportunities, including cognitive, normative, and regulatory dimensions (Kostova, 1997). It also needs to be responsive to detailed understandings of contextual variables, and these have been shown to differ quite substantially by era, country, culture, sector, and industry (e.g., Grint, 1997).

The following discussion will provide an overview of the role of HE for economic and social development in general and in the Indonesian context in particular. This is followed by a summary of recent reforms in Indonesian HE and country-specific challenges to modernize the sector. Next, the chapter will address efforts to strengthen HE leadership and management through a particular set of initiatives that target multiple institutional layers. The case material is based on the author's involvement as subject matter expert in the five-year Higher Education Leadership and Management (HELM) project, funded by the United States Agency for International Development and started in 2011. The concluding section will discuss implications for research and practice for strengthening leadership capacity in HE in Indonesia and other emerging economies. General information on the country and its public education system, important as these are here, are kept to a minimum due to space limitations; they are readily available in reports by the United Nations (World Population Review, 2015), World Bank (2014), World Education News & Reviews (2014), and many others.

Economic and Social Roles of Higher Education

In an early analysis on the evolution and role of HE in a cross-national perspective, sociologist Burton Clark noted the maturation of such systems as independent and indispensable sectors of modern societies. The university presents the "social structure for the control of advanced knowledge and technique" (Clark, 1983, p. 11), and its core processes are the discovery, conservation, refinement, transmission, and application of such knowl-

edge and technique. The growth of the sector is a response to the dramatic increase in scientific knowledge in academic fields and the commensurate growth of specialization and fragmentation of academic disciplines. In addition, the burgeoning of the sector corresponds to vastly expanded levels of specialization of expert labor and the increase of degree and credentialing requirements in many skilled and semiskilled occupational areas (Friedson, 1988).

HE is viewed as a primary means to increase the stock of human capital at a time where "the current world economy is going to be increasingly dominated by knowledge-based industries over the coming decades" (Armstrong & Chapman, 2011, p. 1). HE operates differently in mature and emerging economies, in the former focusing on product and process innovation and scientific breakthrough, and in the latter on building a human capital base and skill infrastructure sufficient for transitioning from low value to knowledge-intensive modes of economic activity. In countries around the world, the past 30 years have seen explosive growth in HE (Armstrong & Chapman, 2011). As a result of high birthrates, near-universal participation in primary and secondary education, and the perceived career and life advantages associated with university degrees, demand has increased manifold. As detailed in a recent United Nations report (Institute for Statistics, 2014), HE systems in middle-income countries across Asia have "expanded out" by building new universities, hiring faculty, and encouraging the growth of private universities. At the same time, these systems have "expanded up" by increasing the number of graduate programs in professional fields to prepare future faculty, researchers, and advanced-level practitioners.

The growth of the sector has been accompanied by increasing size and complexity of its institutions and by commensurate challenges for their governance in areas such as administrative efficiency, transparency, and accountability. Dissatisfaction with the current level of performance of colleges and universities in countries around the world is ubiquitous and has led to demands for reform and transformation (e.g., Van Zanten, Ball, & Darchy-Koechlin, 2015). In light of an equally ubiquitous resource scarcity in the public sector, HE institutions have also become competitive, and this creates governance and leadership challenges that easily mirror those of large commercial organizations. In addition, demand for experienced and capable leaders far outpaces supply due to retirements, internal transfers, poaching, and expansion of organizational systems and structures (Charan, Drotter, & Noel, 2012). Failure rates among newly

appointed leaders tend to be high. Two of every five chief executive officers in business and industry fail during the first 18 months in office, creating a host of organizational, economic, social, and personal difficulties and hardships (Ciampa, 2005). HE research points to a very similar situation in university leadership (American Council for Education, 2013), and this lends particular urgency for the focus on HE leadership described in this chapter.

INDONESIAN HIGHER EDUCATION

Commensurate with the size and population of Indonesia, its education system is large and diverse (World Bank, 2014). Following China and India, it has Asia's third largest education system and, behind the USA, the fourth largest in the world. At the time of independence from the Netherlands in 1945, the country of 70 million had an illiteracy rate of 95 percent, and only five universities and 92 high schools (United States-Indonesia Society, 2012). In 2011, with a population of 252 million, the adult illiteracy rate had dropped to 7 percent and the education system grown to 250,000 public schools (United Nations Educational, Cultural, and Scientific Organization, 2016). Despite the 2003 Law on National Education emphasizing the right to education for all citizens, and despite the high literacy rate reported in national statistics, primary school enrollment in poor districts is below 60 percent, and senior secondary school enrollment is below 45 percent of a given age group. Compared to other ASEAN countries, school enrollment and graduation rates are low, and the country trails in the areas of early childhood education and HE. HE is positioned as a central piece in the country's development strategy, and multiple rounds of national policy directives have been issued with the aim of strengthening the sector, increasing access, and improving the link between labor market demands and university curricula (see a recent comprehensive report by the OECD/Asian Development Bank, 2015).

According to the most recent census by the Directorate of General Higher Education (Iskandar, 2011; Jakarta Post, 2015), the Indonesian system is comprised of 4251 institutions serving 5.1 million students. There are some 400 private and 60 public universities, the latter serving a proportionally far greater number of students (average public enrollment: 12,122; average private enrollment: 957). Admission to public universities is competitive: over 450,000 students taking the standard national entrance examination compete for 75,000 available seats, for an accep-

tance rate of 17 percent. Private colleges and universities serve to fill the gap with their own form of testing and often for students from lower socioeconomic backgrounds (Manshur, 2009). While gross enrollment rates of 19–23-year-olds is 26 percent, a graduation rate of only 13 percent creates a situation where less than 5 percent of the workforce hold a university degree. Compared to its neighboring countries, such as Singapore, Malaysia, and Thailand, educational attainment lags behind, and particularly so outside of the more developed islands of Java and Sumatra.

A host of factors are driving the need for reform, including increasing demand, geographical and social disparity in access and quality, low quality compared to neighboring economies, and a strong labor market demand for advanced skill and knowledge. Critique of the system is reflected in frequent articles and commentaries, with typical headlines such as "warning of talent shortage as Indonesia's education system fails nation" (Jakarta Globe, 2014), and "Indonesia seeks higher education strategy to fill its needs gap" (Inside Higher Ed, 2013). As a result, a host of reform efforts have been promoted over the past decades focusing on raising the qualifications of academic staff, developing adequate facilities, improving relevance and rigor of the curriculum, and implementing quality control system for accountability, efficiency, and standardization of qualifications (Sulistiyono, 2007). The Higher Education Reform Act of 2012 (Republic of Indonesia, 2012) served as the basis for the HELM project with the goal of helping the Indonesian Directorate General of Higher Education (DIKTI) implement the reform across four main areas: general administration and leadership, quality assurance, collaboration with external stakeholders, and financial management.

A highly visible part of the structural reform agenda of the past decade has been the designation of a small number of public institutions as autonomous universities that are now free from government regulation and operate under market principles and financial accountability mandates (Susanti, 2011; Wicaksono & Friawan, 2011).

In a country that has been described as "one of the most dynamic in the world in the sense that the government endeavor to implement higher education reform" (Sulistiyono, 2007, p. 1), the leadership challenges are vast, and so is the need for leadership development in this turbulent and yet socially, politically, and economically essential sector. In the following pages, a large-scale project to strengthen leadership and management capacity in HE will be described.

Strengthening Higher Education Leadership

The case described here illustrates the need for a multilayered approach and also the difficulties and opportunities for large-scale system change. The HELM project was launched in November 2011 under the umbrella of the US government's country development strategy (United States Agency for International Development, 2015a and 2015b) and reflects the agency's commitment to capacity building in developing countries, and South East Asia in particular. A consortium of three public universities in the USA was created, each with strong academic programs in HE and expertise in development projects in Asia. Viewed as the funding agency's flagship HE program in Indonesia, the overarching purpose was to support the Department of Education's Directorate General for Higher Education (DIKTI) to implement reforms, strengthen leadership and management of HE institutions, and lend expertise and project management for special initiatives and innovation.

At the outset of the project, academic programs to prepare faculty, researchers, and administrators to manage the country's HE system operated at a very rudimentary level and in isolation. There were HE specializations in related areas, such as school administration, but none offered graduate degrees in university administration. Given the reform agenda outlined in the 2012 Higher Education Act with its special provision of granting full autonomy to a select number of public universities to accelerate change. While the degree of autonomy was subsequently curtailed, increased measures of decision authority are now granted, and this formed the opportunity for external technical assistance provided through the HELM project. A three-pronged approach was formulated to develop research capacity in the planning stages: to establish HE leadership as a field of academic research and practice throughout the country, to develop teaching capacity in HE leadership among faculty and students, and to improve leadership behaviors and university governance through professional development and training. The three goals were viewed as interdependent, with the first the most ambitious, the second and third were considered achievable within a shorter timeframe but essential for the formation of the field.

Establishing the Field

Academic fields form when a community of scholars establishes a formal organizational structure to represent its interests as a collective, that is,

beyond the level of the individual program, department, or university. They are "reputational work organizations [that] exist when a substantial number of major universities designate positions for its members, grant tenure to its members, seek peer tenure evaluations from its members, and allow its members to supervise graduate students" (Hambrick & Chen, 2008, p. 34.) Academic fields convey legitimacy to their members, often sparking program development and identifying hiring needs at individual universities aligned with the particular area of interest or commitment. Strong academic fields hold power to establish curriculum standards, graduation requirements, staff qualifications, and permission to practice. Weak fields often lose out in allocation decisions for faculty hires and resources, and this can lead to the demise or closure of academic programs (e.g., in adult education; Milton et al., 2003).

HE is a well-established field in most postindustrial economies, with its own professional associations, research journals, conferences, professional networks, and ranking of academic programs. Graduates of such programs routinely advance to leadership roles in HE institutions. Programs of research inform and advance understanding of the unique characteristics and challenges of these institutions, assess their performance along various dimensions of interest, and serve to articulate what may be considered good practice in administration. Besides teaching and research, academic programs provide professional development for incumbent leaders and contribute to practice through outreach or service projects. While administrative leaders of professional schools such as law, medicine, business, and engineering typically emerge from the faculty ranks of their specific disciplines, the role of the field of HE is well established and serves important roles in leadership development at the institutional, regional, national, and international levels. For example, the Committee on Institutional Cooperation, a network of land-grant universities in the Midwestern United States, offers leadership training, support, and networking for aspiring mid-level and senior administrators, independent of disciplinary background in the member universities.

In the USA and Canada, the field of HE and many of its academic programs were established in the 1960s—a time of rapid expansion of the sector. In Indonesia and in other emerging countries, however, it is in its infancy. A small number of Indonesian public universities offer course work in HE administration, taught by faculty members who have attended Australian, US-American, Canadian, and European universities. There was agreement that the establishment of a visible, vibrant, and well-respected field in Indonesia would be a cornerstone for strengthening HE

leadership. This need was seen as particularly urgent since, until the current reforms, leadership positions were political appointments, little if any developmental pathways existed within universities, and reports of corruption and mismanagement in HE were frequent headlines in the national press.

The theoretical framework by Hambrick and Chen (2008) formed the theoretical framework and offered guidance for the various strategic decisions and operational steps to strengthen HE leadership and management research and teaching in Indonesia. The framework posits three interdependent conditions for academic fields to grow and prosper: differentiation, resource mobilization, and legitimacy building. First, new fields need to differentiate themselves clearly from already existing fields and must demonstrate their distinctive role in addressing important phenomena that present fields are unable or unwilling to tackle. Second, they need to mobilize political support, create an administrative infrastructure, form networks based on shared interest, and demonstrate fiscal and resource viability. Finally, they need to build legitimacy by showing impact and results and thus establish relevance in the eye of the wider public. The path from a new movement to a fully established academic field takes concerted effort and resources, and new fields can grow, stagnate, or wither away over time.

In our case, the public endorsement by DIKTI for developing the field of HE within Indonesian universities provided high levels of legitimacy as well as resources for the undertaking. The HELM project issued a public call for proposals to establish or formalize specialized masters and doctoral-level degree programs in HE leadership and management was issued by DIKTI to all public research-intensive universities in 2012. Four universities were selected based on their overall reputation, the expressed commitment to establish and maintain such programs, and strength of their faculty and resource infrastructures. With technical assistance and project management provided by the HELM project, the responsibilities of the four universities were twofold: to establish their own academic infrastructure for graduate programs in HE leadership and management, and to take the lead in establishing HE leadership as a formal academic field country-wide. With much energy spent on the first role, several steps have been taken toward the second, and these include the convening of a research conference, the commitment to sponsor a research journal, the publication of a set of teaching case studies, and the lead role of network faculty in a DIKTI-sponsored retreat for public university presidents and

rectors. Further steps include the creation of a research network between Indonesian and US-based faculty for joint research focused on comparative or single-country HE issues and challenges, and plans to strengthen the participation of Indonesian faculty as presenters and authors in international HE conferences and research journals.

In our case, the need to differentiate the new field from existing ones and argue for its unique role required comparatively little effort. First, there was no academic field or, for that matter, professional association that claimed authority over or showed much interest in HE administration. Second, there were only minor boundary struggles within the four universities, and these related to the risk of resource drain from existing programs when the new one would become established. Two of the four network universities, the Indonesia University of Education (Universitas Pendikan Indonesia) and Padang State University (Universitas Negeri Padang), were former teacher education colleges that had become comprehensive universities and maintained a strong commitment to education research and teaching. Here, the task was to set HE leadership research and teaching apart from the existing programs in secondary or primary school administration. The third university, Bogor Agricultural University (Institue Pertanian Bogor), had a strong emphasis in business administration, and here the task was to identify the unique challenges of university leadership as compared to business management. In the fourth university, University of Gadjah Mada (Universitas Gadjah Mada), the new academic program was a joint effort between psychology, engineering, and management, with core faculty from each discipline addressing unique aspects of HE leadership, such as leadership styles, facility design and maintenance, and accountability systems.

The new programs were viewed as opportunities to grow the respective universities without threatening existing programs or departments. In light of the political and financial support provided by DIKTI and the desire to take advantage of the increasing autonomy provided by the HE reforms, university and department leaders embraced the opportunity to develop this new field and create these new programs. Each of the four universities made use of its particular research and faculty profile and developed unique program signatures, providing diversity of approaches to framing salient issues in HE administration and leadership.

Academic fields take time to emerge, solidify, and become established, and their full development can span decades during which sustained energy, resources, and commitment are required. The political will on the

part of the Indonesian government has carried over from the previous administration to the present one, and there is a clear consensus among government leaders and department officials that improved leadership capacity was a central requirement for growth and reform of the system. This, in turn, was recognized an essential factor in economic development and transition to a knowledge-based economy, alongside regulatory reform, infrastructure development, reducing corruption, and environmental protection.

Developing Teaching Capacity

In contrast to the long tradition of high-quality research and teaching in established programs and departments in developed countries, Indonesian universities in general and the four institutions selected for this project in particular had very few programs of research or articulated curricula in HE administration. Most often, HE content was covered in modules in general administration or leadership courses. There existed no Indonesian-authored textbooks or other teaching materials, and instructors had to rely on textbooks and academic journals published elsewhere that were perceived as lacking relevance. HE research represented a very small part of Indonesian education or management journals, often self-published by the institutions, and there were no professional conferences focused directly on the topic. In order to create viable masters and doctoral programs, the four universities were tasked with developing degree requirements and curricula specifically focused on Indonesian HE and submit these for review and approval. Taking advantage of the increased autonomy, the universities accomplished this individually by extending or revising existing general education administration courses, creating new ones, and networking with each other to supplement and strengthen the curriculum offerings. Interestingly, after long and often contentious discussion, the group decided to avoid a common set of core courses or subject matter coverage and instead focused on developing curricula in line with the academic and intellectual focus and resources on hand at the individual institutions. This resulted in unique program signatures where, for example, the two former teacher colleges place strong emphasis on the social and philosophical foundations of HE, whereas another university has built the curriculum around its business administration program with focus on accountability systems, operations research, and human resource management. The fourth university created a curriculum highlighting the

engineering aspects relevant to university facility development and maintenance, such as ensuring backup supply of electricity in case of power outages and continuous Internet access. This approach allows for strong grounding of the new curriculum in the existing intellectual culture of each institution and is based on the notion of equifinality of leadership preparation, the idea that multiple pathways can be recognized as valid and effective in achieving a single goal. It also opens up the opportunity to share resources across universities, for example, through joint teaching, guest lectures, visiting teaching stints, and course sharing. At the same time, this approach carries the liability of dilution of identity of just what is meant by leadership in HE, and what its essential set of knowledge, skill, attitudes, and competencies is. Furthermore, it will make eventual program accreditation and evaluation based on a standard set of course contents more difficult as the number of programs expand.

A focus of the funded project was the development of Indonesia-specific teaching materials, and this was a priority by government officials, university leaders, faculty, and students. While translated texts and online access to international journals were available, the sole reliance of teaching resources from abroad was seen as an impediment to growing the field. Besides the plan to launch an Indonesian journal of HE research, lead faculty members at the four universities were given support for in-depth field-based case study research at an institution of their choice to investigate critical issues in HE leadership. This initiative resulted in eight written teaching case studies (HELM, *in press*) that form the basis of an authentic curriculum. The case studies provided important insights and network opportunities for the instructors, who only rarely got the opportunity to spend research-focused time at other institutions. It also introduced case teaching (e.g., Ellet, 2007) to faculty and students as a novel learner-focused and problem-based approach that has attracted much attention and interest.

Researchers were asked to focus their case research on what was perceived to be the most important challenges to leadership and management of their site universities and to do so through extended on-site research. The resulting reports provide current and comprehensive accounts of leadership challenges at specific institutions for teaching purposes, and they provide evidence of the unique challenges in the Indonesian context that make the development of indigenous teaching materials and research accounts all the more pressing. All eight cases provided testimony to the difficulties and opportunities inherent in the transition from a centrally

governed to a highly decentralized and autonomous system of HE in Indonesia. In one study, the transition difficulties were described in terms of the need for culture change from an entitlement to a performance-based system. In another, the focus was the search for an equitable and fair selection system of the new rector, a position that hitherto had been a political appointment. Two studies addressed the need for the site universities to develop and articulate their competitive advantage given the newly increased competition and student choice among universities. The new government standards for planning, budgeting, and accountability reporting were the subject of two other case studies. The most colorful case, perhaps, involved the site university's attempt to restrict access to its grounds in light of the time-honored tradition of the surrounding community to graze large numbers of cattle on the verdant university lawns.

Professional Development and Training Initiatives

Besides the efforts to develop, implement, and evaluate new curricula, teaching materials, and pedagogical approaches, the capacity building activity focused on structures and systems for continuing professional development and knowledge transfer. These include contributions to high-level events, such as the annual rectors' conference convened by the Ministry of Education where faculty and researchers from the four universities will be asked to demonstrate the role of their institutions as centers of excellence in HE leadership research and practice. Another set of recommendations centers on upgrading the knowledge and skill base of current faculty through webinars, stipends for attendance at international HE conferences, networking with colleagues at other institutions in Indonesia and abroad, and establishing mentoring relationships between junior and senior faculty within the country and on an international level. The annual research conference on Indonesian HE, organized by each of the four universities in turn, presents another important means of professional development and training open to the wider academic and professional community.

Among these and a number of other initiatives, two should be described in some detail as promising. The first is knowledge and practice transfer for online teaching and learning. Given the geographic size and spread of the country and the limitations inherent in the highly uneven geographic distribution of universities, online education is seen as an important feature in meeting the growing demand for HE. Yet the technical, pedagogical,

and curricular infrastructures for effective online learning are, at present, poorly developed. As a result, each of the four universities is currently creating online modules for HE leadership and management, is including online education as a core topic in the curriculum, and has partnered with scholars abroad to conduct research on the topic. Faculty leaders received support for an extended visit to research universities in the USA viewed as leaders in online education in order to understand the necessary policies, processes, and structures; discuss the range of alternative options; and plan for transfer of technology to their home institutions. Ongoing technical support in the form of webinars, in-person visits by subject matter experts, and access to information resources at US universities are intended to speed up the spread and quality of this important form of HE.

A final feature of the development of leadership capacity among HE researchers involves the recruitment, education, and qualification of future faculty and instructors. This is a central feature of vibrant academic fields and a particular challenge for emerging economies and for young areas of study. Due to the small number of openings in this new field, current enrollment in HE courses is modest and demand for the newly created degree programs small. Most students applying to HE degree programs are already working in university administration and seek the degree to advance in their current careers. A smaller number plans to join consulting firms, and fewer students still count on or prepare for a faculty or researcher role upon graduation. As part of the project, funding for up to 12 students has been approved by DIKTI for the full length of doctoral study in HE at selected US public universities, and this group will contribute to the next generation of scholars in their home institutions, where they have been promised teaching roles upon return. Given the time to degree for international doctoral students, and the fact that Indonesian HE is certainly not a central focus of US academic departments, even this approach poses limitations and involves a long time to come to fruition.

Conclusion

Higher education plays a critical role in modern knowledge economies and developing countries alike, and its role for economic, social, political, and individual well-being is well understood. Given the dynamic nature of the sector, the leadership of HE institutions is an important area of research and teaching, and so is the preparation of the next generation of leaders. While the relationship between academic training and profes-

sional performance is subject to debate and contention (e.g., in management; Mintzberg, 2004), a robust academic field of HE leadership and management and vibrant university departments are central goals in most transitioning and emerging economies. In contrast to the for-profit sector, however, leadership development in HE has received comparatively little research attention. Moreover, the dominant approach of leadership research in organizational behavior and industrial psychology aims at the individual level, and this leaves the development of structures and systems for leadership an underexplored area of research and application.

This chapter described a capacity building project and provided contextual information and analysis of a case involving four prominent public research universities that had been charged by the national government to serve as the incubators for the development of HE as an academic field, and as pioneers in masters and doctoral-level degree programs. This effort had been supported over a period of five years by US faculty and researchers providing technical assistance to the USAID HELM project. While there has been significant progress, a host of challenges remain, and these indicate opportunities for research and practice relevant to the Indonesia case and other emerging economies intent on strengthening HE and its leadership.

As the four case universities develop curriculum for graduate programs in the context of their institutional cultures, they are faced with the question over the country-specific nature of HE administration. Program leaders rejected a wholesale transfer of theories and approaches from abroad and recognized the need for a curriculum and pedagogical approaches that reflected and were responsive to the Indonesian situation. Where existing theories and approaches are used, they need to be contextualized and situated, and modified, rejected, or accepted. But new, country-specific approaches are also envisioned, and this creates the opportunity to articulate an Indonesian approach to HE leadership theory and practice. As Indonesia-specific teaching cases, research studies, and best practice reports become available in published form, the international and comparative HE research community has the opportunity to broaden its understanding and enrich its resource base for teaching and knowledge development.

A related challenge relates to the role of the US-educated cadre of HE doctoral graduates who are envisioned to innovate and lead upon return to their home institutions. Since international HE and particularly issues in emerging economies are certainly not the mainstay of US graduate programs, these students, too, will have to navigate a difficult transition process that involves reintegration and repatriation after a multiyear stay abroad

on curricular, professional, academic, and personal levels. Moreover, as of late 2015, only three candidates for government-supported doctoral study have been approved, while others failed to meet the admission criteria for international students in the USA.

Finally, the relationship between academic training and leadership performance, a perennial issue in professional schools (see Van de Ven, 2007), needs to be addressed anew in the context of preparing Indonesian HE leaders through academic programs and envisioning new ways of preparing scholar practitioners.

A third implication of this case report relates to the nature of capacity building initiatives. While the development of a leadership curriculum within a single organization will present substantial challenges, the formation of a country-level structure operates at a higher level and requires a multifaceted and long-term approach. Much work remains to be done to adequately describe, predict, and provide guidance for projects of this nature, since both the theory base and applied understanding are underdeveloped.

Finally, there is a need to reflect on the role of the funding agency in providing technical assistance and project management. There is a clear understanding in the organizational development literature of the mandate to transfer expertise and to phase out the support role provided by the consultant (e.g., McLean, 2005). Sponsored development projects, however, often follow funding cycles rather than development logics, and the end of funding can also be the end of the initiative as priorities shift and resources cease. In our case, the support from the government agency and the personal and institutional commitment at the university levels are encouraging signs, but it will take perseverance, energy, and resources to stay the course. Here, again, applied research on this specific case and theory development on the role of external agency and experts in capacity building projects are needed. The present case provides rich information that can inform similar projects and advance the important agenda of developing leadership in emerging economies.

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Organizational Leadership Development in Malaysia: Current Practices, Challenges and Future Potentials

Victoria Jonathan and Hana Hamidi

Introduction

As a developing country, Malaysia depends not only on foreign investment, good infrastructure and technology but also on the talent and leadership abilities of its future leaders (Boatman, Wellins, & Wong, 2011). Leadership has long been identified as a key determinant of successful organizational performance. Effective leadership development programs, practices and systems provide for these capable leaders. Previous studies have demonstrated links between leadership development and performance (Amagoh, 2009; Bandura, 2006). Therefore, it is important for organizations to consider developing leadership capabilities to ensure effective leadership practices and organizational performance. In the Malaysian context, the importance of leadership is reflected in the government's support for human capital development and developing capable leaders through investment in leadership development initiatives.

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This importance also resonates in the academic literature where there has been increase in the number of studies related to leadership styles and approaches (i.e., Gharibvand, Mazumder, Mohiuddin, & Su, 2013; Lo, Ramayah, Min, & Songan, 2010) and leadership development (i.e., Abdul Wahat, Krauss & Othman, 2013; Konting, 2012) in various sectors.

This chapter presents some of the leadership development practices, challenges and potentials in the public and private sectors in Malaysia. The chapter is divided into four major sections. The first section discusses an overview of organizational leadership in Malaysia to set the stage for understanding leadership behavior and preferences in the Malaysian workplace. The second section describes current leadership development practices, programs and systems in the public and private sectors, including a brief description of a national leadership development initiative. In the third section we look at some challenges to leadership development. The final section identifies implications for research and practice for sustainable leadership development in the country. Our aim in this chapter is not to present a comprehensive review of organizational leadership development literature in Malaysia. Instead, we provide an overview of some of the initiatives intended to develop an understanding of the Malaysian workplace perspective and to give us insight into what we need to know further about leadership development in the Malaysian context.

Overview of Organizational Leadership in Malaysia

Scholars have not come to a consensus on a distinctive style that may be referred to as the Malaysian leadership style (Ahmad, 2001; Lo et al., 2010). Since the country is ethnically and culturally diverse, the leadership styles in the workplace are a reflection of these varied cultural and ethnic values of the Malaysian society (Ahmad, 2001; Kennedy & Mansor, 2000). Studies pertaining to leadership at the workplace in Malaysia have shown two distinct features: the role of culture in leadership and the variations of leadership styles based on different ethnicities.

In general, the Malaysian culture may be summed up as collectivist; hence, there is strong affinity for group affiliation and maintaining relationships (Hofstede, 1980). Early studies on leadership styles in Malaysia have described it as being traditionally top-down (Lim, 2001), hierarchical (Abdullah, 1994; Ansari, Ahmad, & Aafaqi, 2004; Kennedy, 2002) and emphasizing harmonious relationships (Abdullah, 1994; Kennedy, 2002). Leaders in the Malaysian workplace context are expected to be

sensitive to the multiculturalism of its workforce (Selvarajah & Meyer, 2008); genuinely care for their employees' well-being (Gharibvand et al., 2013); and be generous, modest, compassionate, self-effacing, patient (Kennedy, 2002, p. 20) and paternalistic (Ahmad, 2001; Hegardt Ullberg & Kundla, 2014; Jogulu, 2010). Paternalistic leadership style is defined as "behaving like a caring parent who understands his subordinates' needs and concerns" while maintaining authority and respect (Ahmad, 2001, p. 83). Despite its paternalistic style, sensitive and tactful communication should be considered. For example, feedback is welcomed as long as it is delivered in ways that preserve self-respect and is sensitive to the feelings of others.

Malaysia is predominantly populated by three ethnic groups (Malays, Chinese and Indians). Studies comparing the major ethnic groups' leadership behaviors indicated similarities as well as differences in leadership styles and preferences, due to distinct cultural and religious heritage of each group. The Malay and Indian managers are suggested to prefer a participative style of leadership while Chinese managers tend to have a delegating style (Saufi et al., 2002). In another study, Selvarajah and Meyer (2008) contended that Malaysian managers maintained a distinctive leadership behavior along their ethnic lines. Malay and Indian leaders placed higher emphasis on aspects of personal qualities (morality, religion, trust and communication), compared to Chinese leaders. This inclination may be linked to values, traditions and religious influence from the Islam and Hindu beliefs (Selvarajah & Meyer, 2008). In terms of managerial behavior, Chinese leaders felt more strongly on delegation, and management through persuasion and management education (Selvarajah & Meyer, 2008), therefore delineating their Confucian values and heritage (Taormina & Selvarajah, 2005).

Recent studies, however, found that leaders need to establish a more active employee participation in the workplace to ensure workers remain more interested, motivated and satisfied (Gharibvand et al., 2013; Abdull Rahman, 2012). Contemporary perspectives on leadership have also been studied in the Malaysian context. Scholars observed transactional leadership relates to better commitment to change compared to transformational leadership in public higher education settings (Lo, Ramayah, De Run, & Ling, 2009) while in multinational and local company settings, the results indicated that transformational leadership is preferred (Lo et al., 2010).

However, a leadership quality survey by Boatman et al. (2011) indicated that leaders and human resource (HR) professionals in Malaysia

rated their leadership quality more negatively compared to others around the world. The authors attributed this to Malaysia's developing status and the probability of leadership promotion based on tenure and technical skills as opposed to leadership readiness. The study also identified three critical skills Malaysian leaders should acquire in the future: (a) coaching and developing others, (b) driving and managing changes and (c) identifying and developing future talent. The study further revealed that although these three skills are deemed important, only about half of Malaysian leaders claimed to be proficient in these skills. This suggests the importance of a concentrated effort on leadership development in Malaysian organizations, focusing on critical skills that a leader should possess.

CURRENT LEADERSHIP DEVELOPMENT PRACTICES, PROGRAMS AND SYSTEMS

Human resource development (HRD) is an integrated national effort in Malaysia. There is a strong emphasis on developing human capabilities emphasized in the Tenth Malaysia Plan (2011–2015) (Economic Planning Unit, 2010) and subsequent Government Transformation Program (GTP) (2011) and Economic Transformation Program (ETP) (2013) in order to achieve Vision 2020 and a high-income economy. These plans call for, among other things, a new approach for economic resiliency and a major structural transformation in the government, such as transforming the government into a competitive corporation. Since human capital is key to materializing this vision, it is vital to explore the development of leadership talent that will support the implementation and success of these programs.

Like other developing countries, Malaysia has experienced varying levels of progress and many challenges in developing leadership skills of its citizens. Historically, the nation was built on income from agricultural activities. As the country began to develop and leaders of the country shifted Malaysia's economic focus to becoming an industrialized country, major changes to the country's leadership development efforts emerged.

National Leadership Development Initiative

Talent Corporation Malaysia Berhad (TalentCorp). It is vital to consider the role of TalentCorp when discussing leadership development in Malaysia. TalentCorp (2015) was established in 2011 under the Prime

Minister's Department, with the goal to address the issues of skills shortage and to meet Malaysia's talent needs. In line with the country's economic transformation plans, TalentCorp collaborates closely with both government agencies and private sector by planning initiatives to (a) enhance graduate employability; (b) optimize the capability of Malaysian professionals through investment in their training and development; (c) engage Malaysians abroad in the effort to bring them back to the country, to counter the negative effects of the brain drain phenomena; and (d) facilitate the acquisition and retention of top foreign talent in Malaysia. These are done by raising awareness of professional opportunities in Malaysia, through the provision of platforms for employers to engage both students and professionals. An example of a program organized by TalentCorp is the Returning Expert Program, which is created to facilitate the return of successful Malaysians to the country where their skills and experiences can be utilized.

Leadership Development in the Public Sector

One of the earliest efforts in developing leaders in Malaysia could be seen in the teaching profession. Bajunid (2008) described the role of the teaching profession in producing intellectual leaders who fought for freedom in the early days and now provide for intellectual leadership in the current society. The various leadership development programs in the teaching profession have supported the notion that "teaching has remained the center of national development" (Bajunid, 2008, p. 12). Similar to practices in other countries, the teachers in Malaysia too largely undergo teaching preparations at teacher's colleges and universities. In the past, teachers did not receive much leadership training before becoming school leaders or administrators. Until the late 1980s, the need for development training was fulfilled through the provision of short in-service courses, administered by central or local administrative bodies (Bajunid, 1999; Levine, 2005). To further develop the education sector, teachers were sent abroad to gain more knowledge in various fields and aspects of education. Those who returned from their studies abroad served in various positions in the Ministry of Education, where their knowledge was used to develop the country's education administration, policy and curriculum.

However, leadership development in the teaching profession is not without its challenges. To move teaching professionals out of their comfort zone and to motivate them to play bigger roles in leadership, "a strategic

mind shift is required" (Bajunid, 2008, p. 219). The notion that national development is strategically linked to leadership development of those in the teaching profession has prompted the Malaysian government to focus on the development of human capital and devise an agenda to raise the prestige and status of the teaching profession (Bajunid, 2008, p. 220). This led to the creation of the Educational Development Plan (Malaysia, 2006) to accomplish this mission, in concurrence with the establishment of the Ninth Malaysia Plan (Malaysia, 2004).

The National Institute of Public Administration (Institut Tadbiran Awam Negara). In Malaysia, the National Institute of Public Administration (INTAN) is responsible for the training of civil service professionals in management and administration (INTAN, 2015). INTAN was first established in September 1959, under the name Staff Training Center. Due to increasing demand for training programs within the civil service, INTAN has grown and currently has six branches located all over the country. INTAN's vision and mission are aligned with the government's national agenda, which include fulfilling the GTP, ETP as well as implementing the Eleventh Malaysia Plan through the development of a competent public sector workforce. In line with these major national agendas, the Public Service Department was mandated to lead the transformation of the public service. Each civil service worker is viewed as an important stakeholder in the implementation of these changes. Hence, a wide range of leadership development courses were developed to achieve the transformation.

Training programs. INTAN provides a number of different training programs. A number of its signature leadership courses are shown in Table 8.1.

Leadership Development in the Private Sector

The private sector activity is the key driver of economic growth in Malaysia (Bank Negara Malaysia, 2015). Establishments in the private sector consist of large firms, small and medium enterprises, and multinational companies. Some of the industries in the private sectors include manufacturing, construction, service and agriculture. In 2014, manufacturing and construction industries contributed to 23 percent and 4.3 percent share of GDP, respectively. The services industry includes banking and finance sector, communication, transportation, health, tourism and retail. The services industry's share of GDP in 2014 was 53.4 percent (Bank Negara Malaysia & Department of Statistics Malaysia, 2015). Since the

private sector is a major player in the country's economic development, it is crucial to ensure a high level of knowledge, skills and attitude of its human resources.

In general, companies in the private sector find that they need to groom their own talent to meet their organizational needs. The larger companies or multinational companies normally have their own human resource development, talent management or organization development departments. Additionally, they develop structured organizational efforts for training, upgrading and equipping their talents. Here we describe two different companies' approach to human resource development, focusing on leadership development.

Leadership Development in the Aviation Service Industry

AirAsia is a Malaysian low-cost carrier that has won numerous awards, including the Skytrax's World's Best Low-Cost Airlines from 2009 to 2015 consecutively. The company recognizes the importance of developing its employees and this is reflected in the various development programs offered, including the joint establishment of the Asian Aviation Centre of Excellence (AACE) with CAE, Inc., in 2011 (AACE Malaysia, 2015). The AACE provides complete training for all AirAsia's pilots, cabin crew and maintenance and ground services. According to AirAsia Annual Report 2014, the company established a Leadership and Talent Development (LTD) section to focus on learning and development of its staff. Next Generation Leaders (NGL) is one of AirAsia's programs to identify employees with leadership potential and further develop them for career progression and future leadership positions. Other specific leadership development initiatives are also designed for the frontline team leaders (i.e., FLY@X and SOAR@X), middle managers across departments (LEAD@X) and middle and senior management team members (Executive Coching) (AirAsia X Berhad, 2015). In addition, AirAsia supports a culture of learning by providing its employees with five Formal Learning Days (FLDs) for training beyond that is required and an IT platform that enables greater interaction, collaboration and learning among its employees (AirAsia Berhad, 2015).

AirAsia is also a major player in the tourism sector. The tourism sector is one of the National Key Economic Areas (NKEA) in the ETP to contribute to Malaysia's high-income status and global competitiveness. Therefore, AirAsia's leadership development programs are aligned with

Table 8.1   Selected leadership training programs provided by INTAN Malaysia

Training program	Objectives	Target groups
Advanced Leadership and Management Program (ALMP)	The objectives of this course are to 1. generate visionary leaders to shape the future of the country; 2. encourage participants to practice strategic management in dealing with challenges; 3. encourage participants to think more critically and creatively through brainstorming; 4. expose participants to the requirements and developments of the current administration toward superior leadership skills; and 5. enhance communication skills	Mandatory course for Premier Grade C officers
Advanced Leadership Development and Assessment Program (A-LEAP)	The objectives of A-LEAP are to 1. identify suitable candidates with the right leadership qualities 2. enhance participants' knowledge of current issues and latest development in public administration 3. evaluate participants' ability to think critically and creatively 4. develop participants' credibility as leaders	Senior officers, Grade 54
Diploma in Public Administration (DPA)	A comprehensive training program that emphasizes professional development, character building and self-esteem by focusing on five key elements (attitude, skills, knowledge, adaptability and resiliency)	Administrative and diplomatic officers
Mindset Transformation Program	A prerequisite course for job confirmation in the civil service. Among others, the course is aimed at introducing participants to general aspects of public service and the importance of teamwork	Mandatory course for newly recruited civil service employees in the support group/rank-and-file category

Table 8.1 (continued)

Training program	Objectives	Target groups
Corporate Directors Leadership and Integrity Course (CDLI)	A program designed to increase participants' (as government's representatives) awareness of the roles and fiduciary responsibilities while filling in the capacity of Government Link Company's board of directors. Among others, the CDLI is aimed to help participants understand the directorship roles, responsibilities and duties in order to carry out their roles effectively	Government representatives appointed to the post
INTAN Leadership Talk Series (iLEAD TALK)	A one-day seminar organized by INTAN's Leadership and Executive Development cluster where invited guest speakers are chosen from prominent leaders of both the government and private sector. The speaker shares ideas, knowledge and experiences with the seminar's participants. Objectives of the talk are to 1. expose participants to current trends in leadership 2. share best practices in leadership 3. introduce new ideas in strengthening the transformation process 4. expand networks among participating members	Management and professional group (Grade 41 and above). Participation is also extended to officers from statutory bodies and GLCs
INTAN Leadership Transformation Summit (ILTS)	Aimed at bringing together top and middle managers in the civil service for the purpose of knowledge sharing. It consists of two components; the first is the Leadership Colloquium, and the second component is the Public Sector Transformation Showcase	Top- and middle-level leaders in public sector

Source: INTAN website (2015) (http://www.intanbk.intan.my)

the country's emphasis on developing the tourism sector through human capital development.

Leadership Development in the Retail Service Industry

AEON Corporation Malaysia Berhad (AEON Malaysia) is a leading retailer company in Malaysia, incorporated in 1984. Apart from its supermarket and convenience store operations, AEON's core businesses are also in specialty store operations, shopping center development and operations, and credit card business and services (AEON Corporation Malaysia Berhad, 2015). AEON Malaysia provides training for all levels of staff in various areas of technical, operational or management disciplines. The training programs are conducted in-house, externally or through attachments (temporary work-based experiences) with the company's affiliates in Japan. In addition, AEON Malaysia identifies staff for leadership training to enhance their leadership and management capabilities in preparation for more complex roles in the future. Training and leadership development programs are offered through its AEON Business School, established in 2012. Moreover, its Management Trainee Program targets potential leaders of the company. It is a six months training program that combines on-the-job and off-the-job training to provide trainees with the best retailing knowledge, experience and perspective. Another opportunity for employees is the Japan Trainee Program, designed to prepare identified leaders to international retail environment by exposing them to overseas working conditions.

Retail is also one of the sectors in Malaysia's NKEA. Therefore, AEON Malaysia's commitment to training and leadership development has the potential to contribute to Malaysia's strategy to improve this sector through developing human resource capabilities.

The previous discussion suggests that current leadership development practices, programs and systems in both public and private sectors in Malaysia are

1. Linked to the organization's vision, mission and strategic context
2. Focused on formal organizational initiatives
3. Delivered through workshops, talks, coaching, mentoring and special assignments in a classroom or through experiential learning
4. Delivered to various levels of staff (management, middle management and support staff)

5. Handled by a specific department (e.g., human resource development; talent and leadership development)
6. Targeted to support talent management and succession planning

In sum, there are many leadership development programs in both the public and private sectors. The majority of organizations in Malaysia use formal workshops, managerial coaching and special projects for leadership development, and leaders find these methods to be effective for them (Boatman et al., 2011). Nevertheless, not much is known about the effectiveness of these programs or how these programs impact individual and organizational performance.

Challenges in Leadership Development

Despite the implementation of various leadership development programs, organizations in Malaysia still face challenges in developing talented and capable leaders.

Skills Shortage and Brain Drain Phenomena

Presently, the talent base of the workforce in Malaysia is lagging behind the standard of high-income nations (OECD report, 2013). The country suffers from a shortage of skilled workers, weak productivity growth stemming from a lack of creativity and innovation in the workforce, and an overreliance on unskilled and low-wage migrant workers (National Economic Advisory Council, 2010). A second important issue is the emigration of skilled workers and professionals from Malaysia to other countries ("brain drain"). A study by Winters et al. (2004) reported that 785,000 Malaysians reside overseas, among whom 2 out of 3 were likely to be professionals. Main reasons contributing to this phenomena are the perceived better prospects in education, career and business available overseas (Jauhar & Mohd Yusoff, 2011). According to a report by World Bank (2011), the Malaysian brain drain has contributed to the narrowing of an already narrow skill base and deterioration in its overall quality. This has worsened the mismatch between skills supplied and needed and has resulted in suboptimal hiring policies and productivity losses at the firm level. Both the skills shortage and brain drain problems increase the need to develop available resources. The challenge for leadership developers is now twofold. They must be able to design effective leadership develop-

ment programs and at the same time consider ways to prevent Malaysian professionals from continuing to leave the country. After all, it is such a great loss for both Malaysian public and private sector not to reap the outcomes from the various efforts aimed at developing these professionals.

Women's Participation in Leadership Roles

This challenge is closely linked to issues in skills shortage and brain drain. Women make up half of Malaysia's population and 70 percent of local university enrolment. However, their workforce participation rate is only at 53.6 percent in 2015 (TalentCorp, 2016). This percentage is smaller when it comes to women in leadership and decision-making roles. McKinsey and Company reported that Malaysian women representation on boards and executive committees was 6 percent and 5 percent, respectively, in 2011 (McKinsey & Company, 2012). In comparison, Singapore's participation rate was reported to be 7 percent and 15 percent, while that of Hong Kong was reported at 9 percent and 11 percent, respectively. In 2015, women accounted for only 14 percent of board directors serving at the top 100 listed companies on Bursa Malaysia, a Malaysia-based exchange holding company (TalentCorp, 2016). Although this number has increased in recent years, it is still well below the national target of 30 percent women on corporate boards by 2016.

In a study on gender diversity in top management, McKinsey and Company (2012) reported that women's workforce participation not only increases the size of the labor force but also increases the pool of best talent. Moreover, it was reported that workforce diversity provides strategic advantages since diversity is commonly associated with "thinking outside the box," innovation and collaboration. Similarly, women's participation in the workforce and specifically leadership and decision-making roles will stand to benefit Malaysia.

Although there are long-term planning and national policies in place for women to achieve top leadership positions in Malaysia, there are still barriers to women's advancement. The earlier mentioned McKinsey report showed that the three top barriers for Asian women to attain senior positions were balancing work and domestic responsibilities, availability to work at all times, and lack of family-friendly policies in the workplace. Similarly, Ng and Leng (1996) argued that lack of support facilities and infrastructure added extra burden to women in Malaysia. While this sce-

nario is currently changing, the progress of efforts to involve women at the leadership level in Malaysia is still slow and remains a challenge.

Developing Leaders Takes Time

Since organizations in Malaysia are transitioning toward a knowledge economy, capable leaders are in demand to lead organizations in this new environment. However, changes take time and leaders are not transformed overnight. There are many factors involved in developing competent leaders in the Malaysian context. First, it takes time for potential leaders to acquire the necessary knowledge, skills and abilities to take on leadership roles and perform efficiently (McCall, 2004). Second, effective leadership in a unique and culturally diverse society like Malaysia would require additional capabilities (Lo et al., 2010). For private sectors, these capabilities include the ability to lead globally. Third, appropriate organizational structures and systems also need to be in place to support a successful leadership development program. Finally, organizations developing their leadership capabilities need to commit not only to investing in their people but also to a long-term focus. Therefore, developing leaders requires a combined effort from various parties: the individuals, management, program developers and organization support (i.e., work culture, policy, reward).

Implications for Practice and Research

Given the previous discussion and importance of effective leaders to a developing country such as Malaysia, we next provide several implications for practice and research in the field of leadership development.

As demonstrated in this chapter, currently there are numerous leadership development programs conducted by both the public and private sector. This clearly indicates commitment to the development of potential talent in organizations. However, little is known about the success of leadership development programs in Malaysia and their impact at the individual and organizational levels. Questions as to whether these programs are really effective and whether they are driving individual and organizational performance need to be addressed. Therefore, it is important to conduct evaluation of the strengths and weaknesses of existing leadership development programs. Conducting such evaluations will require deep analysis of

the experiences of those involved in planning, organizing, implementing and participating in the programs.

When creating programs for leadership development, an important aspect that is often overlooked is the context in which leaders are functioning (Gurdjian, Halbeisen, & Lane, 2014). If these programs are not tailored according to individuals' unique characteristics and capabilities as well as the context they will be working in, there is a high probability that the program will fail to produce what it is designed for. Consequently, the cultural, religious and ethnic diversity of the society in Malaysia implies the need for integration of these aspects in the design and delivery of leadership programs.

Although leadership development efforts play a crucial role in developing leaders, it is just one of the elements to a successful talent management process (Boatman et al., 2011). The quality of leadership stems from a continuous effort to address key issues in an employee's work stages, including the selection process and performance management. Moreover, organizational factors such as structure and culture may also contribute to the leadership development process. Therefore, further studies are required to identify organizational structures, systems and cultures that assist in developing leaders in a diverse cultural context such as Malaysia. An understanding of how these factors work will help to create leadership development programs that address urgent issues of skills shortage, brain drain and productivity.

Furthermore, the Malaysian workforce stands to benefit from increased participation of diverse workers. This implies that the workplace needs to be more inclusive for women, the older generation, returning experts and others who stand to contribute to the workforce. Currently, there are policies and practices in place to ensure inclusivity of diverse workers. However, there is a need for policymakers and organizations to create attractive retention policies, career development prospect and an overall safe working climate for future and current leaders.

Conclusion

This chapter provides an overview of current leadership development efforts in Malaysia. Some examples of these programs, both in public and private sectors, were discussed to illustrate how these programs are intended to assist the country achieve the goal of becoming a developed

nation by producing a workforce with leadership capacities. From these examples, it appears that both sectors are keen on providing opportunities to the workforce for the mutual benefits of employers and employees.

Leadership development in a country with such diverse cultural and religious background comes with unique challenges. These challenges must be addressed tactfully to ensure successful outcome while maintaining racial harmony and stability. More development programs must be designed for the purpose of cultivating specials groups within the workforce, such as women leaders in public and corporate sectors. By doing this, a wider talent base in Malaysia may be created. These programs should also be attractive enough to be of interest among current talents and subsequently reduce the brain drain phenomena. Apart from developing local talents, measures have been taken to bring back local talents from abroad and attract foreign talents into the country through appointed agencies.

It is evident that the public and private sectors in Malaysia are continuously providing opportunities for growth through leadership development. Although various programs, practices and systems are developed, more can be done to evaluate the success of these efforts. Evaluative measures should be taken to see whether the current programs are able to provide the workforce with the required leadership skills as well as to address gaps between the current achievement and the desired outcome.

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Leadership Development in Thailand

Chiraprapha Tan Akaraborworn and Dawisa Sritanyarat

INTRODUCTION

Like in other countries around the world, leadership development is one of the top growing trends in Thailand in the twenty-first century. It has been listed as an emerging trend in the first human resources (HR) trends study, published in 2008 (Sritanyarat, 2008), and became a part of HR trends under the topic of talent management in the series of HR trends studies in 2010–2011, 2012–2013, and 2014–2015 (Akaraborworn, 2011, 2013, 2015). In addition, to shape the development of leadership competencies, human resource development (HRD) professionals need to look at the specific strategy and preferred business results of the particular organization (Ulrich & Smallwood, 2007).

Expanding business both domestically and internationally has been one of the strategies for Thai private-owned organizations. This strategy requires adding more managers at every level. Therefore, developing employees promoted to managerial levels is extremely important. Currently, the internal promotion is not enough to fill up the vacant positions, so they need to be supplemented by external recruitment.

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This chapter provides an understanding of six levels of leadership development and a managerial competency model for Thai organizations. The authors proposed six main levels of leadership as a part of managerial competency implemented in a Thai private sector organization. For this study, a life insurance company in Thailand was selected as one of the companies that has highest growth in the country and has planned for expanding its business in ASEAN countries. During the time of business expansion, the company was faced with the shortage of employees for internal promotion to managerial levels. To increase the number of managers in this organization, employees were assessed for their leadership competency. This leadership assessment commenced on the first day each employee started working with this organization. The company believes that leadership competencies can provide an integrative model of leadership that can be applied across a range of positions (Hollenbeck, McCall Jr., & Silzer, 2006). That means leadership competency identification was needed not only for management-level employees but also for employees working at operations levels. So far, this company has set only core competencies that are applied and expected for everyone in the company to have but not leadership competency.

Leadership is a part of managerial competency (Boyatzis, 1982) or critical behavioral competency to manage (Trivellas & Drimoussis, 2013) for different job levels, not just for the management levels and for a particular organization. Therefore, how leadership was developed should be a case study and lesson learned for other organizations.

The purpose of this study is to discuss leadership development in the context of Thailand's private sector. In particular, we will demonstrate how leadership competencies for different job levels, sometimes called bands, are identified in a Thai organization, taking a Thai life insurance company as a case study. The issues discussed in this chapter include leadership characteristics on different management levels of the organization and suggested methods of development of leaders in this organization.

Review of Literature

There are four areas of literature review covered in this section, namely: competency and competency models, leadership competency model, expected management role in an organization, and leadership studies in Thailand.

Competency and Competency Models

The concept of competency has emerged in the United States in 1973, when McClelland presented a seminal paper on testing for competence rather than intelligence (Adams, 1997). In Thailand, the concept of competency was introduced in the Federation of Thai Industries (FTI) in the early 2000s in accordance with the manpower development plan for enhancing country's competitiveness via the competency-based assessment of Thai labors' capacity. Later on, the concept of competency was taken to develop professional qualification standards in Thailand by the Thailand Professional Qualification Institute (public organization), in collaboration with Vocational Education Commission and the Office of National Economic and Social Development Board (Thailand Professional Qualification Institute, 2015).

However, at the beginning, the concept of competency was introduced in Thailand for assessment purposes, not for developmental purpose. In 2009, Office of the Civil Service Commission (OCSC) adopted competency in the Civil Servant Development Strategy 2009–2013 (OCSC, 2010, Preface). It was part of the "blueprint for change, designing a new work process and developing competencies of government officials" (Piriyathanalai & Thephasadin, 2010, p. 69). In early stages, OCSC hired Hay Group Thailand, a consulting firm, which identified a competency model composed of core competencies (5 competencies) and functional competencies for 18 groups (including the executive group). Under the executive group, there were five competencies identified, namely: visioning, strategic planning, change agent, self-efficacy, and empowerment. These competencies were developed from the Hay's worldwide competency database. OCSC also implemented several training programs for targeted groups such as management and executive groups.

In Thai private sector, competency-based approach has been adopted as an organization development tool. The competency model has been used for achieving the stage of high-performance organization. Organizations tried to apply it to every HR function. The president and the vice president of academics of Personnel Management Association of Thailand (PMAT) stated that competency approach was initiated by multinational companies operating in Thailand since 2000s (Wedchayanon, 2009).

Competency model has been helpful to both individuals and organizations in developing leadership skills (Hollenbeck et al., 2006, pp. 402–403). It helped individuals by

- Summarizing the experiences and insights of seasoned leaders
- Specifying a range of useful leader behaviors
- Providing a tool that individuals can use for their self-development
- Outlining a leadership framework that can be used to help select, develop, and understand leadership effectiveness

Organizations also benefited from the use of competency models by

- Openly communicating leader behaviors that are important
- Helping to differentiate among individuals with respect to performance
- Linking leader behaviors to strategic directions and goals of the business
- Providing an integrative model of leadership that is relevant across many positions and leadership situations (Hollenbeck et al., 2006, pp. 402–403)

Consequently, individuals are expected to take responsibility for self-development. The degree to which individuals take initiative in self-development helps organizations in differentiating their employees according to their career motivation.

In a study comparing differences in the application of competency model between public and private organizations, Wedchayanon (2009) found that both public and private sectors in Thailand developed competency models mainly for the individuals' benefits and employee capacity development.

Leadership Competency Models

Leadership competency models have been studied mostly in healthcare business in Thailand (Kitreerawutiwong, Tejativaddhana, & Wanaratwijit, 2010; Sringamchoic, 2011; Wongprasit, 2013). However, current studies have focused on one group of management level in hospitals, such as hospital directors (Kitreerawutiwong et al., 2010; Wongprasit, 2013), and on medical professionals (Sringamchoic, 2011). The objective of developing leadership competency models was to assess the potential of the candidates for higher positions. This objective was addressed by Wedchayanon (2009) as the number one objective of competency development in public sector, and as the second common objective in private sector, in terms of

frequency. Thai private sector mainly developed competency models as a tool for employee development and coaching (Wedchayanon, 2009).

Most private organizations develop competency models consisting of two parts: core competencies and functional competencies. As a rule, management or leadership competencies were not identified as important part of competency models. In the public sector, OCSC holds full responsibility for competency development for Thai civil servants. OCSC declares the following as the competencies of Thai senior executives, grouped into four main clusters based on similarities of importance and content: (a) people management (adaptability and flexibility, communication, and collaborative), (b) management wisdom (change management, customer service orientation, and strategic planning), (c) result-driven management (accountability, result achievement, and resources Management), and (d) professional management (decision-making, strategic thinking, and leadership). All of these sets of competencies are applicable to Thai senior executives in order to bring about high performances of these leaders (Aneckvanich, n.d.).

Leadership competencies are normally a part of managerial competency model (Boyatzis, 1982). Boyatzis (1982) defined managerial competencies as the individual's characteristics that are causally related to effective and/or superior job performance of managers. For these characteristics to be recognized as competencies they must differentiate superior performance from average and poor performances.

So far, leadership competencies in Thai organizations have been presented either as part of functional competencies or of management competencies that normally are defined for every management level. The main purpose of defining leadership competencies is to utilize them in management-level training and development.

Expected Management Roles in Organizations

Organizations tend to develop leaders by moving employees through predictable job positions and career paths that are based on organizational structure (Hollenbeck et al., 2006). Organizational structures are quite stable and predictable over time; thus, employees are able to learn what they have to do in their current positions and are expected to learn what to do when prompted to upper-level positions.

Those who are in management level are responsible for organization's productivity and employees' working performance. There are generally

three levels of management within an organization including top-level, mid-level, and entry-level positions. Each level possesses certain job responsibilities within their positions to ensure the effectiveness of overall operations of the organization (Business School, Durham University, 2015).

The Thai insurance company, as a selected case in this study, has been implementing the core competency model for two years. After the two-year core competency model implementation, the HR team in the organization looked to identify managerial competencies for each level or band in order to complete the career development project. There are six job levels or bands in this company. Each band has different job descriptions, and they are expected to perform differently under each band. Band 1, Operation, (name it according to the figure below, and name all the bands) is for young graduates who work in the operation level. Band 2, Senior Operation, is for the experienced operators who have some expertise in their responsibilities and be able to teach or act as mentors for Band 1. There are two career tracks after Band 2, technical/specialist and management. Band 3T and 4T are the bands for technicians or specialists who work under the project. Band 3T is expected to take care of the project within their departments while Band 4T is expected to look over the project across departments or at the company level. Under the management track, Band 3M is the first-level management and is for individuals who are expected to coach, monitor, and take care of Band 1 and Band 2 performances. Band 4M is expected to make some changes or improvements at the division level. Band 5 is expected to supervise the whole division and conduct some strategic planning to support the company's vision. Last is the top management level, Band 6, and includes those who are expected to inspire employees with company's vision (see Fig. 9.1).
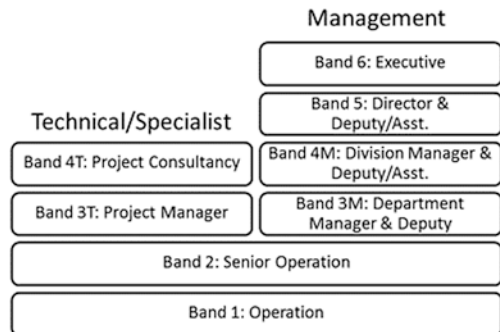
Fig. 9.1 Six bands or job levels defined in the insurance company

Leadership Studies in Thailand

Leadership refers to the process of influencing others to achieve certain shared objectives through change (Achua & Lussier, 2010; Daft, 2008). There are several important elements of leadership, such as a two-way relationship among leaders and followers, acceptance, motivation, people management, shared objectives, change, and so on (Achua & Lussier, 2010; Daft, 2008). Leadership can include both characteristics and behaviors of people.

Currently, there are diverse leadership theories available for researchers, from trait theories which attempt to explain distinctive characteristics of leaders that are required for successful leadership process (Achua & Lussier, 2010) to contingency leadership theories which claim that there is no one best type of leadership for all situations. Regardless of the focal issues of each leadership theory, it can be concluded that leadership can be regarded as a set of competencies. In the past, leadership was mainly appointed as a set of competencies needed for leaders. However, different scholarly views suggest that leadership can be found at different levels in organizations and within society (Murphy & Ensher, 2008). Leadership can operate in individual, dyad, and group contexts (Murphy & Ensher, 2008). According to this view, leadership can be a competency needed at all organizational levels.

The concept of leadership has been among main concepts of interest for scholars and practitioners in Thailand for a number of years (Limsila & Ogunlana, 2008). There have been many studies about leadership in different industries in Thailand. These studies attempted to understand and provide guidance of leadership practices in the Thai context. It is well accepted in Thailand that leadership holds a crucial role in supporting organizations' effectiveness through vision, strategies, employee development, and change (Kananurak, 2011). Leadership is also believed to be one of the key success factors of various organization management strategies, such as quality management (Laohavichien, Fredendall, & Cantrell, 2011). Leadership has not only taken foothold in the private sectors, it has also played an important role in the educational sector (Hallinger, 2004; Hallinger & Kantamara, 2000).

In Thailand, the concepts of transactional and transformational leadership seem to be attracting significant interest. Kananurak (2011) suggested that leaders should hold both transactional and transformational leadership characteristics to be able to maintain balance between people

and systems in organizations and drive toward organizational success. There are plenty of research studies attempting to explain the roles of transformational and transactional leadership in Thai organizations. Limsila and Ogunlana (2008) conducted a research study to explain the influence of different types of leadership on organizational commitment of subordinates and subordinates' working performance in Thailand. They found that transformational leadership better influenced subordinates' working performance and subordinates' organization commitment than transactional leadership (Limsila & Ogunlana, 2008). Laohavichien et al. (2011) studied roles of transformational leadership in quality management processes in organizations. They found that leadership was very important in quality management and practices, which in turn affected quality performance of organizations. Surprisingly, the study found that transactional leadership was more effective in quality management than it was mentioned in early literature, especially the punishment dimension (Laohavichien et al., 2011). Despite the difference in research findings, it could still be concluded that the concepts of transformational and transactional leadership have been studied widely in Thailand, and this model is one of the major streams of research on leadership in Thailand.

Even though Thailand is characterized by a cultural context, which is significantly different from the Western context, we observed that definitions of leadership adopted in research and practice in Thailand are not uniquely different from the definitions used internationally. Leadership is viewed in Thailand as a process that deals with power relationships and influence among leaders and followers, gaining acceptance from followers, driving change and development, and driving toward achieving common goals of people, groups, or societies (Prasertsri, 2001; Wasi, 1997). It is also accepted in Thailand that leadership can be a characteristic of those who are in leadership positions as well as those who do not hold formal leadership positions (Wasi, 1997). However, we could not find studies conducted in Thailand aimed at defining leadership competencies for each management levels.

METHOD

To identify leadership competency for different job levels or bands, the first author of this chapter as an HR consultant in this company used a mixed-methods design involving triangulation. The triangulation mixed-method design allows the researcher to collect both quantitative and qual-

itative data simultaneously so that the investigator can convert the data to make comparisons between detailed contextualized qualitative data and the more normative quantitative data. This design is used when researchers seek to compare the particular with the general or to validate quantitative data with qualitative data (Creswell, 2005).

After reviewing the literature, qualitative data were collected from eight company directors using in-depth interviews. Each director (Band 5) was asked about their expectations from employees in different bands (Band 1–4). Then, data coding was conducted by organizing information into meaningful categories. At the same time, the quantitative data were collected from six focus groups by distributing the competency survey among the participants. Each group was composed of the selected employees who were identified as high performers. Table 9.1 presents the number of participants in focus groups.

There were three steps conducted in each focus group. Step 1 was performed by having every participant rate the most described competencies they always used to perform their works. This competency survey had a list of 50 competencies with their definitions. The Likert-type scale was used as the rating system. Step 2 was performed by selecting ten competencies from the competencies that had highest scores. Step 3 consisted of letting participants share the evidence-based competency story regarding the selected competencies. The first four competencies with highest mean scores were selected and listed for each job level or band as presented in Table 9.2.

Discussion

Researchers went back to the literature review to identify and validate types of leadership at each level based on the research findings reported in Table 9.2. Theoretical background of leadership and types of leadership were reviewed and discussed in conjunction with the research results, then the leadership competencies were labeled and described as presented in Table 9.3.

Band 1: Operation

The qualifications for Band 1 are four-year bachelor's degree from college or university, no prior work experience, or one to two years of related experience and/or training or equivalent combination of education and

Table 9.1 Numbers of participants in each focus group

Band	Management level	Population	No. of participants in focus group
4M	Division Manager and Deputy/Asst.	49	15
4T	Project Consultancy	28	15
3M	Department Manager and Deputy	166	30
3T	Project Manager	108	30
2	Senior Operation	366	30
1	Operation	875	30
Total		1609	150

experience. Band 1 employees are expected to perform excellence work by themselves and to be able to coordinate with others to get the assigned work done. *"Self-leadership"* seems to fit competencies required in this band.

Self-leadership involves the influence people exert over themselves to achieve self-motivation and self-direction needed to behave in desirable ways (Manz, 1992 as cited in Prussia, Anderson, & Manz, 1998). This is similar to Bryant and Kazan's (2012) definition of self-leadership as the practice of intentionally influencing one's thinking, feeling, and behaviors to achieve the objectives. **Self-leaders** have a drive for autonomy, can make decisions, and are more creative and persistent, even in the face of adversity (Bryant & Kazan, 2012). Since 1998, the studies of Prussia, Anderson, and Manz (1998) have shown that self-leadership strategies had a significant effect on self-efficacy evaluations and self-efficacy directly affected performance. The organization will benefit most when majority of Band 1–level employees possess self-leadership. With self-leadership, employees are able to learn new things quickly and have motivation to perform and initiate work by themselves.

Band 2: Senior Operation

The qualifications of Band 2 include four-year bachelor's degree from college or university plus three to four years of related experience or master's degree or equivalent. Basically, Band 2 requires more years of related experience than Band 1, yet replaceable by master's degree or equivalent. With three–four years of work experience, Band 2 employees are expected

Table 9.2 List of competencies with highest scores from band interviews and focus groups

Band	Management level	Result from interviews (qualitative data)	Result from focus groups (quantitative data)
4M	Division Manager and Deputy/Asst.	• Make change of the systems • Transform the strategies into action	• Delegating (communication) • Change leadership • Teamwork • Entrepreneurship
4T	Project Consultancy	• Work like internal consultant • Supervise the organization projects	• Organization savvy • Project management + planning • Analytical thinking • Consulting skill
3M	Department Manager and Deputy	• Take care of company target • Supervise the employees	• Proactive working • Advising skill • Teamwork (leadership) • Coordination (coaching and feed back)
3T	Project Manager	• Initiate and/or improve the operating systems • Improve the service	• Consulting skill • Teamwork • Coordination • Agility + flexibility
2	Senior Operation	• Mentor the novices • Be able to solve the routine problems	• Teamwork • Coordination • Agility + flexibility • Initiative
1	Operation	• Deliver the excellence work • Learn new thing quickly	• Teamwork • Coordination • Agility + flexibility • Initiative

to mentor newcomers or novices and be able to solve problems within a team in order to achieve the team goal(s).

"Team leadership" represents a third characteristic of effective team performance. Most teams include certain individuals who are primarily responsible for defining team goals and for developing and structuring the team to accomplish these goals (Zaccaro, Rittman, & Marks, 2001). Thus, to achieve the team goals, Band 2 employees need to be mentors and be able to coordinate work with novices from Band 1.

It is interesting that the results from focus groups about expected competencies for Bands 1 and 2 were the same but results from the interviews

Table 9.3 Identified leadership competencies and their descriptions for each management level

Band	Management level	Leadership competency	Description
6	Executive	Visioning Leadership	To develop vision, communicate vision, and inspire everyone in the organization to have passion to achieve the company vision
5	Director and Deputy/Asst.	Strategic Leadership	To involve everyone in the organization in executing the corporate strategy in the areas of their responsibilities in order to achieve organizational triple-bottom-line performance outcomes: financial, social, and environmental
4M	Division Manager and Deputy/Asst.	Change Leadership	To involve and motivate people in implementing change via the systems and people in the organization
4T	Project Consultancy	Change Leadership	To provide consultancy to business units to leverage the organization performance
3M	Department Manager and Deputy	Performance Leadership	To get works done via others by setting goals, coaching subordinates, monitoring the assigned works formally and informally, and providing feedbacks to improve the subordinates' performance
3T	Project Manager	Team Leadership (Level 2)	To conduct special project(s) within an organization unit by collaborating with other team members
2	Senior Operation	Mentoring and Team Leadership (Level 1)	To mentor the novices in the business unit and to be able to perform and solve problems by themselves
1	Operation	Self-Leadership	To perform the assigned work at one's best

were different. The interviewees would like to see the value added on Band 2 even if the expected work outcomes in Bands 1 and 2 are almost the same. Thus, the roles of mentoring and team leadership provide value addition for this band.

Band 3: 3M—Department Manager

Band 3M is the first-line management level in the organization. Employees in this band were expected to take care of and supervise those in Bands

1 and 2. Even though there were two types of Band 3 employees, only Band 3M, Department Managers and Deputy Department Managers, is discussed here. Because of the difference in the nature of Band 3M and 3T-Project Manager, only Band 3M was taken as the case that needs leadership as a managerial competency. According to Charan, Drotter, and Noel (2009), this level of leadership moves from achieving goals by doing the work by oneself to getting the work done via others. This transition is crucial for leaders at this level. It is not easy for someone who is in charge and doing well in their job to let go of the desire to do the work by themselves and, instead, focus on supporting others in doing their jobs.

This group of leaders is in charge of ensuring that work is done to serve organization's effectiveness. This concept can also be described as *"performance leadership."* According to Behn (2004), performance leadership is about managing and leading to create desired performance outcomes of people. Leadership, according to this concept, is about (a) creating performance framework by articulating organizational mission and establishing linkage between mission and performance targets, (b) driving performance improvement by monitoring progress continuously and keeping encouraging people, and (c) learning to enhance performance by checking whether goals have been accomplished, analyzing information properly, and modifying targets and techniques when needed.

In conclusion, this level of leadership is about leading to ensure proper performance. This cannot occur by simply taking a look at the needs of the operation level. Leaders need to see a bigger picture of the company. This level of leadership involves interpreting and communicating the company's goals and objectives to all organization's members, both directly and through first-line leaders.

Band 4: 4M—Division Manager and Deputy/Assistant Division Manager

Band 4M is the middle management level in the organization. Employees in this band were expected to make changes in the system and to be able to transform the strategies into action. Of the two types of Band 4, 4T and 4M, only 4M is discussed here because Band 4T employees need to make changes through special projects and assignments, whereas Band 4M employees are expected to make changes in the work settings. This level of leadership is about shifting the focus of work from spending time on achieving performance outcomes at the operation level to developing

and deploying strategies for different functions of the organization. This leadership style can be called *"change leadership."*

Charan et al. (2009) stressed the importance of getting rid of silos, where different functions work separately. Change leadership is about integrating work of different functions to serve organization or business goals. Gilley, Dixon, and Gilley (2008), discussing leadership as a driver of change and innovation in organizations, suggested that there were six required characteristics for change leadership: (a) coaching, (b) effective reward or recognition system, (c) appropriate communication, (d) motivating people, (e) involving people, and (f) encouraging teamwork and collaboration. These could be characteristics needed for this level of leadership.

Sritanyarat (in press) discussed the concept of change leadership in Thai context and suggested that change leadership involves change from the inside. Leading people is about changing their perspectives before attempting any other changes. The role of leadership in managing change and dealing with conflicting pressures to drive change in organizations in Thai context were also discussed in studies by Hallinger and Kantamara (2000) and Hallinger (2004).

Band 5: Director and Deputy/Assistant Director

Band 5 includes a small group of director-level employees who occupy positions at the top of the organization and have a significant effect on organization outcomes. This band was expected to transform the organization strategy into action.

Carter and Greer (2013) stated that *strategic leadership* styles are differentially associated with attention to organizational triple-bottom-line performance outcomes: financial, social, and environmental. Also, strategic leadership focuses on stakeholders and moves from transaction, to self, to organization, to other people, and to society, and there is a corresponding continuum of change in leadership style at the strategic level moving from transactional to responsible (Carter & Greer, 2013). Charan et al. (2009) have defined strategic leadership at the top management level as considering all functions in the organization and making them work effectively together. Possible characteristics of this level could be ability to reflect on the needs of all functions holistically and setting integrated goals for all functions, among others.

Band 5 held an important role in driving organization performance. People in this band were expected to execute organization strategies by involving every employee at every level from bottom to top; thus, strategic leadership is progressing from transactional, to charismatic, transformational, servant, and responsible leadership (it may be argued that the order of transformational and charismatic leadership is interchangeable; Carter & Greer, 2013).

Band 6: Managing Director

Employees in Band 6, the highest level of management, were expected to develop vision, communicate vision, and inspire everyone in the organization to have passion to achieve the company's vision.

This leadership expectation is similar to the concept of charismatic leadership mentioned by Conger and Kanungo (1994) and Murphy and Ensher (2008). This leadership characteristic is about developing a compelling strategic vision and communicating that vision to members of the organization (Conger & Kanungo, 1994; Murphy & Ensher, 2008). This characteristic involves proper communication behaviors by which leaders communicate the vision to all members (Conger & Kanungo, 1994). Being visionary relates to the concept of transformational leadership in terms of idealized influence, which refers to a leader as being a role model for his or her followers, and inspirational motivator, which refers to encouraging teamwork and providing meaning and challenging work to followers (Riggio 2009).

Brown and Anfara (2003) stated that *visionary leadership* could relate to exploration of possible changes, discussion about related issues, educating people about the issues, supporting, committing, and involving people, and openness and appreciation of the need to explore issues thoroughly. This level of leadership is about dealing with multiple goals (Charan et al., 2009).

Implications for Research and Practice

As a competency, leadership can be part of people who are not leaders or do not have subordinates. It is also possible that higher-level leadership is found in middle-rank members of an organization. This study does not only attempt to identify different levels of leadership but also aims at providing a managerial and leadership competency model for Thai organiza-

tions. The results can be applied in many HR functions such as succession planning, career development, training and development, and recruitment and selection, to name a few. However, these suggestions are based on research conducted within the context of one insurance company. To expand the potential of contribution, replication in other organizations and other types of industries is highly recommended. Research aiming at testing the influences of suggested leadership competency model on job performance could be beneficial as well.

Limitations and Conclusions

As mentioned earlier, the results drawn from one industry cannot be generalized to Thailand's private sector as a whole. Moreover, according to the above discussion, leadership can be regarded as a multidimensional concept. Even though we attempted to identify leadership competencies at each level, characteristics of each level can spill over to other levels. Moreover, the presented hierarchy should not be interpreted as suggesting that higher levels of leadership are in effect "better" than lower levels (e.g., visionary leadership is better than self-leadership). HRD practitioners, attempting to implement the results of this study, need to be mindful of the need to communicate the idea that there is no one best leadership competency, applicable to all levels, and that desired leadership competencies depend on what organization requires from employees at particular levels and job functions.

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Leadership Development in Vietnam

Loi Anh Nguyen, Lam Dao, and Anh Hong Nguyen

Introduction

Since *Doi moi* (reform) in 1986, Vietnam's economy has experienced high growth, which has mostly been attributed to the growth of the private sector and foreign direct investment (Tran & Harvie, 2008). Like in many other transition economies, in Vietnam there are significant differences among organizations with different ownership structures (Edwards & Phan, 2013). The new generation of organizational leaders consists of younger leaders who were born after the War (Vietnam Report, 2015). This chapter describes different perspectives of organizational leaders on effective leadership and their organizations' leadership development efforts. The chapter starts with an overview of the Vietnamese economy. Next, it describes employee training and development practices after nearly 30 years of reform followed by the status of leadership development in

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Vietnamese business organizations. Finally, implications for research and practices in leadership development in Vietnam will be discussed.

The fast economic growth in Vietnam has created great opportunities for Vietnamese organizations but has also put them in the whirling current of the global economy in which organizations in Vietnam face daunting challenges to survive and grow. Organization leaders in Vietnam acknowledge the importance of human resources (HR) in contributing to organizational success as an inheritance of the traditional culture of valuing HR. However, the philosophy and practices of human resource management (HRM) and human resource development (HRD) in Vietnam did not keep the pace with the science of the field of HR until the economic reform of 1986. Under fierce competition, organizations in Vietnam have had to learn, adapt, and innovate to survive. In the integration into the global economy, Vietnam's enterprises had to compete with each other as well as with many other economic players, including foreign-owned companies and joint ventures in their own domestic market. As a result, HR practices including leadership development in Vietnam have evolved to be more systematic and aligned with business strategies, but there are still significant differences in HR practices among groups of enterprises. In the following section, we briefly describe the structure of the Vietnam economy and its growth in the last few decades, how training and development in Vietnamese business sectors is organized, and the changing perspectives on effective leadership as well as how organizational leaders are trained and developed in Vietnam.

OVERVIEW OF VIETNAM'S ECONOMY

Over the past 30 years, Vietnam has transformed from a centralized planning economy into what is called by Vietnam's Communist Party (VCP) "socialist-oriented market economy" as a result of the adoption of *Doi moi* (renovation) in 1986. The reform led to significant improvements in Vietnam's economic performance. Vietnam's GDP has increased more than ten times since 1986 (World Bank, 2015a & World Bank, 2015b). As part of the reform, Vietnam increased trade with countries outside of the socialist world (Turley & Selden, 1993) and signed multiple trade agreements (ASEAN FTA in 1995, Bilateral Trade Agreements with the USA in 2000 and with Japan in 2008, and joined the WTO in 2008). Unlike other fast-growing economies in East and South East Asia, Vietnam's growth was accomplished with only small increase in inequality. Between

1993 and 2012, the income of the bottom 40 percent grew at an annual rate of 8.9 percent, whereas that of the top 60 percent grew at 7 percent (World Bank, 2015b). The Vietnamese economy was able to weather the Asian financial crisis in 1997 with only a mild decrease in GDP growth. However, it displayed several weaknesses during the global recession in 2008. The inflation rate rose to 25 percent in 2008 coupled with the crash of the real estate and stock markets (Das & Shrestha, 2009). The economic expansion post-1986 was also accompanied by a shift away from agriculture toward services and manufacturing as well as structural changes in labor market. The employment share of agriculture decreased from 73 percent in 1990 to 54 percent in 2008 (McCaig & Pavcnik, 2013).

The most important changes in Vietnam after the recent economic reforms are perhaps the privatization of firms in the public sector and the development of private and foreign-invested sectors. Although the *Doi moi* reform replaced the centrally planned economy with a form of market economy and allowed both public and private sectors to coexist, the public sector still plays a central role in the economy. The public sector consists of firms that are more than 51 percent state-owned. These enterprises are often big corporations and were established by the government as means to manage the economy (Imbert, 2012). The importance of the public sector, however, has been decreasing. After 1986, state-owned enterprises were no longer subject to central planning and were able to autonomously choose the level of investment, prices, inputs and outputs, and employment (ADB, 2006). According to the Vietnam Development Report by World Bank (2012b), the change in economic environment led to the shutdown of thousands of small and inefficient state-owned enterprises between 1989 and 1992. In the 1990s and early 2000s, Vietnam equitized and consolidated a large number of small- and medium-size state-owned companies. Between 2000 and 2009, the number of state-owned enterprises declined by 40 percent, but the state-owned firms still monopolize a large number of markets, including fertilizer, coal, electricity and gas, telecommunications, water supply, and insurance. State-owned enterprises also dominate in several consumer good markets such as cement, beer, and refined sugar. They accounted for about 46 percent of the 500 largest Vietnamese businesses (Vietnam Report, 2015), although the number has declined over the years to only 38 percent as of 2015. Compared to the private sectors, state-owned enterprises are less efficient in their use of capital and land and have lower growth of labor productivity. Their

dominance in Vietnam's economy has been declining, but they continue playing crucial role in Vietnam's economy.

While the public sector was in decline, Vietnam's private sector has experienced rapid growth in recent years, accounting for over 50 percent of GDP, 27 percent of total invested capital, and 90 percent of the country's workforce (ADB, 2005). The number of existing enterprises in Vietnam increased steadily from approximately 240,000 enterprises in 2009 to about 740,000 in 2013 (General Statistic Office, 2014), despite the fact that about 55,000 private enterprises went bankrupt in 2012 due to the recession.

The private sector companies in Vietnam face great developmental challenges. They have to compete with public sector organizations and often feel unfairly treated in the public procurement process as the eligibility criteria are structured in favor of the state-owned enterprises (Carlier & Tran, 2004). Vietnamese private firms usually become subcontractors to state-owned enterprises for public projects. In recent years, the SMEs in Vietnam also had to face multiple difficulties, including financial constraints, outdated technology, unstable markets, and competition from foreign competitors (Asiaecon, 2013). These challenges caused 7000 SMEs to be dissolved and 3000 SMEs to halt production (Asiaecon, 2013).

One of the main advantages of the Vietnam economy has been its young and expanding workforce. In the period between 2000 and 2010, more than 60 percent of the labor force was between the age of 25 and 49 and approximately 20 percent—between the ages of 15 and 24. However, like in other developing countries, the percentage of youth in Vietnamese population was shrinking from 87.6 percent in 2000 to only 80.7 percent in 2010.

While Vietnamese workers outperform their peers in both poorer and some wealthier countries and have higher rates of literacy and numeracy, employers in Vietnam have difficulties finding qualified workers with suitable job-specific technical skills (World Bank, 2015b). In 2014, Vietnam had about 52.7 million workers (General Statistic Office Report, 2014) of which only 9 percent were working in professional jobs. The report also pointed out that the unskilled workforce accounts for 40 percent of total working population in Vietnam. More importantly the percentage of mid-level professionals in Vietnam has decreased from 5 percent in 2010 to 3 percent in 2014, while the percentage of employees in all other occupations except skilled agriculture, forestry, and fishery is increasing. It is, however, not surprising that the level of employment in agriculture,

forestry, and fishery is lower, since the share of agriculture in Vietnam's national economy has been steadily declining. Yet the decreasing number of mid-level professionals is signaling a gap in Vietnam's labor market and the need to develop those professions. Lack of high-skilled workers in Vietnam is becoming a central issue.

After 30 years of renovation, the Vietnamese economy has shifted away from a centrally planned economy to an economy in which different economic players, including state-owned enterprises, foreign invested enterprises, and private enterprises, play important roles. These organizations are not only competing for capital resources but also HR in order to survive and grow in an increasingly globally integrated emerging economy. The importance of HR in business organizations has been recognized with a gradual change in HR practices in Vietnam. In the following section we will describe how training and development in Vietnam is organized and operated.

Training and Development in Vietnam

As mentioned earlier, Vietnam has experienced the scarcity of highly skilled labor (Cox & Warner, 2013) and the chronic mismatch between the output of the education system and the demand of corporations (Vo, 2009). Lacking practical experience and necessary job skills, graduates fail to meet employers' requirements (Truong & Metzger, 2007; Vo, 2009). As much as 80 percent of students need to be retrained before being assigned to work (Thang & Quang, 2005). However, most organizations in Vietnam do not invest in employee training and development but instead rely on vocational schools, colleges, and universities to source and improve their workforce (Vo, 2009). Hence, it often takes much time for a new graduate to become productive, resulting in low productivity growth in Vietnam (World Bank, 2015b).

The reasons for the shortage of employee training and development in Vietnam are multifold. First, organization leaders mostly consider HRM and HRD as add-on functions, not as necessary and strategic ones. Second, the war history and the political changes have made Vietnamese people accustomed to uncertainty in daily life, which also applies to organizational life. The fear of uncertainty as well as the recent economic difficulties have put business leaders in constant ambiguity. Many organizational leaders do not have a strong belief in their own business futures. More than half of the companies with less than three-and-a-half years of operations indicated

that the fear of failure prevented them from expanding their business. The percentage of adults in Vietnam who indicated that the fear of failure prevented them starting a business is also highest compared to other countries in the same economic level (GEM Report, 2014). Without a strong belief in long-term future, many business leaders, hence, are reluctant to invest in employee long-term learning and development. Most of the training programs in organizations are job-specific training programs to address current and short-term needs. Third, organizations resist developing their employees out of the fear that the employees might move to other companies. Employee poaching in Vietnam is fierce. A report from PWC, a consulting company, showed that 70 percent of external experienced hires in banking industry were poached from competition (PWC Newsbrief, 2013). The legal enforcement of labor contracts is also relatively weak in Vietnam (Le & Truong, 2005).

Training and development practices in Vietnam differ greatly among different groups of enterprises. Zhu (2002) found these practices associated with ownership systems, as well as organizational size, industry, and market orientation. Nguyen and Truong (2007) divided training and development in Vietnam into three key groups. The first group includes joint-venture companies and foreign-owned companies which tend to provide more training for employees than most of local companies. Foreign investors quickly recognize the lack of skills and qualifications in Vietnam's labor force. In every encounter with foreign practitioners who have worked in Vietnam, we heard comments on the lack of foreign language capability, health and industrial discipline, and knowledge of business management among Vietnamese workers. The joint-venture companies in Vietnam often work with professional instructors to increase the pool of skilled workers to meet the current critical shortages. In terms of managerial training, these joint ventures often seek collaboration with education institutions or consultancy companies to organize short courses for their managers or potential managers. The trainings concentrate more on behavioral, technical, and professional skills (Zhu, 2002).

The second group is state-owned enterprises. In late 1990s, they provided training for 96 percent of incumbent employees and 62 percent of new employees (Truong & Ha, 1998). In recent years, under great budget constraints and pressure to change, state-owned enterprises provide training for about 52 percent of employees (Zhu & Verstraeten, 2013). Most training activities are job-specific and on-the-job training programs that address current and short-term needs (Nguyen & Truong, 2007).

The third group comprises private companies, which are mostly small-and medium-sized enterprises (SMEs). Similar to other developing countries, small companies in Vietnam seldom have formal HR departments and HRM specialists. Rather, non-HR managers handle HR functions. At medium-sized companies, there are usually one to two people in charge of HR function. The focus of HR activities in SMEs is generally on hiring and retaining capable employees because they lack internal resources for training the employees. Training and development in SMEs relies heavily on government programs and support. SMEs often receive training, especially in leadership training, through governmental programs. No formal internal training programs have been found in SMEs in a study conducted by King-Kauanui, Ngoc, and Ashley-Cotleur (2006).

In recent years, an emerging group of large private companies in Vietnam started to dedicate considerable resources to employee training and development. These companies include Techcombank, Vingroup, FPT, Vinamilk, and others (Vietnam Report, 2015). At these companies, training and development function is growing via their HR departments. Techcombank, for instance, is well-known in Vietnam's banking industry for providing rigorous training to its new employees. FPT, an information technology company, provides plenty of development opportunities for its employees, including in-class training, managerial training, workshops, and so on. Vingroup, a conglomerate of real estate, entertainment, hospitality, and retail firms, has recently established an educational institution to develop its talent pool as well as provide training for its current employees.

Organizations in Vietnam are increasingly paying more attention to employee training, but most of the training provided still focuses on addressing immediate and short-term needs rather than contributing to strategic HRD. As a result, the development portion of training and development function or HRD in general is limited. Against the background, leadership development, which refers to expanding capacity of organizational members to engage effectively in leadership roles and processes (McCauley, Moxley, & Van Velsor, 1998) in Vietnam's organizations, is also not an exception. In the following section we will describe the status of leadership development in private and public sectors in Vietnam. We do not cover leadership development in foreign-invested enterprises because at these companies practices are often an extension of strategy and approaches borrowed from foreign partners or parent firms (Edwards & Phan, 2013).

Developing Leaders in Vietnam's Business Organizations

The legacy of central planning economy was that all strategic decisions were made by the government and there was no legal private enterprise before 1986. This has resulted in a situation where the concept of leadership was largely nonexistent (except for political leadership on national level). The term "leader" or "lãnh đạo" was used to refer to national leaders. Business leaders were most often referred to as managers or "cán bộ quản lý." The notion of business leadership in Vietnam, hence, remains relatively new. The Vietnamese government only started to recognize the importance of providing training for business leaders about five years ago. The Vietnam Chamber of Commerce and Industry survey in 2011 indicated that 59 percent of Vietnamese organizations are in need of training and development for their managers to become efficient leaders. A recent study by Phung and Le (2013) through a survey of business leaders in big cities in Vietnam reported that business leaders who are chief executive officers (CEO) or deputy CEOs have an age range from 19 to 60 years (60 years of age is set as retirement age for men by law in Vietnam; the retirement age for women is 55 years). The average age of business leaders regardless of gender is 38.6 years. The report also suggested that compared to other industry jobs, business leaders had a fairly high level of education: Nearly 59 percent of leaders were holding bachelor's degree, and nearly two-thirds of them had postgraduate training. However, most of the leaders did not have management training and 34 percent of them had less than five years of experience in management. Business leaders in Vietnam also lack managerial competencies and leadership skills. In a study comparing attributes of business leaders in Vietnam and Japan, Long (2010) pointed out that Vietnam's business leaders scored much lower than the Japanese in risk management, strategy planning, and leadership skills. To address this gap, the Vietnamese government is cooperating with foreign institutions to provide leadership development programs for business leaders.

In recent years, there was also a burgeoning growth of training programs on leadership skills provided by consulting companies. These trainings were not only for businessmen but also for youth and for members of not-for-profit organizations. Today, there is a gradual change in the social attitude toward organizational leaders and business leaders. But the culture of collectivism and the political ideology of communism have left a complicated model of leadership, which remains in effect at state-owned

organizations. This model of leadership in state-owned organizations includes four components: the VCP leader in the organization, management, union, and youth representatives. Under this collective leadership model, the leader of VCP at the organization has the ultimate decision power. The decision power, however, is not associated with the responsibility of the individual party leader but rather the whole VCP's committee. There is an office of VCP in each state-owned organization. The role of the individual party leader as a leader in organization, hence, is diminished by the existence of the VCP committee. The structure of organizational leadership in Vietnam's private sectors, however, is similar to other countries, with boards of directors and management teams. The role of VCP in private sectors is not as strong as at state-owned enterprises.

Today people in Vietnam increasingly recognize the important contributions of individual leaders to organizational performance, not only in the private sector but also in public sector enterprises. The leadership development efforts in these different types of organizations, however, are significantly different.

Edwards and Phan (2013) conducted interviews with senior managers in Hanoi and Ho Chi Minh cities, two major cities in the country, in 2009–2010 to provide an insight into the nature and substance of Vietnamese management in both state-owned businesses and private sector organizations. They found that managers in both sectors were industrious and ambitious. The business leaders in Vietnam worked overtime every day to deal with demanding issues related to starting and developing the business. They also demonstrated keen life-long learning attitude and practices. These attributes were more evident in senior managers in private enterprises than in state-owned enterprises. The study noted that the reason for the differences in leader attributes between state-owned enterprises and privately owned enterprises was that leaders in state-owned enterprises bore less pressure than those in private companies. The study also found that Vietnamese managers tended to be more people oriented (i.e., based on relationships ["quan hệ"] and emotions ["tình cảm"]) rather than system oriented or data driven. It is understandable given the lack of trustworthy data: It is very difficult to access data in Vietnam due to either unavailability or heavy censorship. Leaders, therefore, have to use intuition and qualitative thinking to make most decisions.

State-owned enterprises continue to operate under the legacy of the old public sector. They still enjoy significant support from the government and have been changing slowly. Leaders in these organizations are

mostly developed internally. All important decisions, including personnel decisions, are made through the committees of VCP at the organizations. The appointment of high-level managers at these corporations are also made by the government agencies that are usually the corporations' governing ministries. As a result, there is an implicit rule that employees in these organizations, in order to be promoted to managerial levels, have to seek membership in the party. The party will then provide a training program for them. This training program is not job related nor organization related. Managers identified by the party committee as potential leaders of the organization will be sent to Ho Chi Minh Academy to receive leadership training. Training at Ho Chi Minh Academy is mostly political in nature. Business leaders, promoted this way, are not likely to stay at the enterprise for a long period of time: They will, most likely, continue climbing the hierarchical ranks to top levels of leadership of state agencies. There are numerous examples of people who used to be CEOs of state-owned companies and are now ministers of transportation, ministers of construction, and so on.

The Vietnamese government acknowledges the lack of managerial skills and leadership skills in business leaders of state-owned enterprises and, therefore, these leaders are provided, in addition to political training, with some formal management training and soft-skill training. This training is provided, as a rule, not in enterprises themselves but through external government-related institutions, such as Vietnam Chamber of Commerce and Industry, or formal education institutions. In early 2000s, most managers of state-owned enterprises participated in a distance program on business management provided by a state university in Vietnam. Despite these efforts, the recent survey of business leaders, conducted by the Vietnam Chamber of Commerce and Industry (2011), showed that the majority of Vietnamese current business leaders have not undergone training courses for business administration.

On-the-job training using rotational assignments is frequently used in state-owned enterprises to train their potential leaders. In an informal interview with one of the authors, a recently retired CEO of a state-owned company who had spent all his career in the state-owned sector told stories of how he developed his managers through putting them in various stretch assignments. He explained that through these assignments, he judged their leadership capabilities and had tried many different people until selecting, together with the enterprise committee of VCP, his ultimate successor for the role of the CEO of the company. The interview suggested the lack of a

system that can be used to appraise and identify talent in state enterprises. Truong and Ha (1998) pointed out this problem in a list of what they called management problems in state-owned enterprises. The lack of a sound appraisal system leads to nepotism and political coalitions in these organizations. As a result, managers who successfully moved through the ranks in these organizations often were protégés of members of top leaders or members of the committee of VCP at the organization.

Organizations in private sectors have different leadership development practices. Unlike leaders in state-owned companies, leaders in private organizations are often owners and founders of the companies. They bear greater responsibility and face greater challenges because of the harsh and unbalanced competition both in domestic and foreign markets. Private organizations are categorized into two groups: big enterprises and SMEs. The two groups have different ways of developing their leaders. It must be noted that what we present in the following pages is intended to present a generalized picture and may not be specifically true for each individual organization.

Similar to other training and development activities, leadership development in SMEs is limited. Dang (2013) in a survey of 45 SMEs located in Hanoi City found that some of the SMEs started to put priority on managerial and leadership training. These companies had budget for training and investment in human capital. About 60 percent of enterprises participating in the survey provided training for their middle and senior managers while the remaining 40 percent did not provide any training for their managers. Companies that provided managerial training used different forms of training, including job rotation, on-the-job training, workshops, and so on. The training programs mostly focused on basic management skills such as strategic planning, business planning, and marketing development, while personal skills and development were not emphasized (Dang, 2013). It should be noted that only 36 percent of participants said that their training programs were designed in alignment with their business strategy. Managerial and leadership training programs in these enterprises were implemented sporadically without a systematic approach. They did not have a concrete way to determine target groups of employees for these programs as well as to evaluate the training effectiveness. In an informal interview with a CEO of a medium-sized enterprise, the CEO suggested that his company was willing to send and even pay employees to participate in management training programs such as MBA, but these managers should be among key people in the company and must

express commitment to stay with the company. The CEO decides who to send to these training programs. In most cases, these individuals have personal connections with the CEO as friends or relatives.

Given the dominant position of SMEs in private sector in terms of both numbers and capital, Vietnamese government has put priority on developing leadership capacity for business leaders in these organizations. For example, Hanoi Department of Planning and Investment has been providing funding to train SME business leaders through training institutions such as National Economics University over the last four years. In these executive training programs, Hanoi Department of Planning and Investment funded a half of the enrollment fees for individual participants while the other half was paid by the SMEs. In addition, training for SMEs has been attracting many funds from international organizations such as International Labor Organization and foreign embassies in Vietnam. A number of associations were established to facilitate conversations between SMEs and government agencies, creating favorable conditions for SMEs' access to necessary information and knowledge. Along with government policies, studies on leadership development in SMEs in Vietnam have tried to understand what types of leaders are needed in successful SMEs. A study by Le (2015), based on a survey of 230 SMEs from the list of Vietnamese Young Entrepreneur Association, found that SME leaders considered broad vision as the most important characteristic; next came patience, creativity, risk-taking, followed by adaptability and meticulousness. It must be noted that organizations participating in the Vietnamese Young Entrepreneur Association are on average more successful than other SMEs. In terms of knowledge, businesses leaders of SMEs considered knowledge of strategic management as the most important, followed by knowledge on accounting/finance, knowledge related to HRM, and in that order. The three most important skills were leadership, thinking, and team building. The study has also pointed out that most leadership training provided by or accessed by managers in SMEs concentrated on knowledge rather than skills.

The other group of private enterprises are big private corporations. These enterprises are growing fast and started to become a majority on the list of 500 largest companies in Vietnam. In these companies, leadership development is given higher priority and considered as critical for overall business growth and development. However, the practices of leadership development in these organizations remains limited. Given that formal training in business management in Vietnam is relatively new and an

underdeveloped practice, most big private corporations in Vietnam invest in internal training rather than depending on universities or formal training institutions. In the following, we describe briefly leadership development at two companies listed on the list of largest 500 companies in Vietnam (Vietnam Report, 2015). The information presented here was collected through our syntheses of secondary data from both external and internal sources related to the two companies as well as our observations conducted while working at the two companies. The first company (Company A) is a leader in information technology and was established in 1988, two years after *Doi moi* started in 1986. The company has expanded over the last 30 years from an information technology enterprise into a multi-sector corporation which operates in technology, telecommunication, distribution and retail, and education sectors with more than 27,000 employees. The second company (Company B) is a relatively new but fast-growing company established in 2001. Company B grew at the rate of 200–300 percent annually since its inception, expanding from real estate, hospitality, and entertainment into retail, healthcare, education, and agriculture. Company B's growth has slowed down to 50 percent in the recent two years. The two companies had very different ways of developing leaders, but they both have created strategies for developing their talents and leadership succession and development.

Company A has focused on developing leaders rather than recruiting for leadership positions and has invested in in-house training. At the early stages of its expansion, Company A tried to recruit for top management positions, but these outsiders did not stay at the company for long mostly due to poor person–organization fit. The company has built a distinctive organizational culture in which many traditional cultural values were diminished in importance. For example, the Vietnamese culture is characterized by high power distance (Hofstede, Hofstede, & Minkov, 2010). However, in Company A, the power distance is reduced by valuing democratic discussion and innovation. Company A built a training program called MiniMBA in 2010. The program is similar to a corporate university in big corporations in developed countries but is smaller in scale. In contrast with other corporate universities like the ones at Ecolab or Microsoft, which put a significant emphasis on new manager orientation programs, MiniMBA targets more experienced managers and supervisors with several years of experience. The MiniMBA program is a shortened version of an MBA program, where 25 percent of instructors are leaders and managers at the company. Company A requires all leaders and managers to be avail-

able for these training programs as needed. Teaching is included in their performance evaluations. Over the past six years, the program has been training about 200 employees annually.

Company A also has a leadership development trainee program targeted at high-potential young employees with an aim of creating a leadership pipeline for key positions in different functions. The program is partially outsourced to a global training provider to provide knowledge-based training on core competencies for various employee positions. The other portion of the program is similar to a mentoring program in which a group of participants are assigned to a senior manager as a mentor. However, management of these groups is not well structured and the roles of both participants and the senior managers are not clear. The company has asked each senior manager to develop four to five young leaders, but it seems to be unable to achieve this goal due to the lack of sustained effort and restructuring in the company during the past few years as well as the lack of role clarity for senior managers and insufficient coaching from the program manager.

An interesting practice that Company A used to identify high-potential leaders is the use of a competition which is held every other year to find the best talents based on the company's core competencies model. The competition has been well received as a fun event for employees as well as a promotion tool. The winner of the competition is named "Trạng Nguyên"—a traditional name for the winner of a competition in Vietnamese feudal era. The company also organizes short courses on various topics related to its strategic orientation, such as building business cultures, brand development, strategic management, and so on. Leadertalk or GrandTalk is also another trademark of leadership development at Company A. In these talks, the top management team shares ideas and thoughts on a specific topic such as technology trends or management. These talks also feature CEOs from other corporations who share their knowledge and experiences with managers in the company. These talks are broadcast internally so every employee can attend these talks even when they are at a location away from the lecture venue.

In contrast to Company A, Company B, with a dramatic expansion and a growth rate equal to 200–300 percent annually, was focusing on hunting for leaders in the external job market to meet its urgent needs rather than developing leaders internally. Since 2014, Company B's growth has slowed down and it started to invest in training of employees with an aim to reduce turnover. At some subsidiaries of Company B, the turnover rate

is as high as 100 percent. Managers complain about high pressure and work stress. It must be noted that the level of formal training in hospitality and real estate development in Vietnam is overall very low. Therefore, to create a stable talent pool for the organization, Company B established an educational institution to train managers and leaders in hospitality and retail industry. The institution has attracted great public attention for its ambitious plan of employee training. However, in terms of leadership development, Company B's efforts remain very limited. The CEO formed a close circle of managers who are loyal to him to lead the company, resulting in a limited horizon of leadership development for people outside the circle.

Conclusions and Implications

Thirty years of *Doi moi* has brought great changes in every aspect of Vietnamese economy, legal system, politics, and culture. Vietnam's economic structure has changed to include both foreign-invested and private enterprises. Business practices have changed to meet the needs of a market-oriented economy. Among these practices, training and development has started to play a more important role in enterprises. The importance of organizational leaders has been recognized in relationship with promoting organizational performance and making contribution to social development. The development of organizational leaders has begun to attract attention from both political leaders and current organizational leaders. However, the legacy of the old economy, cultural constraints, the underdeveloped legal system, as well as the myopia of many organizations in Vietnam have hindered the investment in developing organizational leaders.

Vietnam will be fully integrated into ASEAN Economic Community by 2018, which will create great opportunities and challenges for Vietnamese business organizations. By then organizations in Vietnam can take advantage of a free labor market to attract talents from other ASEAN countries in order to conquer its current shortage of high-skill employees. Vietnamese enterprises will also have to compete with other ASEAN enterprises for Vietnamese talents who could work more freely in any ASEAN country. In order to successfully navigate through these opportunities and challenges, organizations in Vietnam cannot ignore the importance of preparing their own current leaders and developing their leaders to meet the future needs.

Leadership development practices in Vietnam remain new and limited. Although there are some encouraging examples of leadership development practices at some large private enterprises, overall the efforts to develop organizational leaders in Vietnamese organizations lack long-term and strategic view. In the private sector, the effects of nepotism or close leadership circles in many enterprises are so significant that talents who regard themselves outsider do not see potential for future growth in the organization, which results in high turnover which in turn affects organizations' investment in training and development efforts. In the public sector, even though the effect of kinship has reduced, the role of VCP creates unique dynamics for leadership development practices at these organizations.

In order to train and develop leaders, the collaboration between HRD research and practice is needed. In recent years, many management and leadership research studies have been conducted in Vietnam, but most of them lack the rigor needed to be practically meaningful. In addition, many enterprises in Vietnam have declined to participate in such studies. The response rate in survey research in Vietnam is as low as 20 percent in marketing research (Nguyen, 2014). The percentage for organizational research tends to be even lower. Without rigorous studies, practitioners cannot be informed of a broader picture as well as what works or does not work in the context of Vietnam. Without collaboration from practitioners, researchers lack understanding about the practice, most likely resulting in ineffective macro policy. This chapter revealed that there is a lack of studies in state-owned enterprises and large private corporations while these enterprises are the major contributors to GDP. There has been no rigorous study on understanding leadership in these organizations, which is especially troubling, given the role of VCP in state-owned enterprises and the traditional culture of Vietnam reflected in many large private organizations. More rigorous studies are needed to provide more insightful knowledge on leadership development in Vietnam and HR in the country in general.

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Effective Leadership and Leadership Development in South Korea: Lessons Learned from Two Large Conglomerates

Seung Won Yoon, Jegoo Shin, Sungjun Kim, and Dae Seok Chai

Introduction

We note that two countries from the Confucian Asia (China and Korea) were included in this book. The widely cited Global Leadership and Organizational Behavior Effectiveness (GLOBE) study has asked middle managers from 62 nations about the ideal and the present of the societal culture, organizational culture, and leadership on the following dimensions: performance orientation, assertiveness, collectivism, gender egali-

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187

tarianism, humane orientation, power distance, uncertainty avoidance, and future orientation (House, Hanges, Javidan, Dorfman, & Gupta, 2004). By grouping similar countries together, Gupta, Hanges, and Dorfman (2002) identified ten country clusters that share similar profiles: Anglo, Latin Europe, Nordic Europe, Germanic Europe, Eastern Europe, Latin America, Indigenous Africa, Arabic, Southern Asia, and Confucian Asia. Dorfman and colleagues confirmed that the society and business leadership norms in Korea closely matched the Confucian code of emphasizing harmony, trust, respect, and obedience (Dorfman et al., 1997).

South Korea (Korea, hereafter) has rapidly transitioned from being a country in poverty in the 1950s–1970s to a global economic power in the twenty-first century; in doing so, it went through an emerging market phase in the 1980s. The Korean government has been very proactive in identifying value-creating businesses by benchmarking best practices and directing corporate or institutional partnerships. For example, the origin of management training in Korea can be traced back to the late 1950s, when the Korean government created vocational training centers to improve workers' job skills in targeted industries. In the subsequent 20 years, large conglomerates grew under the tutelage of the government, and several such companies (called chaebols) became a driving force behind the nation's economic growth and globalization. During the same period, large conglomerates also created their own training centers, sent managers overseas for leadership development, and actively imported performance- and competency-driven Western management and HR practices, first from Japan and later from the USA.

However, most companies recognized that individualism-oriented Western management and leadership had to be modified to fit the paternalistic and communal culture of Korean society and organizations. Companies developed, highlighted, and promoted the founder's humane principles and corporate core values for all training programs. During the economic expansion in the late 1980s and early 1990s, large conglomerates also invested heavily in leadership and talent programs to recruit, identify, and develop key individuals as leaders of the organization. Empirical research on leader competencies (Choi, Yoon, & Jeung, 2012) and impact of leadership on followers in Korean organizational settings can be found without much difficulty (Jacques, Garger, Lee, & Ko, 2015; Joo & Lim, 2013), but specific cases dealing with leader development or leaders' challenges in Korean settings have rarely been explored. In response, we introduce two exemplary cases from two respected large conglomerates in this

chapter. To help readers better understand these two cases, we start by presenting prevalent leadership concepts in Korea.

Leadership Theories and Concepts Prevalent in Korea

Leadership scholars note that the leadership literature is vast and broad, with more than 60 theories having been identified in leading scholarly journals (Dinh et al., 2014). Dinh et al.'s (2014) analysis identified 23 thematic categories of leadership theories (e.g., disposition/trait, ethics/morality, social exchange/relationship, diversity/culture, contingency, and error and recovery). In human resource development (HRD), Ardichvili and Manderscheid (2008) stated that leader–member exchange (LMX), situational leadership, transformational leadership, servant leadership, and authentic leadership theories are important foundations for leadership development research in today's organizations. According to Chemers (2000), the leadership literature has observed the following shifts in focus: great man/charisma (nineteenth century), leader traits (1920s–1930s), behaviors and styles (1940s–1950s), situational/contingency (1960s–1970s), transformational/transactional (1980s–1990s), and individual and collective efficacy (since 2000s). Until 1980s, leadership studies focused primarily on examining actual leaders' characteristics and their individual impact on followers. However, with intensified competition and organizational uncertainties in 1990s, research attention shifted toward leaders' roles for organizational success (Sashkin, 2014).

Our purpose here is not to summarize all major theories of leadership in Korea because doing so would be beyond the scope of this chapter. Instead, we highlight several leadership theories and concepts that are prevalent in Korean organizational settings. Our use of both *theories* and *concepts* is intentional because some of the theories mentioned herein (e.g., servant and transformational leadership) are widely recognized and practiced by Korean business leaders, but many other concepts and frames, particularly about empowerment and change, from Western authors such as Stephen Covey, John Kotter, Edgar Schein, Jim Collins, Peter Drucker, and Martin Seligman, are also frequently used without scholarly attempts to evaluate their work. In Korean organizations, effective leadership refers to the desired personal and behavioral characteristics a person in charge of subordinates must manifest, while leadership development refers to both formal

and informal mechanisms to improve leadership potential regardless of organizational ranks. Another closely related term, leader development, refers to formal organizational interventions for developing high-potential individuals to become organizational leaders; this term is interchangeably used with the phrase talent development.

Western Origins

The influence of leadership theories and concepts originated from the Western world, particularly from North America, is strongly felt in Korean organizations. Most leadership programs expose the new leaders to various leader definitions, styles, roles and behaviors, competencies, self-assessments, and action plans. In doing so, legitimacy is established by authority scholars and studies of Western origin. For instance, most business schools in Korea teach that leadership research has three distinctive streams, examining (1) disposition/traits (e.g., possession of personal vision and passion, job skills, self-efficacy, and honesty) (Judge, Bono, Ilies, & Gerhardt, 2002); (2) styles and actions, such as autocratic, laissez-faire, and democratic styles from the University of Iowa studies (Lewin, Lippit, & White, 1939); consideration (people oriented) and initiation of structure (task oriented), covered in the Ohio State University studies (Judge, Piccolo, & Ilies, 2004); and effective leaders focusing on employees as well as productivity while engaging in task-oriented, relationship-oriented, and participative behaviors based on the University of Michigan studies (Likert, 1961); and (3) environments/situations (task and decision characteristics that affect leader participation; Robbins & Judge, 2009) as well as coaching, directing, supporting, and delegating based on followers' readiness (Hersey, Blanchard, & Johnson, 2007). Until the late 1990s, the leader–member exchange (LMX) theory, which states that the quality of the leader's and the subordinate's exchanges affect the subordinate's responsibility, trust, and work performance (Graen & Uhl-Bien, 1995) and the path–goal theory (the leader's styles of directive/clarifying, challenging, participative, and supportive being contingent on the follower's motivation, satisfaction, and performance (House, 1996)) were also frequently used in leadership training.

Findings from research on leaders' traits, styles and behaviors, and situational characteristics have provided organizational leaders with knowledge regarding what to analyze and what to do, but these studies have also been criticized for presenting less than clear distinctions between the

leader and the manager as well as not emphasizing the leader's responsibility for organizational performance. Consequently, transformational leadership (Bass, 1999) and other frameworks that highlighted the leader's primary role as managing the organizational culture (Schein, 2010) and instilling a sense of urgency and leading changes became very popular in 1990s (Kotter, 1996, 1998). Bass (1999) highlighted that effective leaders utilize both transactional (grounded on managing rewards based on task-based and rule-driven performance) and transformational leadership (charisma/idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration). Positive impacts of transformational leadership on the employees' knowledge sharing, career satisfaction, and organizational citizenship behaviors have been reported from various organizational settings in Korea (Han, Seo, Li, & Yoon, 2016; Joo & Lim, 2013).

As organizational competitiveness and wealth concentration have loomed large, the latest trends and concerns about leadership studies in Korea have included improving employees' creativity (e.g., self-leadership), organizational innovativeness (e.g., strategic leadership: top level leaders' focus on macro-level work including strategic orientation, translating strategies into actions, aligning people and resources, and getting at fundamental forces; Vera & Crossan, 2004), shared/team leadership that challenges the traditional paradigm of seeing leadership as one person doing something to others and proposes that leaders become great by leading others to lead (Pearce & Sims, 2001), and ethical values (e.g., authentic leadership that highlights self-awareness, moral perspective and ethical standards, relational transparency, and balanced processing; Avolio & Gardner, 2005). This brief review indicates that the history of organizational leadership studies and practices in Korea has closely followed the dominant frameworks of leadership developed by Western scholars. These Western-imported views have always been introduced within established traditions of dominant local leadership culture, which we discuss next.

Indigenous and Regional Origins

Confucianism has strongly influenced the leadership culture in Korean organizations as well as society (Pratt, 2006). Two indigenous leadership theories based on Confucianism, paternalistic and flexible leadership, explain what an effective leader must be like and should do as indigenous ways of leading Korean employees.

Paternalistic leadership. Confucianism can be summarized by four key principles: (a) hierarchy for stability and order, (b) long-term oriented self-cultivation, (c) harmony with others, and (d) virtuous behaviors for humanness (Chuang, 2012). Influenced by these principles, the Korean society highly values group harmony/collectivism, ethical behaviors, the virtue of humility, a respect for authority, and paternalism (Kim, 1994; Lee, 2012; Merkin, 2009).

Based on Cheng's series of qualitative studies in the Chinese cultural context (Cheng, 1995, 1997), Farh and Cheng (2000) developed a model of paternalistic leadership that includes three dimensions: authoritarianism, benevolence, and moral character. Authoritarianism refers to leaders' control and authority as well as subordinates' obedience, compliance, and respect (Farh & Cheng, 2000). In this hierarchical social structure, the leader as a father figure should also be benevolent. According to Farh and Cheng (2000), benevolent leaders should be gentle with their followers and nurture them by showing customized and holistic concern for followers' well-being regarding their professional and personal issues. Finally, leaders should possess moral character as a role model in Confucianism. Moral leaders should not abuse their authority for their personal gain and behave as an exemplar in both their personal and professional domains for followers to respect them. Based on these three dimensions, Farh and Cheng (2000) defined paternalistic leadership as "a style that combines strong discipline and authority with fatherly benevolence and moral integrity" (p. 94).

In Korean business contexts, authoritarianism and hierarchy represent the organizational culture of large Korean conglomerates, which generally consist of 40–60 legally independent companies. These companies are controlled by their parent company, which is usually owned by the original founder or his/her family members (Choi & Patterson, 2007). The most commonly observed and expected leadership style among top leaders of conglomerates is paternalistic leadership (Chang, 2012). In that context, employees expect their leaders to enforce rules, provide clear directions, take care of them personally and professionally, and be a role model in terms of ethical and moral characters (Farh & Cheng, 2000).

Flexible leadership. In highly competitive markets, organizational leaders deal with dynamic and volatile environments where business trends, technology, and customers' preferences are constantly changing. In particular, corporate leaders in Korea should also embrace a mix of discrete national and corporate cultures. From the 1960s until the 1990s,

Korean society and organizational culture have been seeking stability through values of authority, hierarchy, and harmony. In that context, loyalty and trust were exchanged for job security and seniority-based rewards (Chang, 2012). However, due to the financial crisis of 1997, the stable exchange of loyalty for long-lasting employment between the employee and the employer was broken, and the performance- and change-driven business culture in Korea forced leaders to maintain harmony between Eastern and Western values.

Adopting Western management practices such as performance appraisal and team-based work into work norms further flattened organizational structures and altered expectations from the leaders (Chang, 2012). According to Chai, Jeong, Kim, and Kim (2015), Korean employees prefer leaders who support individual autonomy and practice flexible leadership styles. For example, Korean employees perceive the following characteristics as effective leadership: (a) offer clear directions with empowerment, (b) take good care of the followers while being fair with others, (c) pursue harmony but embrace differences, (d) focus both on prompt tasks and long-term vision, and (e) consider both performance and employee development (Chai et al., 2015). In other words, employees expect their leaders to maintain harmony between the Eastern and Western values in the workplace.

Several scholars have highlighted the significance of this type of flexible leadership to reconcile between paradoxical values in Korea (Chai et al., 2015; Yang & Kelly, 2009) as well as in Western business settings (Smith, Besharov, Wessels, & Chertok, 2012). As an essential concept of Confucianism, the yin and yang paradigm describes how to balance opposing forces and complexity. Yin and yang have the following tenets (Li, 2012). First, yin and yang are opposite, but they dialectically coexist in everything. Second, yin and yang generate, enhance, and transform into each other. Third, yin and yang mutually interact to complete the formation of a holistic, dynamic, and dialectical harmony. According to the yin and yang paradigm, reconciliation can be accomplished while the particularity of each part is not eliminated; instead, the characteristics of each are enhanced to create mutually interacting relationships (Li, 2012). To achieve a balance in yin and yang, leaders need to be flexible and able to deal with paradoxes in virtuous ways. In what follows, we present two specific corporate cases. The first case illustrates the dynamic interplay of Western and Eastern leadership values, and the second case reviews a well-respected formal leader development program.

Case 1: Leadership during Crisis at the P Corporation

Company Background

The P Corporation in Korea started as a petrochemical company in the late 1940s and has become the fourth largest conglomerate in the country, with core businesses in electronics, telecommunications, chemicals, and distribution. In 2009, the P Corporation proudly announced that its mobile communication (MC) company has become one of the world's top three firms in the MC industry. The company's year-end meeting was full of cheers and promises for upcoming years. The company sold more than 15 million feature phones worldwide. Its market share was even 10 percent higher than that of the industry leader in North and Mid-America markets. Eighty-five percent of its profit came from the global market, and approximately 60 percent of its employees were employed overseas. The CEO declared globalization and marketing as two primary strategies. He adopted English as an official language for all executive meetings and reporting documents and hired several foreigners at the chief executive level from global Fortune 500 companies. However, to the dismay of its employees, the P Corporation's profits of more than 1 trillion dollars in 2009 plummeted to a loss of more than 0.5 trillion dollars in the following year, and the firm's image as a stronghold of electronics was severely damaged.

When Apple released the first iPhone in 2007, the P Corporation did not fully grasp changes happening in the US mobile phone market, where consumers were switching from feature phones to smartphones (that run third-party operating systems and apps rather than their own programs, as in feature phones). The company underestimated the growth of the smartphone market and treated the first iPhone as a smart device. In addition, the firm's cultural tradition of valuing engineering resulted in adherence to developing incompatible features rather than leveraging portable third-party applications. Its multisite development operations resulted in inconsistencies and slower responses to device defects across product lines and led to damaged service–carrier relationships. More problematic was dealing with employees' lowered morale, especially as they saw their archrival company in Korea emerging as the world leader in the MC industry. Media singled out the CEO's misjudgment, cultural misfit of external

hires, and poor communication among top leaders as primary reasons for the company's poor performance.

In 2010, a new CEO took the helm of the P Corporation's MC business. He implemented several radical changes to turn the company around. His motto was to become number one again, and he clearly communicated his willingness not only to overcome the crisis but also to regain company pride. Starting at the top level, one swift decision was to change the official language of all leader meetings back to Korean. The new CEO felt that communicating in English negatively impacted communication effectiveness. He also thought that the unprecedented hiring of several foreign chief executives had occurred too suddenly and harmed the organizational culture, which valued loyalty and seniority as important promotion criteria. To improve communication and collaboration with senior leaders, he created a program entitled Group Genius and led many workshops, eliciting participation from senior leaders with various expertise.

For system-wide changes, the new CEO mandated an hour earlier start in the morning to raise the sense of urgency among all employees. He introduced the Time Table program, a communication platform to share innovative ideas and work progress. He emphasized organizational creativity over individual creativity and started the Idea Mileage program, a bottom-up approach to generating creative ideas. Adopted ideas were recognized and financially rewarded. Different leader levels were charged with responsibilities for refining and acting upon employees' suggestions. The internal electronic bulletin board ultimately became an official idea-generation process. Another intervention was to run a boot camp called Smart One. Teams with an idea that was approved for a strategic trial or pilot release entered the camp and, within one month, leaders of hardware, software, design, and finance divisions had to work together with a charge to develop an industry-leading model. Another program opened to all employees was the New Concept Construction (NCC) room, a physical place where employees could play with leading products in consumer markets, including fashion items and phone accessories.

Lastly, the CEO emphasized the fundamentals as the most important principle in every decision. The strong push for quality was met with questions due to the previous failure from feature phones; people thought that the problems were not in quality, but more in the lack of competency in software. However, the CEO determined that quality assurance through proven platforms and modular design was the only solution to win in the

smartphone market, even at the expense of compromising profits from sales or marketing.

Results and Impacts

Simultaneous changes throughout the organizational hierarchy as well as organizational culture and technical processes saw many tangible results in product assembly, post-sales service, and cost savings. The new CEO's strong emphasis on product quality, to the point of personal examination of the tape assembly line, has led to changes in expected leader roles—not just as a senior supervisor but as one who must know the business value chain foremost and be responsible for pursuing the highest quality. To keep up with technology trends, team leaders who were more knowledge-able about hardware and software were charged with overseeing technical innovations whereas senior leaders above the managing director level were asked to perform the fast-mover role by identifying market trends and developing employee competency and key talents.

Newly designed smartphones were received very well in the global market. The company released several smartphones in two series, and one of the company's products received the best innovation award at one international trade show in 2015 and three awards from a well-respected international design competition. Within a year of concentrated investment into the smartphone business, the company's profits soared to reach 400 billion dollars.

However, the successful recovery of the P Corporation's MC business has not been without challenges. The MC industry is a very volatile and competitive market. The life cycle of mobile phones is extremely short (less than a year), and newcomers can radically alter the market trend, as seen in the recent rapid growth of Huawei and Xiaomi, two Chinese companies that make low-cost smartphones. With strong financial and human resources, two leading companies still dominate the smartphone industry, and the P Corporation's later products resulted in less-than-satisfactory sales. To strengthen the marketing function, the P Corporation hired a new CEO for its MC business in 2014. People say that the P Corporation has learned a very painful lesson and is at a crossroads for proper positioning in a very lucrative yet competitive industry.

Case 2: Leadership Development for Executive Leaders at the K Corporation

Company Background

The K Corporation is one of several conglomerates in Korea. It started as a textile company in 1953. Within ten years, it became the first textile-exporting company in Korea; to control the whole industry chain by vertical expansion, it moved into petrochemical and oil refinery business. Later, the firm successfully expanded into the energy sector, information and communications technologies (ICT), and semiconductors. In 2014, the company grew into the third largest corporation in Korea, with more than 100,000 employees.

Company Philosophy on Talents and Leadership Development

The K Corporation's formal and strategic investment into leader development can be traced back to the early 1970s, when the second CEO took over. At that time, Korea was transitioning from one of least developed countries into a developing country, yet the population's overall education and skill levels remained very low. Upon earning his master's degree in economics in the United States, the K Corporation's CEO came back and initiated the creation of the mission, management philosophy, corporate core values, and operating protocols by working with external advisory groups and internal firm leaders. He firmly believed that, for continual growth, all leaders and employees must have a firm grasp on and the same understanding of management. The result was the establishment of K Corporation's management system, known as KMS, and the K Academy, which was the first firm-level institution in Korea specifically designed to educate the leaders as well as all employees. During the opening ceremony, the CEO stated the following:

> The K Academy's education is not to develop employees into scholars. When people think of education, they think of learning at a school. Learning at the K Academy will be hands-on and experiential focusing on management issues and the needs of the firm. Unless everyone engages in experimenting or presenting, the best training or high quality teaching will not produce any results. When people learn in the K Academy, it will have to be skills that they can use at work, and such learning should become a powerful weapon.

> … In modern management, they say that 3Ms (man, money, and material) are the most important, but the most important is man, the second is still man, and the third is again man.

The third CEO, who started in 1998, also publicly professed his strong will for developing talents, particularly at the executive level. Until the early 2000s, the company's main profit was still from the domestic market, and its growth rate was slowing down. In 2004, the CEO made the following bold statements:

> Now, the K Corporation aims to become a top global company. For this, we need to possess strong competencies that enable us to succeed in global competition. Most importantly, senior leaders must win in the global market, and we must know how they compare to peers at global leading companies. First, we must know where we stand. Senior leaders' competency development starts from self-awareness. They should be diagnosed for strengths and weaknesses, and the firm needs to provide opportunities and tools for them to proactively grow.

His announcement was followed by two specific actions for executive development: the creation of a leadership diagnosis and feedback system and the initiation of the Learning Account system, a financial support of ten thousand dollars per executive leader for self-development, which was to encourage and recognize self-directed learning.

Leadership Assessment and Development

Early assessment phase. The K Corporation first built a holistic assessment system. Its primary focus was on properly measuring about 400 executive leaders' leadership and global management competencies, particularly in areas of strategic perspectives, results orientation, and people and organizational development. Led by the CEO and a top management team, an Assessment Center (Lievens & Thornton, 2005) was adopted as the base structure, supplemented by fact finding, case studies, behavioral event interviews, and paper-and-pencil tests on management concepts. Management professor panels and internal senior leaders created a pool of assessors, and a pilot test was implemented with 50 executive leaders in the fall of 2004.

The first trial found several issues. First, senior leaders had never been formally evaluated before, and some members expressed concerns about the possibility of their scores being compared or known to their subordinates. Second, nepotism based on school, hometown, and family relationships was prevalent in Korean organizations; thus, fairness of the internal assessors was questioned. Third, many participants raised questions about the appropriateness of paper-and-pencil tests for executive leaders. In response to these issues, revisions focused on improving the acceptance of the assessment center and test results. Changes included forming the assessor pool made up of exclusively outside members, using an interview as the primary measurement tool combined with a pre-survey (to enhance measurement validity and objectivity), and maintaining strict confidentiality of assessment results.

Current assessment practices. What started as a competency improvement program has become an assessment "culture," with systematic processes for selection, performance management, and feedback. At present, approximately 200 of 700 executive leaders annually participate in the leadership competency diagnosis. When the program first started, all senior leaders were re-evaluated every other year; nowadays, competency assessment takes place whenever the need arises, such as with a promotion or a new division/work assignment.

In the early phase, the leadership competency assessment measured psychological and behavioral characteristics. Later, assessment data were correlated to the leader's actual performance. Statistical results found a positive relationship between leadership competency and actual performance among the group of beginning executive leaders, but the strength of association was not strong for top-level leaders. This led to creating a leadership pipeline and differentiated competencies by leader levels. A formal definition for the leadership pipeline was also created in 2014 based on the management principles and core values of the firm. Leadership competency at each executive level was determined based on the integration of exemplary cases, data analytics, and interviews with executive leaders as well as the key stakeholders with whom they interact.

The measurement process was also substantially revised to be managed in three phases. The first phase starts with a tripartite survey from the leader, peers, and the leader's subordinates. The survey has common as well as differentiated items for each responding party. In addition to self-evaluating his/her leadership competency, the leader completes an assessment on personality, describes major career experiences/insights,

and creates a plan for personal and organizational development. The survey also captures the leader's personal challenges and support needs. The second phase is an interview between the executive leader and two faculty assessors specializing in leadership, organizational behavior, or industrial psychology. The two assessors thoroughly review the results from the first-phase survey and perform a 2-hour face-to-face interview to walk through the competency list. Then, each assessor immediately conducts another 1-hour face-to-face interview with the leader's immediate subordinate (e.g., a junior executive or team leader) in order to capture additional information or verify their leadership diagnosis of the leader. The final phase involves a meeting between the two assessors to reach the final agreement and create a report.

Feedback about assessment results is provided back to the executive leader within a month. Starting with the result from the personality test, one of the two assessors provides verbal face-to-face feedback. The main goal is to help the leader see how his/her characteristics can affect work processes or subordinates' reactions. Results from the tripartite survey and the interview with the leader's immediate subordinate are shared with the leader so that he/she can confirm strengths and weaknesses and create an action plan for personal and organizational development with the assessor.

Results and Impacts

As of 2016, the process of assessing leadership competency for executive leaders is in its twelfth year. Its impacts are multifold and can be summarized at the individual and organizational levels. At the individual level, rates of participation, satisfaction, and self-rated competency have substantially improved. More than 90 percent of the participants stated that the leadership assessment was fair and objective and helped them develop as an organizational leader. Survey responses also showed significant improvements in reflecting on leadership, creating one's own voice, and managing interpersonal relationships. In 2012, a longitudinal analysis was performed with leaders who participated more than three times to determine the effectiveness and continuation of the executive leadership assessment program. Statistical results showed a continual improvement in assessor-rated leadership competency and performance ratings. Based on these results, the K Corporation decided to continue the program.

At the firm level, feedback from many junior leaders indicated that participating in the top-level leader's evaluation process helped them see what

is expected from a senior leader. In addition, executive leaders' attention to the leadership assessment promoted a culture that stresses firm-wide leadership improvements. The second chairman's comment that people are the only and most important asset in K Corporation is a living motto that drives leadership development throughout the organization.

Discussion, Suggestions, and Conclusion

We have reviewed leadership theories and concepts widely recognized in Korea and presented two distinctive cases of organizational leadership in this chapter. Although the focus of each case is different, with the first case showing how the CEO responded to a major organizational crisis and the second case showing the practice of leader development through comprehensive assessments at the executive level, both cases demonstrate that, in large Korean companies, leaders use Western-originated leadership principles as resources (Chemers, 2000; Sashkin, 2014) and adjust them within the Korean organizational and societal culture, which highly values paternalistic leadership (Chang, 2012; Li, 2012). For instance, the P Corporation is widely recognized as one of the most paternalistic organizations among Korean conglomerates, and the company is known for emphasizing group harmony. The reviewed case is exemplary in showing how a very large organization can deal with an organizational crisis by swiftly creating or modifying work processes driven by the CEO's paternalistic and flexible leadership.

The K Corporation's leadership assessment case also shows that established Western-originated human resource and management practices (e.g., assessment center and competency-based approach) are strongly present in the firm's leader development efforts, but both program design and implementation should consider the culture of the organization (expectation and presence of loyalty and seniority) as well as society (nepotism and respect for authority) for program success. The case is exemplary in the comprehensiveness and rigor of measurements (e.g., relating assessment data to actual performance, combining quantitative and qualitative data, and addressing accuracy and validity through multiple sources). The firm's continuous improvement to the program design and delivery based on user feedback is also strong. We also feel that top leaders' messages and actions from these two conglomerate cases show a powerful influence of the leader's vision (each CEO announced the vision of being number one in the industry or a top global company), intellectual stimulation

(e.g., requiring leadership competency standing ahead of global competition at the K Corporation or creating industry-leading products by the P Corporation), and empowerment and support of the subordinates for positive organizational changes.

Although both cases effectively capture challenges and development practices of leaders at large Korean companies, we need to acknowledge that these cases looked exclusively at the top-level organizational leadership (due to their significant role in the paternalistic organizational culture); thus, limitations of this study need to be acknowledged. Ardichvili and Manderscheid (2008) noted that leader and leadership development are two different foci. The former focuses on developing individual leaders, whereas the latter emphasizes leadership improvement throughout the entire organization. Thus, the P Corporation's case would be considered a leader development program. For a firm-wide leadership development, expanding the program to include lower-level managers or high-performing talents will be necessary.

For leadership and leader development practice, both cases exemplify the importance of corporate leaders' understanding of sound leadership principles and sensitivity to the societal culture, local leadership values, and pressing needs of the organization (Festing & Maletzky, 2011). In a world of constant changes and increasing complexity, no leaders are in possession of all important knowledge sources; thus, organizational leaders must engage in multiple roles, such as (1) developing programs, services, structures, systems, and resource capacity; (2) aligning them to the mission and core values of the organization; and (3) mobilizing, coordinating, and empowering organizational members and external key stakeholders.

Finally, the introduced cases highlight the importance of more indigenous and cross-cultural research in the future. Leadership scholars concur that leadership studies in general have been dominated by functionalist-driven Western views, particularly from the USA (Ashkanasy, 2002; Chuang, 2012; Dinh et al., 2014). Yet leadership is a normative concept that is culturally shaped in local contexts; thus, more indigenous and cross-cultural studies are necessary to further advance the field (Blunt & Jones, 1997; Sashkin, 2014). Numerous scholars have claimed that studies using Western leadership theories in non-Western cultural contexts could be problematic because their findings may not be applicable to non-Western countries (Li, 2012; Liden & Antonakis, 2009). Blunt and Jones' (1997) analysis of transformational leadership's required conditions to inspire the

followers and promote the collective vision beyond the personal interests (e.g., relative equality of power between the leader and the follower, high level of trust and openness, a desire to share feelings, and beliefs in the positive value of teamwork) shows how a leadership concept that is grounded in autonomy, individualism, and egalitarianism can be culturally incongruent with the high power distance culture of East Asia. The construct of leadership has reflected and will always reflect the changing needs of society and organizations (Day, 2001; Dinh et al., 2014).

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Africa and the Middle East

Leadership Development in Ghana: A New Look at an Old Concept

Emmanuel Osafo and Robert M. Yawson

Introduction

We all might have been asked the question "are leaders born or made?" This question might have led to a healthy debate in a conversation or some academic discourse. However, to most traditional leadership systems where leadership is by kin selection, the forthright belief is leaders are born. Thus, an individual should share blood relations with a particular lineage to increase their chances of becoming a leader. It should, however, be noted that even in the most extreme cases where people are born to inherit from their predecessors, some form of development is required for them to be effective in their leadership roles. Leadership development is, therefore, germane to every kind of leadership.

Leadership development in Ghana is a complex and important practice and can be discussed under many topical areas. However, in this chapter, we focus on popular models such as traditional leadership development and leadership development through education, among others, to

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guide our overall discussion of leadership development in Ghana. There is a dearth of literature on leadership development in Ghana. The existing empirical work on leadership development in Africa is premised on a desire to provide Western expatriates with a better understanding of how to do business in Africa. There is the need for empirical work that will provide a better understanding of traditional leadership development in various African countries and communities to help assist employees, organizations, and communities appreciate, develop, and enhance their leadership development approaches (Bolden & Kirk, 2009). We proceed by providing a brief description of Ghana and some of the traditional systems that influence leadership development. The proceeding sections will discuss various models of leadership and leadership development, including traditional and political leadership, leadership development through education and religious institutions, and contemporary views on leadership development in the country. The chapter will end with a comparison of the strengths, challenges, and commonalities among the models, and a conclusion.

A Brief Description of Ghana

Ghana is a sub-Saharan country situated along the Atlantic coast of West Africa. The total land area is approximately 240,000 square kilometers. The distance from north to south measures about 672 kilometers, and 560 kilometers from east to west. Ghana is bordered to the east by Togo, west by Cote D'Ivoire, to the north by Burkina Faso, and to the south by the Gulf of Guinea. Ghana is believed to be the country that is nearest to the center of the earth, with the Greenwich Meridian that passes through Tema, a coastal town in Ghana, meeting the equator off the shores of Ghana. Based on the 2013 census data, Ghana's population is estimated to be around 25.9 million, divided across ten regions that form the administrative divisions of the republic. Ghana has an agrarian economy with estimated 60 percent of the population engaged in subsistence agriculture. The country is a parliamentary democracy with a 275-seat unicameral legislature governed under a constitution with a president who serves as both head of state and head of government (Columbia University, 2012). Both the president and the legislature are elected by universal adult suffrage for four-year terms; the president's tenure is limited to two terms. Administratively, there are 6 metropolitan and 55 municipal councils that are subdivided into 212 districts that form the district assemblies.

Ghana was among the first sub-Saharan African countries to allow Europeans to settle on their soil in the fifteenth century, one of the earliest to be colonized in 1874, and one of the first to gain independence from the Europeans in 1957 (Salm & Falola, 2002). It is estimated that 69 percent of the population is Christian (Pentecostal and other Protestant churches, and Roman Catholic) and 16 percent is Muslim, with the remainder following traditional religions (Nelson, Ingols, Christian-Murtie, & Myers, 2013).

Ghana is a multi-ethnolinguistic country with English as the official language. It is a country that can be described as a conglomeration of tribes each of which has unique characteristics that define their traditional leadership development and general livelihood. However, there are general modalities of leadership development that cut across all tribes in the country. For the purpose of this chapter, emphases will be on the general modalities for traditional leadership development.

Leadership Development in Ghana

The conceptualization and description of leadership development have not been consistent across countries. For example, Africa is by no means a monolithic entity with a vast cultural diversity, although "certain indigenous trends of thought, cultural influence, and value orientation are commonly shared by the majority of people in Africa" (Edoho, 2001, p. 79). However, there is the tendency of describing leadership development in the context of Africa monolithically from the Western perspective (Amenumey & Yawson, 2013). Particularly, the whole concept and practice of leadership in the Western world are to some extent different from most emerging economies (Amenumey & Yawson, 2013). In this chapter, we attempt to describe how leadership development is conceptualized and practiced in Ghana; however, we do not suggest that the case of Ghana is a microcosm of the entire situation in Africa or that of other emerging markets.

Traditional Leadership Development in Ghana

Traditional leadership is an important part of leadership in Ghana's sociopolitical system. During the precolonial era—the period before Ghana was colonized by the British—traditional leaders were the center of development and continued to play an important role in Ghana's developmental

efforts. "Traditional leaders/chiefs can claim special legitimacy in the eyes of their people because these institutions can be seen to embody their people's history, culture, laws and values, religion, and even remnants of pre-colonial sovereignty" (Ray, 2003, p. 5).

Leadership development in Ghana is grounded in the country's traditional sociopolitical systems such that it will be deficient to discuss this topical area without referring to the modalities used in developing Ghana's traditional leaders. Leadership development in the traditional system is as complex as it is interesting. Ghana's traditional sociocultural system is heterogeneous such that different tribes observe certain unique values and customs that distinguish them from other tribes. However, in a general sense, each member of the society has a responsibility to respect the traditional authority that ensures peaceful coexistence of residents in their jurisdiction, irrespective of their tribal affiliations. Traditional leaders in Ghana are vested with the authority to mobilize their subjects for development, to inspire them to behave morally, and to impact public discourse in a positive manner (Ray, 2003). Incontrovertibly, traditional leadership cannot be ignored in discussing leadership development in Ghana.

To understand traditional leadership development in Ghana requires a good understanding of the social stratification and inheritance systems. The social system of Ghana can be described as a network of individuals bonded together by blood relations and geographical location. Thus, a collection of individuals forms a family, a collection of families forms a clan, a collection of clans forms a town, and a collection of towns form a tribe. At every level, there are procedures for leadership selection and development that all members must understand and uphold. The *father* assumes leadership position of every family by default; the *lineage head* is the head of the clan; the *chief* is the head of the town, and the *paramount chief* is the head of the tribe. The *queen mother* is the female leader who has the joint responsibility with the chief to promote the development and well-being of the community and the people in their jurisdiction. The queen mother is also the principal custodian of the oral traditions and the one who leads the determination of the rightful successors to leadership roles (Gibson, 1995).

In Ghana, the traditional system of leadership development uses an inclusive model that requires every family's representation at the *palace* that serves as the residence of the chief where all dignitaries are received. Also, all major political and economic decisions are made at the palace. To this effect, every family is assigned a specific role that they play in the

developmental effort of their community. There are many subdivisions in the leadership circle of Ghana's traditional system that can be equated to the modern system of leadership. For instance, as one family assumes the responsibility of finance, another assumes the responsibility of security. Every family is required to develop their kinsmen for future leadership roles in the palace because only kinsmen from a particular family have the birthright to succeed a particular sub-chief when they die.

Traditional leadership development in Ghana involves a unique set of training that ensures the individual leaders understand their role and also conduct themselves credibly. This model of leadership development focusses on teaching individuals the customary rights, public speaking, dancing to the tune of traditional drums, dispute adjudication, ethical conduct, and other ancestral heritage because of strong belief that these and "other local matters, are best expressed by traditional leaders" (Ray, 2003, p. 5). Competency-based modeling themes underlie these training experiences. For instance, being a traditional leader in Ghana requires knowledge of an individual's customary rites, ability to adjudicate disputes effectively, and skills in particular assignments to the ancestors at the chief's palace. This model is in convention with the knowledge, skills, abilities, and other characteristics (KSAO) model that is emphasized by industrial and organizational psychologists and scholars from other business related fields.

Competence and character are two important elements of traditional leadership development in Ghana. Alabi and Alabi (2014, p. 124) emphasized that traditional leadership competencies in Ghana include: *administrative competences* (planning, and organizing resources); *people competences* (respect, patience, listening, conflict management, negotiations skills, facilitation of peace and harmony, and being a change agent and role model); *visionary competences* (strategic thinking, networking, ability to establish the requisite social capital); and *personal competences* (honesty, trustworthiness, credibility, self-awareness, confidence, and self-respect). These are some of the leadership attributes emphasized by traditional leadership development models in Ghana.

There are no written models that guide traditional leadership development in Ghana. However, there are various informal information dissemination mechanisms that are used to ensure information flow from one generation to another. These include assigning unique meanings to particular artifacts that symbolize significant events that occurred in the past. For example, the picture or carving of a dog with flaming fire in

the mouth is one clan's symbol. Those who aspire to be leaders of that clan need to know the history of such artifacts and their implications for that particular family. This is critical to traditional leadership development in Ghana because belief systems and symbolism are very important to practicing leadership duties. Traditional leadership development modalities are rooted in the customs and traditions of a particular tribe and are transferred from one generation to another through interpretive discussions. In the case of unresolved ambiguities, the elderly who are deemed knowledgeable in all aspects of the customs and traditions are consulted for clarification. Three primary modalities used for traditional leadership development in Ghana are storytelling, coaching, and mentoring. Each of these modalities will be discussed next.

Storytelling. Storytelling is one of the bedrocks of traditional leadership development in Ghana. Many researchers have emphasized the significance of storytelling in leadership development (Bennis, 1996). Alexander Mackenzie (2014) indicated in his popular article, "Storytelling Is the Heart of Leadership" that, "a good leader is a good story teller" (Mackenzie, 2014, p. 1). For example, Kofi Annan, a Ghanaian diplomat and former United Nations Secretary General, was described by one of his advisers to a journalist in the following way: "he runs the U.N. like an old fashioned African Village, with long discussions among the elders, periods of reflection and eventually a decision" (Mintzberg, 2010, p. 6). Perhaps unknowingly to this adviser, he was describing the storytelling approach to traditional leadership development. Ready (2002) indicated that storytelling is an effective means of communicating important messages related to culture and that "great stories create a rich visual imagery in our minds" (p. 64). Through storytelling, leaders self-disclose themselves and engage and inspire others (Harris & Barnes, 2006). The storytelling approach to traditional leadership development in Ghana helps to remind leaders of their responsibilities and commitment to their subjects. Through storytelling, leaders continuously educate the youth and visitors about the reasons behind certain actions and the need to preserve their customs and traditions.

Coaching. Another popular approach to traditional leadership development in Ghana is coaching. Coaching is the one-on-one process through which leaders confront their competencies to lead and develop an awareness of the way to master this capability (O'Flaherty & Everson, 2005, p. 2). Coaching is critical in traditional leadership development in Ghana because there is no documented information on the requirements

of a leader. However, just as coaching from a Western perspective is a formal process, with assessment and deliverables attached to it, the traditional approach to coaching in Ghana has some form of formal component of assessment and deliverables as well. Hence, young people who aspire to hold leadership roles need to have one-on-one interactions with the elderly to be able to understand the customs and artifacts that define the traditions of society. Coaching served as an important tool for preserving and passing on time-tested skills, customs, and knowledge from generation to generation, and the mastery of these attributes are assessed in different ways, including initiation ceremonies (Adeyemi & Adeyinka, 2002). In line with the views of Mccormick and Burch (2008), coaching is used to shape the personality of potential leaders in the Ghanaian traditional system and also to identify deficiencies in essential traits for effective leadership. Skills such as communication, articulation of vision, and interpersonal relationships are developed through coaching. When the family identifies individuals as potential leaders, these individuals are assigned elderly persons who work closely with them, teaching them about the traditions and customs and encouraging them to practice such in public occasionally. Mistakes are corrected as the development process goes on until the individual is confident to act with little guidance. Coaching continues throughout the leadership development process.

Mentorship. Mentoring is another approach used in traditional leadership development in Ghana. Because traditional leadership in Ghana is usually kin-based, succession planning is critical. Mentoring is a leadership development process in which "an experienced colleague engages in the professional development of a less experienced colleague" (Dziczkowski, 2013, p. 355). As indicated by Dziczkowski (2013), mentoring helps to reduce stress and anxiety related to taking on new responsibilities and lead to greater self-awareness. Identifying credible persons and preparing them to take leadership roles whenever the need arises is a difficult task in the traditional societies of Ghana. Selection is based on the individuals' personal conduct among his peers. Young men who are identified as potential leaders are recognized as conducting themselves credibly and with no visible disabilities and have not been convicted of any crime. It should be noted that selection is focused mainly on the males, except for a few instances where females are targeted for the queen mother position. Some of these selection criteria have come under heavy criticism as dated tradition which is discriminatory regarding gender and disability. Potential leaders are informally mentored by an elderly person in a leader-

ship role who guides them through life in a manner that transcends ordinarily growing up in a community. Mentors are usually respected people in society who have made a significant contribution to their community. A mentor should be knowledgeable in traditional and customary matters and identified as a competent "teacher" who is patient and can disseminate information accurately. Traditional leadership mentees are assigned leadership roles among their peers and are monitored closely by the elderly person whose responsibility it is to shape the mentee's character in a manner that helps to keep a balance between traditionally sanctioned and personal conduct.

Mentees are usually observed by their peers as having special characteristics and enjoying exceptional privileges in the community. In a typical traditional system in Ghana, mentees build their character and assume some level of authority among their peers during the extended period of mentorship when they understudy a more experienced leader. They are introduced to the key functions of leadership and are provided the opportunity to practice such and participate in decision-making processes. Processes used for traditional leadership development are still relevant in Ghana's current developmental efforts. Even with absolute colonization that impacted the lives of the people of Ghana, major traces of traditional leadership development modalities have translated into all aspects of leadership development in the country.

Political Leadership Development in Ghana

There is a thin line to cross when differentiating between traditional leadership and political leadership in Ghana. Prior to the Europeans arriving in Ghana, the traditional leaders controlled all the resources of the state and acted as the trustee of all state lands. Since gaining independence in 1957, there has been a complete divide between traditional leadership and political leadership, even though the structure and functions of the two merge at a point. Generally, political leadership refers to the central government comprising of the executive, judiciary, and legislative branches, or a dictator and his appointees who assume power through the forceful take-over of government. The main criterion for selecting traditional leaders in Ghana is blood relations, but political leaders in Ghana have been selected through the polls, coup d'état, or through appointment by a president or head of state. For the purpose of this discussion, political appointees to

other state institutions such as the central bank and the police are considered under political leadership.

Political leadership development in Ghana is erratic. Thus, there is no clear-cut model for developing political leaders. The history of political leadership development dates back to the precolonial era; however, in this chapter we focused on the period after Second World War and the postcolonial era in Ghana. We begin the discussion of political leadership development in Ghana with a brief discussion of the Big Six; the six Ghanaian leaders who spearheaded Ghana's independence.

The Big Six. Redirection in Ghana's political leadership development began with the fight for independence. During this period, prominent Ghanaians both at home and abroad came together to help liberate the nation from British rule. The struggle for independence led to the creation of a group of leaders who frequently met with the colonial government and negotiated to design a path to independence. In early March 1948, the leadership of the United Gold Coast Convention, the leading political party in the British colony of the Gold Coast, was arrested in connection with some disturbances in Accra, the capital of the then Gold Coast, as Ghana was previously named. Following the disturbances, six leaders of the fight for independence were arrested and detained by the colonial government. The leaders who were arrested were Kwame Nkrumah, Obetsebi-Lamptey, Ako Adjei, Edward Akuffo-Addo, J. B. Danquah, and William Ofori Atta. These leaders were tagged the Big Six by the people of Ghana.

The emergence of the Big Six and subsequently gaining independence provided the impetus for political leadership development in Ghana. It should be noted that Kwame Nkrumah formed his Convention Peoples' Party (CPP) in 1949 and eventually fell apart with the Big Six. Interestingly two of the Big Six, Kwame Nkrumah and Edward Akuffo addo, respectively, became the first and second presidents of Ghana. To date, all political party activities revolve around the CPP and United Party, which was born out of the UGCC.

Similar to many newly independent countries, Ghana identified education as the key to social and economic development (Akyeampong, 2010). There is controversy on the actual date formal education started in Ghana. For example, information from Great Pola Foundation indicated that European merchants such as the Danes, Dutch, and English started educating their offspring with native Ghanaian women in the castles and forts to take up positions as administrative secretaries and soldiers.

Other sources claim the first school was established by the Portuguese in 1529 at the Elmina Castle. Another source indicates that formal education in Ghana started in 1752 (Jones, Jones, & Ndaruhutse, 2014), but focus on character training that is essential for leadership development became apparent after a petition was made to the then colonial Governor Guggisberg in 1920 (Agbodeka, 1977). Since this period, Ghana's educational system directed more attention to character training and leadership development.

Leadership Development Through Education

The post-independence era saw schools in Ghana gingered up for leadership development. The boarding school system, which was the predominant system for secondary- and tertiary-level education in Ghana, provided grounds for leadership development. As indicated by Jones et al. (2014), the boarding system brought together students from diverse geographical locations who had completely different ethnic and socioeconomic backgrounds. Living together in the dormitories and halls at the universities inspired sharing of values and establishing a common ground for collaboration and respect for one another. According to Jones et al. (2014), this created a more horizontal leadership development system built on respect and equality in Ghana. The nature of the boarding school system in Ghana encouraged brilliant students to travel across the country to attend school in any district of their choice. The most selective prestigious schools, mainly in the southern part of Ghana, were targeted by most brilliant students. The boarding school system presented luxuriant grounds for leadership development. Because most young people spent their teenage years in boarding schools, their character formation and skill development potentials were formulated in these environments.

Between 1966 and 1992, Ghana's political landscape suffered a period of precarious atmosphere that scared both ordinary citizens and business owners. Unpredictable coup d'états that resulted in the abuse of civil rights and liberties of the people and unwarranted business takeovers by the military were so predominant that democratic political activities were distasteful to potential leaders. However, in the boarding schools, internal political campaigns were launched and elections held to select leaders in a democratic manner to manage the affairs of the secondary and tertiary institutions. Other students who could not get the opportunity to serve as Student Representative Council (SRC) executives were encouraged

to participate in leadership roles in their classrooms and dormitories and other social groups on campus. Because of the extended stay in the boarding schools, usually between five and ten years from secondary school to the tertiary-level institution, most people who had leadership potential had the opportunity to shape their character and sharpen their leadership skills while in school.

Interestingly, most of the notable leaders in Ghana were products of the boarding school system and had served in one leadership capacity or another while in their schools. Many prestigious selective schools such as Achimota and Mfantsipim Secondary Schools enjoyed the benefit of a diversified student population that enriched their leadership development efforts. Until today, most leaders in Ghana have some affiliation with one or another prestigious selective boarding school. For instance, renowned leaders like K. A. Busia, a former prime minister of Ghana, and Kofi Anan, the immediate past United Nations Secretary General, were products of Mfantsipim Secondary School. Also, Achimota School produced notable leaders like Kwame Nkrumah, Jerry John Rawlings, and Evans Attah Mills, all of whom were once elected presidents of the Republic of Ghana.

At the tertiary education level, elections in student organizations such as the Students' Representative Council (SRC) and the National Union of Ghana Students (NUGS) are contested with the gravity attached to any national elections. At this level, students who aspire to be political leaders align themselves with particular political parties and work tirelessly to shape their public speaking, decision-making, sobriety, and self-presentation skills among other things. Student leaders develop leadership qualities such as a sense of integrity, commitment to duty, negotiation skills, interpersonal relationship, decisiveness, and confidence through their leadership roles and constant contact with national leaders.

Models used for leadership development in the boarding schools in Ghana are no different from those used for traditional leadership development. Coaching and mentorship were predominantly used for leadership development at the boarding schools. In a succession planning style, student leaders would identify and groom junior students and inspire them to take over when they graduate. In a kin-selection-like manner, senior students would identify with junior students who share something common with them and mentor them as their potential successors. This phenomenon developed into the mainstream national politics and civil service where the selection of leaders is to a large extent by cronyism with little recognition to competence until today.

Also prominent was the establishment of the Ghana Institute of Management and Public Administration (GIMPA) in 1961 to train public servants to acquire administrative and professional competence to run the affairs of governmental institutions. GIMPA is now a full-fledged university offering courses in leadership to help improve leadership effectiveness in Ghana. The Institute of Professional Studies (University of Professional Studies) was also established in 1965 to train accountants and management professionals to lead the financial administration of the industrial and organizational sectors of Ghana. Other institutions such as the military, customs, immigration service, and the police established special institutions to lead in various capacities. Leadership development through education is still important in Ghana.

Religion and Leadership Development in Ghana

Religion is another aspect of Ghanaian life that has contributed to leadership development. Before the arrival of the Europeans, traditional priests served as the spiritual leaders who had the prowess to interpret issues of spiritual dimensions. The traditional priests were consulted on many issues such as the prevalence of some strange diseases or unexplained deaths. Today, traditional priests continue to assume some level of relevance in many rural communities in Ghana. Every chief worked closely with a traditional priest who served as their spiritual leader. Training and development of traditional priests were mainly through coaching and mentoring.

In the early nineteenth century, Christianity was introduced to Ghana (then the Gold Coast) by "missionaries from the Basel, Bremen, Methodist, and the Anglican missions" (Nilsson, 2003, p. 11). The introduction of Christianity into the Ghanaian society resulted in a shift in leadership development. As part of their mission goals, churches established schools in Ghana to train children in both moral issues and other mainstream subjects such as English and math. The establishment of mission schools required new dynamics in leadership to spearhead the new system. To this effect, teachers were trained to not only lead the schools but also to lead the church and other community activities. The introduction of teacher training education led to a shift in the male-dominated traditional system to include females who served as teachers and opinion leaders in their communities. Many people who trained as teachers moved higher on the academic ladder and eventually became national leaders. Typical examples

are Kwame Nkrumah, who eventually became the first president of Ghana and K.A. Busia, who also became the first prime minister.

Besides directly training people to become leaders, the Christian religion also helped to shape the character of school children. Teachers were trained to show exemplary character in all their endeavors. This attitude helped to form a society of leaders who were measured not only by performance on tasks but also by their personal conduct and interpersonal relationships. Up to date, teachers serve as prominent leaders in their communities. The foundation laid by religious groups in the early 1900s has inspired teachers to lead many initiatives in Ghana. For example, teachers were identified as strategic leaders in Information and Communication Technologies (ICTs) training in Ghana. With the mass implementation of the Junior Secondary School (JSS) system with a focus on vocational training in the late 1980s teachers were targeted to receive training in many vocational skill sets, including ICT, to lead the new system to success. Teachers' contributions to the development of communities are visible in every corner of Ghana. Until today, teachers serve as opinion leaders and spearhead most development efforts especially in rural Ghana.

Since the early 1980s, the charismatic group of churches (a Christian movement that emphasizes the works of the Holy Spirit, spiritual gifts, and miracles) began a leadership crusade aimed at liberating people from so-called "ancestral curses" and leading them into prosperity. Many of these churches organized crusades to help people become leaders and prosperous members of society. Eventually, some religious institutions extended their activities to establish formal tertiary institutions and other pastoral training schools to help train leaders of distinct character. Pastors and other church leaders continue to contribute in diverse ways to leadership development in Ghana. For example, the International Central Gospel Church (ICGC) initiated the pastoral training college in 1988 which eventually metamorphosed into a full-fledged university with a mission goal of nurturing a vibrant academic community conducive for the study, creation, and dissemination of knowledge through research, training, and service in 1997. The Islamic University was also established in 1995 to train the youth to be qualified professionals.

Other religious institutions such as the Christian Council and the Ghana Moslem Mission continue to play key leadership roles in fostering unity and ensuring peaceful coexistence with other religious bodies for national development. The role of religion in leadership development in Ghana is so important that the government consults and collaborates with religious

leaders to solve many pertinent national issues. Pastors and other religious leaders serve as marriage counselors and community leaders in Ghana. Even though Christianity dominates religion in Ghana, the traditional priests continue to serve as spiritual leaders in most rural communities.

Contemporary Views on Leadership Development in Ghana

In spite of the efforts put into leadership development since independence, many scholars have blamed the underdevelopment in Ghana and Africa as a whole on poor leadership. For example, Ake (1993) stated that "poor leadership and structural constraints have turned the high expectations of the independence movement into painful disappointment" (p. 240). Some writers have blamed the underdevelopment of Africa on the corruption of people in leadership ranks. In an attempt to curb this disturbing phenomenon, institutions have been set up to develop leaders of integrity to spearhead the developmental efforts of Ghana. In 2009, the Center for Creative Leadership (CCL) organized a training session in Ghana to help develop leaders. The Graduate School of Governance and Leadership was incorporated in Ghana in the year 2004 to provide short-term training and development programs for corporate and business executives. Most universities have introduced leadership development programs at various levels through the social science departments.

Essential to contemporary leadership development efforts is the influx of private universities in Ghana. With a perceived gap in skills development, many of these private universities were established to help produce skillful individuals to lead the way in ensuring effectiveness in the Ghanaian system. However, with a deficit in job placement, many of these perceived leaders are redundant. Ironically, the leadership development models used by the traditional leaders and the boarding school systems (including mentorship, coaching, and storytelling) continue to dominate leadership development activities in Ghana.

We agree with Mintzberg (2010) that "the more we try to develop leaders, the more we seem to get hubris"(p. 9) because in an attempt to develop leaders, products of our universities who are trained to lead sometimes exhibit behaviors that depict self-indulgence with little focus on their assigned role. Mintzberg (2010) proposed fostering leadership rather than developing leadership as the way forward for the developing world, including Ghana. According to Mintzberg (2010), fostering leadership is contextual and helps to identify people who are in the situ-

ation to lead. The question is, should Ghana return to the typical traditional leadership development approach? Answering this question requires a closer look at some contemporary indigenous leadership organizations part of whose goal is leadership development. Many scholars have argued that efforts to engineer authentic leadership development will continue to be unsuccessful until traditional leadership models are established and institutionalized (Nkomo, 2006). We are also of the view that further research is required on leadership in Ghana that steps outside dominant methodological and empirical paradigms. Furthermore, we propose that such work holds great potential for generating insights not just relevant to leadership development in Ghana but leadership studies in general. There is, however, the need for hybridity of existing leadership development models shaped through complex and multilayered social, cultural, and historical contexts of traditional leadership principles as outlined in this chapter. Hybridity in this regard is not a proposition for mimicking Western practices or attempting a return to idealized notions of "traditional" leadership but instead offers a means for adaptation and change (Bolden & Kirk, 2009).

Many organizations from around the world are currently in Ghana promising to train leaders in diverse capacities. With the discovery of oil in commercial quantities in Ghana in 2008, organizations such as MDT International and LEORON Professional Development Institute have extended their operations to Ghana with the goal of training professionals to lead the oil and gas industry and to manage projects. Ironically, all these foreign organizations do not consider the indigenous systems in their leadership development goals. As indicated by Mintzberg (2010), thinking that what has worked in New York can work in Accra is a misconception. Thus, contextualization is important in the design and implementation of leadership development programs.

Indigenous leadership development institutions. Organizations such as Leadership Ghana were established with the goal of training indigenous Ghanaians to understand the essence of culture in national development. The Institute of Economic Affairs (IEA) aims at promoting good governance, democracy, and free and fair market economy. The Center for Democratic Development (CDD) aims at promoting democracy, good governance, and economic openness in Ghana and Africa. The Kofi Annan International Peace Keeping Training Center aims at providing the capacity for African peace and security through training, education, and research. Imani Center for Policy and Education aims at promot-

ing economic prosperity through continuous education of individuals on the value of free markets and human initiative through entrepreneurship. Leadership development themes underlie the missions of all these institutions. Most of these indigenous leadership development institutions organize short-term seminars and conferences with the goal of developing leaders. However, it is difficult to identify specific ways by which these indigenous institutions incorporate traditional models into their developmental efforts. Therefore, effectiveness of these seminars and conferences on the individual participants' leadership skills needs further scrutiny.

Strengths, Challenges, and Commonalities of the Leadership Development Models

There are commonalities among the various leadership development approaches discussed. As shown in Table 12.1, each of these models has its strengths and challenges, but there are also some common themes that transcend the models. An example is the power distance often created as a result of the various approaches. In spite of its shortcomings, traditional leadership development is an effective way of preparing young people for their future, just like all the other models (Adeyemi & Adeyinka, 2002). The hybridization of the strengths of the various models will serve as a unique and effective leadership development approach and also help mitigate the challenges inherent in the individual models. Hybridity of the leadership development models will be an effective means of improving the economic, social, and cultural structures and stability of the Ghanaian society and prepare young people to come to terms with the physical, social, and spiritual world of work (Adeyemi & Adeyinka, 2002).

Considering the manner in which the chieftaincy institutions in Ghana have survived over the years and continue to influence decision-making, it is important for Ghanaians to revive and focus on traditional models in leadership developmental efforts for sustainability and effectiveness. There are no clear-cut models for leadership development. However, some elements of the traditional models are commonly present in Ghanaian organizations. Many organizations in the past might have survived because they inculcated the leadership development models used in the traditional system. Beyond the boarding schools and the religious training received by employees, organizations adopted coaching and mentoring of potential leaders as their succession planning strategy. Owners of most indigenous organizations, which formed the majority of employers in Ghana,

Table 12.1 Comparison of the different leadership development patterns in Ghana

LD Model	Strengths	Challenges	Commonalities among models
Traditional	1. Deeply rooted in indigenous forms, making it original and accepted and respected by the people. 2. Preserves cultural values and promotes communality. 3. Leaders acquire a communal rather than an individualistic outlook.	1. No written-down steps to follow, resulting in information lost with time. 2. Focuses more on lineage than competence and resourcefulness. 3. Focuses almost exclusively on the clan or tribe and hardly prepares its recipients for outside contact.	High power distance between "Royals" who are perceived as the privileged in society and subjects who are required to submit to the Royals.
Education based	Promotes relationship building and networking.	Cultural contamination: Students learn from their mates' culture, resulting in the weakening of tribal customs and traditions.	High power distance resulting from elitist thinking.
Religion based	Promotes discipline and benevolence.	Tendency for doctrinal purity resulting in religious fundamentalism and conflicts.	Indoctrination results in submissiveness of the member to the leader, creating a condition of high power distance.
Contemporary views	Uses modern scientific methods.	Rooted in Western colonialist thinking. Hence, removed from indigenous forms.	Those with scientific knowledge are perceived as experts whose views are often taken as sacrosanct, arrogating them authority to control the agenda for leadership development and creating a condition of high power distance.

groomed their relatives to take over leadership roles whenever a vacancy was available. Even with the foreign-owned organizations, leadership positions were filled with people who had risen through the ranks.

Conclusion

Leadership development in Ghana has seen several transformations regarding institutional change and systemic adjustments to match the needs of the times. However, one thing that has attracted relatively constant attention is the models used in traditional leadership development. Furthermore, the contribution of education and religious organizations to leadership development in Ghana cannot be understated. However, inculcating elements of coaching and mentoring in the school curriculum will help improve the leadership skills of products of Ghana's secondary and tertiary institutions. Also, religious bodies are encouraged to infuse some aspects of the leadership development culture of the traditional system into their leadership development programs for sustainability.

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Leadership Development for Frontier Societies: Reflections from Kenya

Machuma Helen A. Muyia and Fredrick Muyia Nafukho

INTRODUCTION

Organizations all the time are challenged by lots of changes, and one key attribute that makes an organization stand out is the quality of its leadership. Organizational leadership can drive up both individual and organizational performance, hence the need to invest in both new and experienced managers and leaders for success and sustainability. While leadership is important everywhere in the world, the way people lead can differ by region or country (Nery-Kjerfve & McLean, 2015; Afegbua & Adejuwon, 2012; Eckert & Rweyongoza, 2015).

Kenya being the third largest economy in Africa, after Nigeria and South Africa, provides a great model of a frontier country in Africa for analysis. The chapter provides the reader with a new way of thinking about leadership that is grounded in the African philosophy of *ubuntu*. It is hoped that these new and different ways of thinking about leadership will emerge from not just thinking about it, but as a practice or strategy through which we can develop and nurture a new generation of leaders able to take up leadership roles in their organizations and communities.

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WHY THE INTEREST IN INDIGENOUS LEADERSHIP PARADIGMS?

Leadership and management literature suggest that Africa can provide a unique contribution to global leadership practice through its African-based framework of *ubuntu*. Perhaps, Steve Biko foresaw this contribution when he observed that:

> *We believe that in the long run, the special contribution to the world by Africa will be in the field of human relationships. The great powers of the world may have done wonders in giving the world an industrial and military look, but the great gift still has to come from Africa—giving the world a more human face.*
> (Coetzee & Roux, 1998, p. 30)

The South African Archbishop and Peace Nobel Laureate, Desmond Tutu, also provides space to listen and reflect on non-Western leadership perspective. When asked to explain the meaning of *ubuntu*, he observed that *ubuntu* is the essence of being human; it is part of the gift that Africa is giving to the world. It embraces hospitality, caring about others, being willing to go that extra mile for the sake of another. He also added that according to *ubuntu*, a person is a person through other persons; that my humanity is caught up and bound up in togetherness. Tutu noted further that those people who dehumanize other human beings, they inexorably dehumanize themselves. That a solitary human being is a contradiction in terms, and therefore, we need to work for the common good because our humanity comes into its own community, in belonging (Nafukho, Wawire, & Lam, 2011). Several authors (Bangura, 2005; Bolden & Kirk, 2005; Eckert & Rweyongoza, 2015; Malunga, 2006; Masango, 2002; Nafukho, 2006; 2008; Jackson, 2004) have pointed out the manner in which management and leadership theories and practices are imported from the West and the fact that these leadership practices tend to have limited application to African context and culture. Jackson (2004) contended that this indeed represents a new form of colonialism, and Bolden and Kirk (2005) see it as a tendency to play down the importance of indigenous knowledge, values, norms, and behaviors, and classifying non-Western leadership approaches as "under-developed." In his major study of 15 sub-Saharan countries, Jackson (2002, p. 200) found out that African managers were highly skilled in managing cultural diversity and multiple stakeholders, and in enacting "humanistic" management practices. Given the multicultural and

interdisciplinary world we live in, there are important lessons we can learn and fresh insights that can be given from understanding a different leadership and management perspective. Thus, perspective taking in leadership without suppressing the views of others is essential to the success of individuals, teams, and organizations.

While leadership models and paradigms exist in the Western leadership literature, limited information on African leadership paradigms exist in writing. As noted, "There has been an increasing interest in the role culture plays in determining human relations, and in addressing societal problems. Every society since the beginning of time has developed its own mechanisms and institutions for addressing problems in a way that preserves the integrity and fabric of the society" (Nafukho et al., 2011, p. 123). Thus, African societies and organizations are no exception, hence the need to examine alternative models of leadership across the globe. The *ubuntu* paradigm of leadership provides society's deeper foundation of what it means to be human (Nafukho, 2006; Nussbaum, 2003). It is the essence of using leadership to develop humane organizations and communities, which includes respect, dignity, solidarity, compassion, and survival (Mbigi & Maree, 1995). In addition, *ubuntu* includes core values such as empathy, sharing, collaboration, and caring; key traits that all leaders need to learn and practice.

According to *ubuntu* leadership paradigm, leaders are expected to be caring and humane in their leadership roles by showing respect and empathy. Bangura (2005) argued that leadership development process should rely on the three *tenets* of *ubuntu*: consensus building, dialogue, and spirituality. It is demonstrated in this chapter that while the Western leadership development theories and practices are necessary, they are, however, not sufficient especially in the global world that we live in. The Western formula for corporate leadership is dominated by bottom-line philosophy of competition, power, speed, and profit (Bangura, 2005), leaving one to ask, where do people fit in? Leadership must focus on the learning and development of people, hence the need for the indigenous leadership development paradigms such as *ubuntu*. In addition, leaders must recognize that the real assets that organizations have are people. Day (2004) discussed the leadership that values people as the kind of leadership which articulates the "sharing of ideas; taking the initiative at particular moments and responsibility for planning and action; working outside/against/within the dominant way of thinking; nurturing, mentoring, and caring for others; communicating often about decisions; and developing collabora-

tive and collegial relations based on trust, ethics, reciprocity, and mutual recognition" (p. 561). This is the kind of leadership that is grounded in *ubuntu*. Under *ubuntu* philosophy, Mangaliso (2001) observed that decision-making is "circular, inclusive and proceeds at a deliberate speed, with diversity of vision allowed and encouraged because, a decision that is supported is considered superior to the right decision than that one that is resented or resisted by many" (p. 27). He further observed that successful leaders should be seen to act as "coaches," "cheerleaders," and "nurtures of champions" (p. 30). In general *ubuntu*-based leadership affirms universal human values of humaneness, dignity, empathy, and compassion for others.

Meaning of *Ubuntu*

African cultural heritage has been known to be a source of guidance for communities in times of peace, uncertainty, birth, life, and death. As explained by Malunga (2006), it has and still remains the basis for identity, respect, and self-confidence for most Africans. The word *ubuntu/ omundu/muntu/utu* means *humaneness* or fellow feeling, or kindness (www.wrodreference.com). It is our conviction that each society world over has *humanness* and uses different words to express *humaneness*, caring, empathy, fellow feeling, or kindness. As explained by Nafukho (2008), the *ubuntu* paradigm of leadership is based on the African philosophy and way of thinking known as *ubuntu*. Regarding the meaning of the word *ubuntu,* which exists in nearly all African communities, Bangura (2005) noted that *ubuntu* comes from the Southern African Nguni language family (Ndebele, Swati/Swazi, Xhosa and Zulu). In the case of Eastern Africa region where Kenya is based, *ubuntu* is known as *omundu/muntu* and is used by the Bantu-speaking people (the Kikuyu, Luyia, Kamba, Meru, Kisii, Chagga, Baganda, Mijikenda, etc.) or *mtu* in the case of the Swahili language spoken by over 120 million people living in Kenya, Tanzania, Zanzibar, Uganda, Rwanda, Burundi, Zambia, Malawi, South Africa, Somalia, Sudan, Ethiopia, Democratic Republic of the Congo, Mozambique, Comoro Islands, and Zimbabwe (Nafukho et al., 2011). *Ubuntu* is thus built on five interrelated principles:

- Sharing and collective ownership of opportunities, responsibilities, and challenges
- Importance of people and relationships over things

- Participatory decision-making and leadership
- Patriotism
- Reconciliation as a goal of conflict management (Malunga, 2006, p. 2)

According to the Nobel Laureate Desmond Tutu, *ubuntu* "is the essence of being a person. It means that we are people through other people. We cannot be fully human alone. We are made for interdependence; when you have *ubuntu*, you embrace others. You are generous, compassionate" (*Source*: http://www.beliefnet.com/story/143/story_14326_2.html). From Nobel Laureate Tutu's explanation of *ubuntu*, leaders must recognize the importance of people to the organization. They also need to embrace and value interdisciplinary thinking and working together collaboratively for the success of the organization. Today's organizations operating in Kenya and in a global society therefore need an aspect of *ubuntu* in order to achieve their vision, mission, and goals. Multinational corporations working in Africa and Kenya in particular need to be culturally sensitive and respect the local people that they work with. *Ubuntu* emphasizes the importance of working together and valuing interdependence among people and organizations. *Ubuntu* philosophy thus provides the foundation for leadership and problem solving. The challenge lies in how these principles can be applied in organizations and modern leadership development.

The Tenets of *Ubuntu* and Its Relevance to Leadership

Ubuntu philosophy is grounded in three important tenets, *consensus building*, *dialogue*, and *spirituality*, which leaders need to be successful in their work. The consensus tenet is grounded in the African style democracy, which involves lengthy discussions in order to resolve an issue among parties involved. The discussions respect and acknowledge the hierarchy of importance among the parties involved, and all the speakers are provided with an equal chance to speak up until an agreement, consensus, or group cohesion is reached (Nafukho et al., 2011). On the importance of providing an equal chance to everyone to speak, Mandela (1994) noted, "It was democracy in its purest sense. There may have been a hierarchy of importance amongst the speakers, but everyone was heard … Only at the end of

the meeting as the sun was setting would the regent speak. His purpose was to sum up what had been said and form some consensus among the diverse opinions … no conclusion was forced on those who disagreed" (p. 20). This idea of leaders listening when chairing meetings or facilitating discussions and only speaking after hearing from all parties involved is quite relevant in this information age where employees have access to data and information. They may be more informed than the leaders, hence importance of listening. Bangura (2005) emphasized that the desire to agree within the context of *ubuntu* safeguards the rights and opinions of individuals and minorities to enforce group or team success. Nafukho et al. (2011) observed that consensus tenet of *ubuntu* requires an authentic respect for individual rights and cultural values and an honest appreciation of differences among various cultures that may be represented in an organization. This is more important in an emerging country like Kenya with corporations from all over the world.

The *dialogue* tenet *of ubuntu* emphasizes the power inherent in people working in an organization to talk with one another—a capacity for dialogue to resolve issues in a positive and constructive way (Nafukho et al., 2011). The *ubuntu* tenet of *dialogue* helps the people involved to make *meaning* of the problems that they are faced with from a constructivist perspective. This is relevant to leaders since they are expected to engage in dialogue with the people they supervise in order to find solutions to problems in their organizations. Using the dialogue tenet of *ubuntu* paradigm of leadership, leaders as well as those they lead are able to demonstrate the willingness to learn from others, as a way of building their own knowledge base and wisdom. As noted earlier, *ubuntu* means being humane and treating those you work with in a humane and just way. Given the global nature of business, applying *ubuntu* tenet of consensus building and dialogue should assist leaders to recognize and value the diversity of cultures, norms, traditions, histories, experiences, thought processes, behaviors, norms, and customs represented in organizations. The relevance of *ubuntu*-embedded leadership is grounded in the critical role of interdependent world that we find ourselves in. The dialogue tenet of *ubuntu* encourages managers and leaders of organizations to build trust and understanding in their organizations by encouraging open dialogue which respects perspective taking from all before making decisions. There is an urgent need in today's organizations to realize the fundamental principle of *ubuntu*—"I am because we are, and none of us is greater than all of us" (Nafukho et al., 2011, p. 126).

The spirituality tenet of *ubuntu* emphasizes the importance of the spiritual needs of people in organizations. According to Nafukho et al. (2011), it focuses on the meaning and purpose of life and seeks answers to pertinent questions such as: Who am I? Why do I exist? Where am I coming from, and where am I going? Questions that all engaged employees in organizations need to continually ask themselves. The *ubuntu* maxim *umuntu ngumuntu ngabantu* (a person is a person through other persons) has a deep spiritual meaning (Bangura, 2005). According to Covey (2004), spiritual intelligence is important to the success of today's organizations. To keep the entrepreneurial spirit alive, all founding fathers of great companies must be remembered and respected whether dead or still living. In the case of Kenya, for organization leaders to be successful in their leadership roles, the spiritual needs of the people they lead and manage cannot be ignored. As noted, "Every culture is a set of traditions that sets forth a set of ethics and a creed by which to live—to work and play" (Neuschel, 2005, p. 125). Spirituality in organizations unites people to live and work in harmony (Nafukho, 2007). Therefore, the spirituality tenet of *ubuntu* seeks to promote societal moral values such as honesty, trustworthiness, integrity, fairness, truth, and caring for each other.

While calling for rewriting of organizational framework from the African worldview (*ubuntu*) and culture, Mbigi (2005) outlined vital components of this type of leadership as:

- Respect for the dignity of others
- Group solidarity—An injury to one is an injury to all
- Teamwork—None of us is greater than all of us
- Service to others in the spirit of harmony
- Interdependence—each one of us needs all of us (p. 20)

These components are in contrast to rampant individualism, insensitive competitiveness, and management practice that elevate self-interest.

Leadership Development in the Kenyan Context

Kenya, like many other African countries, has been undergoing serious and deepening economic social and political challenges. There is no doubt that these challenges call for effective leadership in Africa and Kenya included. While the African continent is often viewed in terms of corruption, military coups, misuse of power, greediness, dictatorship, incompe-

tent, and politically unstable leaders (Masango, 2002), we see it differently because Africa has traditionally been the cradle of great leadership, including Nelson Mandela, Kwame Nkrumah, Steve Biko, and Mwalimu Julius Nyerere to name just a few. Africa's contribution to leadership philosophy through *ubuntu* has also been remarkable. Although the demand for effective leadership and leadership development is currently high for capacity building in Africa, experience shows that many of the leadership models and initiatives are largely imported from the West (Malunga, 2006). We believe that to stand any chance of being effective, leadership development in Africa, and Kenya in particular, must be rooted in the cultural heritage of the continent. Any new ideas or initiatives should be grafted into existing indigenous cultures rather than being ignored. After all, we do know that leadership is a socially and culturally embedded process (Bolden & Kirk, 2005; Nwagbara, 2011) and that its ideas are tied to culture, religion, educational background, and language (Afegbua & Adejuwon, 2012; Eckert & Rweyongoza, 2015).

To understand leadership in Kenya's context, it is important to first understand its political, social, and economic contexts. Kenya's political history dates back to December 12, 1963, when the country became self-governed; later, on December 12, 1964, it became a republic with Jomo Kenyatta as the founding president. Since then, Kenya has had three presidents, including Daniel Toroitich Arap Moi, Mwai Kibaki, and the current president, Uhuru Kenyatta. The country has three arms of government: the executive, legislature, and judiciary. The executive branch consists of the president, deputy president, and the cabinet who are responsible for policy formulation and implementation. The legislative branch comprises of the National Assembly and the Senate. The role of the legislative branch is to exercise legislative authority of the republic from the people. They are also responsible for appropriation of funds for expenditure by the national government and other national state organs among other responsibilities. The judicial branch comprises of the Supreme Court, Court of Appeal, High Court, Magistrate Courts, and Subordinate Courts. In exercising their judicial authority, they are guided by principles, one of which is "Justice shall be done to all, irrespective of status" (http://presidency.go.ke). There is demand for effective leadership and good governance at all the three branches of government. In recent years, there has been an outcry in response to growing political corruption, excessive politicization of issues and policymaking, manipulations of electoral processes, disunity, tribalism, and failed policies. For example,

Kenya ranks in the lowest quartile globally for control of corruption and rule of law (www.afdb.org).

Kenyan economy is organized under public sector, private sector, and public-private partnerships. The public sector consists of companies and institutions controlled by the central government and county governments. The government hires officials to assist in running its departments, ministries, and counties. Examples of public sector companies and institutions include those in health, education, agriculture, transportation, tourism, financial, information communication technology and telecommunications, and real estate sectors, to name a few. In Kenya, the delivery of public service has not been effective. Corruption, political patronage, and poor leadership in the public sector have undermined its development agenda. Corruption takes the form of payments and bribes to "get things done." Corruption and political patronage are due to weak law enforcement, lack of transparency, and lack of regulatory frameworks. This has resulted in feelings of mistrust and uncertainty (www.afdb.org). Kenya as a country needs a well-governed and managed business sector and good leadership principles founded upon *ubuntu* philosophy.

Kenya offers exciting prospects for investment and growth. With a population of 44.5 million people, a GDP of $55.2 million, a projected GDP growth of 6.5 percent in 2017, investment in gas and oil, mining, infrastructure, agriculture, and the prospect of investing in manufacturing industry, the country is emerging as the fastest growing economy in Eastern Africa Region (Kenya Human Capital Trends, 2014; World Bank, 2014). While the country is excited by the many economic and global opportunities, tapping into these opportunities requires significant leadership. To sustain its growth momentum, the country's ability to identify, attract, develop, and manage its leadership talent is critical. While it is unfortunate that the leadership in Kenya is far too often presented in the world in the form of dysfunctional and derailed leadership, Kenya still has an abundance of sound and responsible leaders on all levels. These leaders need to emerge, become visible, and learn to lead in the *ubuntu* culture. It is true that Kenya faces a myriad of challenges—social, economic, and governance, but we still need to promote leadership that is accountable, results-oriented, responsible, and one that values integrity and openness. This kind of leadership will ensure that Kenyan organizations and the country at large are not just adapting to global change but are also effectively using change to their advantage. There is need for leadership development that emphasizes the tenets of *ubuntu*. Development models that

can communicate value-based leadership, caring leadership, emotionally intelligent leadership, and leadership that can touch people's hearts and motivate them, and tap into their energy, commitment, and authenticity. The question is, where can Kenya start from? Next, we discuss two other effective leadership approaches that we think Kenya can build on as part of their leadership development initiatives as it tries to attract, develop, and retain its leadership talent. It is worth noting that while these suggestions may not be radically different from the Western practices, the key here is the connection and ownership of these practices into the *ubuntu* roots and identity.

Caring Leadership

Mandela (1994) in his book *Long Walk to Freedom: The Autobiography of Nelson Mandela* observed that a leader is like a shepherd. He stays behind the flock, letting the most nimble go ahead, whereupon others follow, not realizing that all along they are being directed from behind.

The above quote captures the essence of caring leadership that Kenya needs. A caring leadership starts with a leader being visionary. In Kenya, positional leadership has been promoted at the expense of visionary leadership. Positional leadership focuses on titles, not vision, results, policies, not actions (Folarin, 2013). Just like some of the African leaders like Patrice Lumumba who had vision for their countries, leaders in Kenya need to be visionary to catch up with the twenty-first-century world. A powerful vision is the first ingredient in establishing an outstanding country or organization. Effective leaders have a vision of what they want to accomplish and rally their troops toward that vision.

More than just creating a vision, the country needs leaders who listen, invite, guide, and support. Leading should take place in a caring, cooperative, nurturing, and inclusive environment, with mutual respect and emphasis on the development of self-discipline and responsibility (Green, 2014). In times of mounting pressures and accompanying fears and frustrations, we believe that leaders must be committed to a philosophy of a caring leadership that is rooted in respect for people. For way forward, all Kenyans must set the tone for caring relations through their examples and take proactive strategies to make connections as espoused by the *ubuntu* philosophy. We advocate for organizational leadership that is shared, collegial, relational, and associational. This kind of leadership calls for com-

promise, persuasion, discussion, accommodation, listening, and freedom of speech (Mbigi, 2005).

There is a great need for Kenyans to dig deeper into who they are and their reawakening of their own and the country's leadership if they have to face the challenges of the twenty-first century and take Kenya and her people to the next level. In other words, caring leadership is what is needed to help turn the country's challenges into opportunities for it to achieve its full potential.

EMOTIONALLY INTELLIGENT LEADERSHIP

As noted by Dubrin (2007), the ability to lead others effectively is a rare quality. It becomes even rarer at the highest level in any organization or country because the complexity of such positions requires a vast range of leadership skills. One such set of skills is to be emotionally intelligent as a leader. Emotional intelligence is defined as a "set of emotional and social skills that influence the way we perceive and express ourselves, develop and maintain social relationships, cope with challenges, and use emotional information in an effective and meaningful way" (www. mhs.com). Emotional intelligence is important in leadership (Muyia & Kacirek, 2009; Nafukho, 2009) because the greatest obstacle in leading others is lack of self-awareness and self-knowledge. To be effective, leaders need to measure and develop their emotional intelligence. There are four general competencies required of most leaders: authenticity, coaching, insight, and innovation (www.mhs.com). An authentic leader serves as a role model for moral and fair behavior, something that the country badly needs given the level of corruption that has affected the Kenyan society, including the judiciary system. Leadership is also about nurturing, coaching, mentoring, and giving support. It is about providing insight by sharing vision and purpose and taking risks. For a leader to do this, he/she needs to first respect themselves by accepting their personal strengths and limitations (self-regard), find deep meaning in their work (self-actualization), have a solid understanding of their emotions so they can lead with composure and full understanding of their impact on others (emotional self-awareness), convey their emotions and feelings in a way that is not hurtful to others (emotional expression), are firm and direct when making decisions (assertiveness), and are self-directed and free from emotional dependency (independence). Also, leaders need to make mutually satisfy-

ing relations (interpersonal relationships); have the ability to recognize, understand, and appreciate the way others feel (empathy); act in a moral and responsible way and aim to promote the greater good (social responsibility); and tackle problems head-on and find solutions when emotions are involved (problem solving). An emotionally intelligent leader is also objective and sees things as they really are (reality testing), thinks before acting (impulse control), has ability to be adaptive to shifting priorities (flexibility), has ability to cope and respond effectively to stress (stress tolerance), and has a positive attitude and outlook on life (optimism). Leading with emotional intelligence will ensure that Kenyan leaders are aware of their own emotions and how those emotions impact others so they can engage better with their teams, make decisions more effectively, and handle stress more appropriately.

Aspects of *Ubuntu* and Caring Leadership in Kenya

Several Kenyan companies have begun to embrace the tenets of *ubuntu* in their corporate practice. This section discusses some of the corporate players who are already promoting the principles of *ubuntu* in their leadership and performance.

Equity Bank

Equity bank's vision of being the champion of socioeconomic prosperity of the people of Africa and its positioning statement of providing inclusive financial services that transform livelihoods, give dignity, and expand opportunities (http://equitybankgroup.com) embody the *ubuntu* philosophy. The secret behind its success has been its publicly stated core values—professionalism, integrity, creativity and innovation, teamwork, unity of purpose, respect and dignity for customers, and effective corporate governance. Acknowledging that *ubuntu*-based leadership involves group and community support, and sharing and cooperation, Equity bank management has been at the forefront of addressing educational, health, environmental, agricultural, and financial needs of Kenyan people. For example, Equity has provided over 10,377 comprehensive secondary scholarships to academically gifted but disadvantaged students through their *Wings to Fly* scholarship program. In the *ubuntu* spirit of caring and sharing, the company has also contributed to poverty alleviation, improved health, and financial literacy among individuals and families (www.equitybank.com).

Kenya Commercial Bank (KCB)

Ubuntu-based leadership advocates for diversity and inclusion among other attributes. As one of the longest-serving commercial banks in Kenya, Kenya Commercial Bank (KCB) Group is the destination of choice for the diverse talents and customers in the industry. The bank prides itself of inclusive culture for its employees and customers. Teamwork is highly encouraged and valued, and so is their caring for community. For example, the bank has initiated pillar projects in education, environment, health, and enterprise development as a way of their caring for community. For example, KCB supports needy students and schools through their KCB Scholarship Program, Palm house Foundation Scholarships, Starehe Boys and Girls Center scholarships, and Computer for Secondary Schools program. The company has also planted 1.5 million trees in partnership with local communities in their effort to conserve the environment (https://www.kcbbankgroup.com/). The significance of teamwork in determining the success of the company is highly emphasized in the company's core values. This implies that employees are encouraged to strive toward team values, goals, and culture that enhance their functioning together as a team. When a team is intrinsically held together by all members and the team is committed to each other and the team's goals, the result is a positive impact on overall performance. Arguably, this has been one of the reasons why KCB is one of the ten best companies to work for in Kenya. It is also one of the most profitable banks in Kenya with branches all over the country, including in neighboring countries such as Uganda and South Sudan.

Conclusion

Leadership as a concept is too big to follow one script (Western leadership paradigm). We should be open to a wide range of leadership models and approaches that can make us become better leaders and better organizations. Sound leadership acknowledges and involves both leading from the *head* and *heart*. Effective leadership in Kenya should be people centered whereby leaders know, understand, and respect the needs, values, and goals of others. They should establish and maintain effective interpersonal relations and understand and accept differing viewpoints (Nelson & Low, 2011). All these are the essence of a caring and emotionally intelligent leadership. While leadership is important everywhere in the world, mak-

ing space to listen and reflect on the non-Western leadership paradigms is important. Learning leadership development from indigenous cultures such as *ubuntu* holds the future for continental, regional, and organization growth and cultural identity. Organizational leaders running companies in Kenya and Africa, in particular those educated in the Western leadership models, need to change their mindset and think differently. They need to be receptive to alternative leadership paradigms and be willing to go deep in considering alternative leadership models, such as *ubuntu*. We agree with Pietersen (2005) that organizations infused with hard work humaneness, caring, dignity, respect, community involvement, and sociability are likely to enjoy a more sustainable competitive advantage than those that do not.

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Leadership in Saudi Arabia: A Multifaceted Phenomenon

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INTRODUCTION: A TRADITIONAL KINGDOM IN THE AGE OF CHANGE

Making sense of leadership development in the Kingdom of Saudi Arabia (KSA) is very important for a number of reasons. The kingdom is considered the heart of Islam; it is one of the closest Arab allies to the United States, and the largest producer of oil in the world.

Nowadays, KSA is going through unprecedented times of uncertainty. Its aged leadership is ceding power to a new generation, and its society, which is dominated by young people, is restive. The country is involved in different wars directly or indirectly (e.g., Yemen, Syria, and Iraq), facing tensions with its Western ally, USA, dealing with growing power of neighboring Iran, challenged with plummeting oil prices, and facing internal

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245

social pressure for change and reform. All these external factors are having a toll on Saudi society and organizations. Saudi organizations face the additional complications created by diverse operating environments, fast growth in all industries, and the great influence of Saudi Arabian culture. Therefore, the risk of not having the appropriate organizational capability, especially in leadership, is high. That being said, the purpose of this chapter is to present factors affecting leadership practices and leadership development in the kingdom. The chapter starts with highlights about contextual factors affecting leadership practices and development in the kingdom such as religion, authority, and tradition, followed by a synthesis of how such factors influence leadership practices in public and private organizations, with special attention to women's perspectives. The chapter ends with a discussion of three leadership styles widely accepted and practiced in KSA, namely autocratic, paternalistic, and consultative leadership.

On Defining Leadership and Leadership Development

The wide and complex nature of leadership and its many different definitions make it very hard for scholars to determine the best leadership approach or style. And the nature, type of business, culture, requirements, and other unique challenges posed by today's world also make it difficult to define leadership development. These challenges have made leadership and leadership development critical to the success of any organization, and they determine the way in which leadership and work can best be accomplished.

The problem with defining leadership is that a strongly defined theoretical position would be difficult to apply consistently to practical explorations of leadership in action (Aguirre, Master Cavanaugh, & Sabbagh, 2011). In addition, the effect of culture is very powerful when considering the concept of leadership. In each cultural background definitions of leadership are likely to be different. Therefore, a leader's role and effectiveness can vary according to each culture. And leadership development programs do follow suit. Therefore, definitions of leadership and leadership development will continue evolving today and into the future, and new approaches and theories will be introduced.

Culture and Leadership

In a global and cultural context, the role of a "leader" in managing the requirements for cultural adaptation faced by globalizing businesses is essential. Leaders need to simultaneously find the way to change their organizational strategy, to be aware of cultural differences, and to be tolerant of different practices. They need to understand different cultures and bring diverse groups of people into a joint unique culture that has the same vision. In particular, it is important to highlight the key requirements for leadership process to be able to live up to the challenges. According to Nahavandi (2009), "Understanding leadership requires an understanding of the cultural context in which it takes place" (p. 243). So, the critical question is: Which form of leadership is needed in today's organizations in KSA?

In the following section, we explore the historical, economic, religious, and political contexts of Saudi Arabian organizations in which leadership is taking place. This would help provide an understanding of the cultural requirements for leadership and leadership development in KSA and would add a valuable contribution to the knowledge of leadership in that country.

History, Geography, and Leadership

Bernard Bass (1990) pointed out that the study of history is reflected in the study of leaders, who create that history, and the study of their actions in history. Defining leadership in KSA must be carried out alongside an examination of the traditions, culture, religion, and lifestyle of the Bedouin, villagers, and traders who make up the Saudi social tapestry. Leadership and leadership development practices in KSA reflect the personally preferred way of acting within the different groups. In KSA the effect of the social tapestry on leadership behavior is profound.

Generally, in Middle Eastern countries, leaders were previously selected based upon the strength of the tribe or community to which the male leader belonged (Cochran et al., 2010). Although the wealth in KSA is derived from the discovery of oil in 1936, which greatly influenced the state of the economy, social life, and the impact of globalization, Saudi people are still very connected into the kin-based tribal and family identities. This has and is continuing to influence leadership practices, characteristics, and development in the country. Traditions, culture, and religion greatly influence social identity in KSA.

Historically, KSA is located at the heart of the Arabian Peninsula and has been inhabited by Semitic-speaking people for about 3000 years. These people have organized their lifestyle in manners appropriate with the harsh environment of the desert and have been known for pride in their ancestry, generosity, Islam, and the Arabic language. KSA is also known as the country of two Holiest places, the Almasjid al-Harram in Mecca and Al-masjid al-Nabawi in Al-medina al-Munawara. Since the 1930s, the Saudi Arabia founder, King Abdul-Aziz al-Saud, and his seven sons from his favorite wife, Hassa bint Ahmad al-Sudairi, have been some of the most influential figures in Saudi politics.

Geographically, the country is located in the Middle East in the Persian Gulf region. KSA shares borders with eight countries: Iraq, Kuwait, Bahrain, Qatar, UAE, Oman, Yemen, and Jordan. In addition, KSA's east and west border the Persian Gulf and the Red Sea, respectively (CIA Factbook, 2014). KSA's area is 2,149,690 sq. km. The country comprises five major cities: Riyadh, Jeddah, Mecca, Medina, and Ad Dammam, Riyadh being the country's capital. Arabic is the native language and Islam is the main religion. According to the US Bureau of the Census, KSA ranks 47th in the world population comparison list (the population was 27,345,986 in 2014), and immigrants make up close to 30 percent of the population (CIA, 2014). The median age in KSA is 22 years and youth unemployment is estimated at more than 30 percent.

Economic Environment and Leadership

KSA's economy is based primarily on oil, with 90 percent of the exports being petroleum and petroleum products, which represents 80 percent of budget revenues and 45 percent of the gross domestic product (GDP) (CIA Factbook, 2014). The lifestyle of the Saudi people has changed as a result of the discovery of oil in the 1930s by a US company. Since then oil became the most important source of economic growth. This impact was highly effective after the establishment of the Arabian American Oil Company (Saudi ARAMCO), and the oil towns around the oil fields generated major changes in the economy of Saudi Arabia. Due to the development of oil fields, there was a huge need for construction and infrastructure in KSA, such as modern ports, roads, housing, power plants, and water systems. As a result, KSA needed new skilled and educated workers, both Saudis and non-Saudis.

It is well known that KSA has strong government control over its oil-based economy. In addition, Saudi Arabia, being the largest exporter of petroleum, has a leading position in the Organization of Petroleum Exporting Countries (OPEC). KSA owns about 16 percent of the world petroleum reserves. The private sector has always been supported by the Saudi government, which has a goal of creating a more diverse economy and increasing employment opportunities for citizens. Over 6 million foreign workers play an important role in the Saudi economy, particularly in the oil and service sectors, while Riyadh is struggling to reduce unemployment among its own nationals. Saudi officials are particularly focused on employing its large youth population, which generally lacks the education and technical skills the private sector needs. The government has begun establishing six "economic cities" in different regions of the country to promote foreign investment and it spent $373 billion between 2010 and 2014 on social development and infrastructure projects to advance Saudi Arabia's economic development (CIA Factbook, 2014). Of the total workers comprising Saudi Arabia's private sector, in 2014, 84 percent were foreign workers and only 16 percent were Saudi (Ministry of Labor, 2014).

KSA workplaces have benefitted from the country joining the World Trade Organization (WTO), as this integration allows international companies access to the domestic market and affords local companies the opportunity to enter foreign markets. The increased contact with foreigners introduces new ideas into the KSA society. Such interactions do influence existing paradigms and practices, and that requires a unique mixture of different leadership styles (Luo & Shenkar, 2006).

Vision 2030. KSA's sole dependence on oil moved oil from being the "black gold" to becoming "Achilles's Heel." In recent years, the country required more sustainable development and an understanding of its people's needs. Therefore, the understanding of leadership as a source of power that can lead people and organizations into success is becoming increasingly important. However, the required leadership skills and behaviors are not being met, due to the lack of strategic thinking, practical challenges, and lack of in-depth research studies into such aspects in the context of Saudi Arabia (Haykel, Hegghammer, & Lacroix, 2015).

A recent Change and Readiness Index (CRI) report prepared by KPMG (2013) showed that KSA was ranked eighth overall among 90 countries in terms of its ability to manage change and cultivate opportunities (6th in enterprise capability, 4th in government capability, and 20th in people

and civil society capability). In 2016, KSA deputy crown prince outlined a national transformation reform plan called Vision 2030. Vision 2030 focused mostly on economic and social (not as much on educational) policies designed to free the kingdom from dependence on oil exports. This reform plan has the government's support and is a bold blueprint for change. Still, some economic experts questioned whether KSA would be able to execute such an ambitious plan. For example, Torchia, Aswad, and Strohecker (2016) observed that KSA had similar plans for decades, but in reality diversification had progressed at a slow pace. They suggested that in order to achieve the reform goals, KSA needs a combination of foreign investment and local educational and leadership development skills.

Religious Ideology and Traditions

Two core influences affect the values of the Saudi Arabian society: Islam and the tradition of people (Al-Fozan, 1997).

Islam. The Arabian Peninsula is the birthplace of Islam, and the population of Saudi Arabia is mainly made up of Muslim Arabs. Historically, there has not been a great deal of immigration into the Arabic Peninsula, which has created "the relative physical homogeneity" (Al-Fozan, 1997). Islam has had and continues to have a great influence on the Saudi Arabian people and the core belief system that they base all aspects of their lives upon, such as their behaviors, morals, and rules upon which they establish their family, community, and work relationships.

One of the greatest elements of Islam is the encouragement of education, learning, and the expansion of knowledge. Barkatullah (1974) stated that the link between Islam and education is very strong, and the history of that link is very proud. In the light of the Holy Quran, Muslim people were able to establish many branches of learning. Verses in the Holy Quran, which relate to education, state that seeking knowledge is obligatory for every Muslim male and female and that this knowledge must be sought from cradle to grave. Islam encourages all people to seek knowledge and to teach it to others (Al-Fozan, 1997). This has shaped KSA people's national identity and way of thinking and behaviors, which in turn has shaped the leadership approach taken by leaders in KSA.

Religious authority. Religious authority in KSA can be found in two institutions: the political (with the king at the top) and the official Muslim scholars called Ulama. Traditional chiefs called "shaykhs" represent the official religious institution and this institution is hierarchical, with the

council of Senior Scholars at the top of the hierarchy (Saud Al-Sarhan, 2015). This institution obtains its sanction from the king who has the sole right to appoint and dismiss from the council whomever he wishes. As such, the king makes similar claims to the caliphs and sultans in traditional Islamic history who claimed two authorities: the temporal and the religious. In addition, the KSA basic law declares the king as the point of reference for all branches of government (judicial, executive, and regulatory). Thus, the king becomes the ultimate leader and many politico-religious matters rely exclusively on his choice or judgment. The nature of the leadership relationship between the rulers and the scholars in KSA is illustrated in Fig. 14.1. Two different perspectives are offered in Fig. 14.1, that of the ruler and that of the scholars.
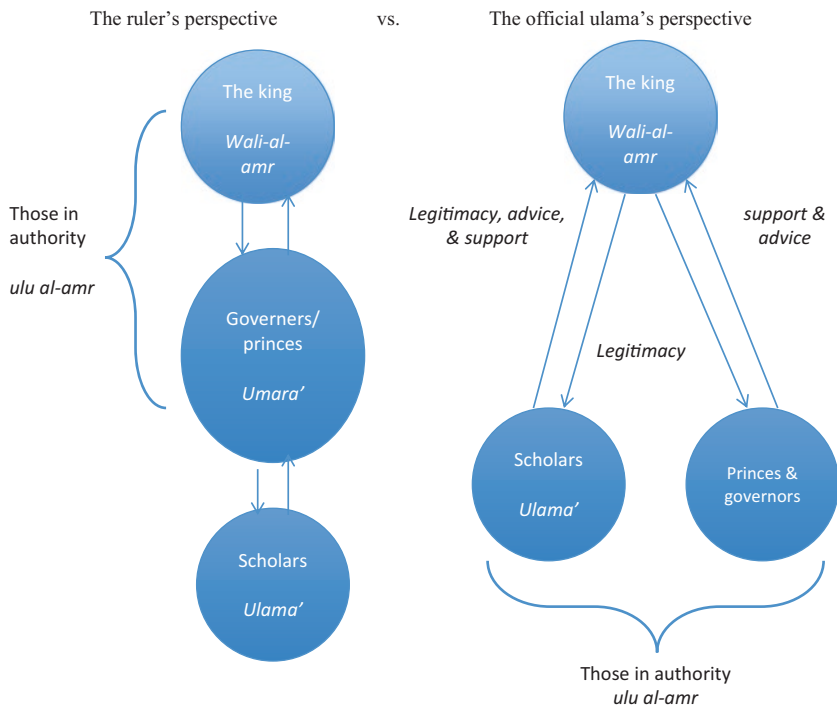
Fig. 14.1 Leadership relationship between the ruler and the scholars (adapted from Saud Al-Sarhan, 2015)

Culture and tradition. Culture is a core element of human life, and according to Wibbeke (2009), "we simply do not exist outside of a cultural and social context" (p. 19). Culture is what makes people different and unique; it forms societies and reflects their beliefs, norms, and traditions. According to AI-Awaji (1971), the principal characteristic of the KSA culture lies within the centrality of the family in the social structure of the tribe, the village, and the town.

Tribal ties are still important in Saudi Arabian society, and people who have tribal background still boast about it with a sense of pride. Tribal leaders govern by consensus. They acquire influence through their ability to mediate disputes and persuade their peers toward a given course of action. The tribal leader position demands a detailed grasp of tribal affairs, a reputation for giving good advice, and generosity. The process of resolving disputes reflects the tribe's egalitarian ethos. Leaders in tribes do not lead discussions but carefully ascertain everyone's opinion on a given question. Consensus is necessary before action is taken and leaders are effective only when they conform to the tribe's expectations.

The Saudi Arabian village is a local territorial unit dependent on agriculture, and there are some villages which function as trade markets for some of the tribes. The villages are also important in the social structure because they are a transitional stage between tribalism and urbanization (AI-Awaji, 1971).

The tribe does influence many factors related to individual and organizational development and leadership effectiveness. Based on the above discussion, individuals need to develop their formal and informal connections within their tribes and with neighboring tribes. As a consequence, leaders in organizations form informal connections with their employees and colleagues where they attend each other's social events (such as weddings and other celebrations). These informal connections are gender specific.

In addition, tribal leaders need to have sharp listening skills in order to improve their decision-making skills. Individuals also need to develop a clear understanding of the tribal norms, such as generosity, pride and courage, and sacrifice for the collective good. As such, people within the tribe have their particular perceptions of factors such as leadership, decision-making, problem solving, and ways of communication. The tribal norms and individual perceptions are clearly visible, both in the Saudi society and Saudi organizations.

Women's Leadership Roles in KSA's Patriarchal Society

In the following section, the authors look at factors that affect leadership and leadership development in KSA from women's perspective. Even though Saudi women have made significant improvements in education and, to a lesser extent, employment, there are still internal and external factors that limit women's participation. Patriarchy, government and policy, religion, personal motivators, private sector perceptions, and tribal origins are some of the factors that keep women in subservient positions in society (Kemp, Madsen, & Davis, 2015).

Patriarchy and Women

Most Middle Eastern cultures are more collectivistic than individualistic and are therefore more family than work oriented (Zeng, 2014). Traditionally, men went to work outside of home, while women's duty was at home, taking care of the household and children. Today, both men and women seek to obtain higher education, progress in their careers, and gain better social status. Family is important in Middle Eastern cultures, but especially to Saudi families family is everything. Gender inequality and underutilization of female talent are deeply rooted and widely spread in KSA. Women's roles as mothers and wives are still strongly upheld as the fundamental duty for women in KSA (Wikipedia, 2016).

Today, inequality in career development still exists due to KSA's traditional cultural beliefs. "Men are expected to engage in behaviors that emphasize masculinity, such as being in charge, dominance, and achievement. Women are expected to be nurturing, deferent, and affiliative" (Cho et al., 2015, p. 409). Despite traditional cultural beliefs, more women are entering workforce in KSA today. However, it is still obvious that men deal with external matters and women take care of household chores in addition to holding regular jobs. These traditional values undermine women's aspirations to pursue leadership positions, let alone career opportunities, and have resulted in the low presence of women in management and leadership positions in KSA.

In KSA society, tradition and culture are dominated by a patriarchal social system where males control and dominate in areas of politics, leadership, moral authority, social privilege, and ownership rights. This patriarchal social system dictates the type of work women can be involved

in as well as their behavior and roles that they perform (Mitra, 2012). According to this social system, fathers and husbands have the authority over women and children. Women's primary responsibilities are taking care of the household, raising the children, and caring for the men. Men, on the other hand, are expected to provide for women and children; are responsible for protecting women's dignity, honor, and humility; and have the final say whether women are allowed to work or not (Metcalfe, 2007).

Despite such restrictions, women in KSA are opting to seek additional education and employment opportunities and higher education has become a major factor in women's initiative to improve their status (Hertz-Lazarowitz & Shapira, 2005). But employment in KSA is gender-segregated and restricted to employment deemed appropriate for women such as education, social work, and women's health (Metcalfe, 2007). Women must wear appropriate attire that presents them as modest. "The emphasis on modesty however, is not necessarily about reproducing gender hierarchies through control, but is concerned with acknowledging markers of sexual difference as a sign of respect and reverence" (Metcalfe, 2007, p. 60).

Government, Policy, and Women

As mentioned above, government within the KSA strictly adheres to the concepts of Islam, which include Sharia law and cultural patriarchal customs. Women are barred from certain professions such as architecture, some medical fields, and engineering, but if they do work, they are encouraged to become teachers and social workers (Metcalfe, 2008). Laws also prohibit women from voting in Saudi Arabia, banking, or obtaining property. Travel outside of the country has to be approved by a father or husband (Metcalfe, 2008). Women are perceived as being inappropriate for leadership positions. There is an argument used in Islam taken from Hadith, or Prophet Muhammed's sayings, that states, "Those who entrust their affairs to a woman will never know prosperity" (Metcalfe, 2007). This argument is used in Islamic political debates as a way to ensure that women are left out of leadership positions. Government policy in Saudi Arabia supports part-time work for women with special circumstances (Metcalfe, 2008).

Religion and Women

Islam provides guidelines that Muslims are to incorporate into every aspect of their life. Islam shapes the moral, familial, economic, cultural, and social identity of people of the KSA. In Islam, men are seen as superior and women are deemed as equals but treated very differently. Women are typically reliant on their husbands for financial and social support (World Bank, 2003). There is a protocol established that restricts women's interactions with men outside of her family in order to protect her honor. A code of modesty is implemented among Muslim women in their dress by wearing the hijab, in their morals, and in their interactions with others (World Bank 2003). For these reasons, one of the main tenets for Muslim women is to remain pure and respectable and to not engage in any behavior that would dishonor the family. The protection of women is one of the main reasons that men want to keep women out of the employment sector.

Leadership Styles in KSA

The literature that has examined leadership in KSA is limited, and while there have been a few attempts to understand leadership development or characterize leadership styles in KSA, no single clear view exists.

Within the educational sector, since the 1980s, research studies on leadership styles suggested that leaders are more concerned with human relations than they are concerned with tasks in the workplace. Al-Hadhood and Al-Jaber (1989) examined the leadership styles of head teachers and found male and female head teachers to give higher importance to human-orientated behavior versus task-orientated behavior. Al-Karnea's (1991) study of leadership practices in Riyadh found that although respondents preferred more democratic styles, more autocratic leadership styles were practiced. These studies provide an understanding of leadership practices within the educational sector in Saudi Arabia. Yet much more investigation in different sectors of industry and from different aspect of research is required to understand leadership styles, prevalent in these sectors.

Within the public sector, Turregano, Hoole, and Altman (2015) conducted a study looking at leadership success factors, challenges, opportunities, gaps and career derailment factors. The study revealed that public sector organizations in KSA value seven leadership competencies as critical to their success: (1) communication, (2) subordinate empowerment,

(3) cross-organizational influence, (4) change management, (5) talent development, (6) learning agility, and (7) self-awareness. Out of the seven competencies, Turregano and colleagues looked at leaders' performance and discovered that Saudi public sector leaders have the skills that align with the organizational needs and challenges they face. But the researchers found also that it was important for leaders to make certain the boss is informed and pleased with the results they accomplish. In addition, Turregano et al. also uncovered gaps, particularly in teamwork, where respondents reported challenges in leading others, including both individuals and groups. However, in KSA organizations, people generally work as a team, and not independently, in order to achieve a common goal. Turregano et al. also explored the potential for career derailment among the public sector leaders in their study. They reported that the most significant derailment factor for leaders in KSA public sector is the failure to meet critical business objectives and commitments. As such Saudi leaders need to develop skills to create, manage, and bring people to believe in them and in their organizations' visions.

In the business sector, in general, organizational cultures become a melting pot for different individual beliefs and perspectives. Gray and Larson (2008) define organizational culture as "A system of norms, beliefs, values, and assumptions which binds people together, thereby creating shared meanings." Creating a cultural system is a challenge for business organizations operating in KSA. To illustrate, let us consider the example of career development. According to Long and Feller (2013), "Career development initiatives are critical to a country's prosperity as a lifelong strategy for individuals, talent management within organizations, and as a human resource issue within national economies" (p. 163). In many countries you could pick someone within the workplace that has the required experience to mentor a female employee, but this would not be the case in other countries. In Saudi Arabia, an arrangement might be set up between a female employee and a male counterpart, and you would find that the meetings are not taking place. According to Abalkhail and Allan (2015), this is because in Saudi Arabia mentoring is viewed as an intervention to be done among family members and not in the workplace.

For multinational corporations (MNCs) operating in KSA, individuals and organizations need to acclimatize not only to the hot dessert weather but also to the accepted cultural norms of the society. For example, MNCs operating in KSA might find it very difficult to address gender discrimination challenges due to religious and cultural norms. These companies have

no degree of freedom when it comes to training, development, or even treating female employees in more "Western ways." MNCs in KSA cannot, for instance, insist that native female employees be allowed to drive cars because this is the norm in other countries. Nor could these companies demand that Saudi women take part in their leadership programs. They cannot even demand that Saudi women and men work together in their KSA subsidiary. Therefore, MNCs face different dilemmas such as (a) not being able to present the possibility of developing women leaders, (b) having personnel policies that condemn gender discrimination and promote equal opportunities in their home countries but not being able to implement them in KSA, and (c) risking legal prosecution if they violate country's gender-related norms.

Discussion

Leadership and leadership development in KSA are multifaceted phenomena, affected by different cultural, economical, religious, and organizational factors. Prosperity, religion, patriarchy, and authority are some of these factors that construct Saudis' perceptions on how to develop leaders and what characteristics leaders should have.

As for leadership types, information presented in this chapter points toward the predominance of three leadership types in the KSA society: autocratic, paternalistic, and consultative leadership.

Autocratic leadership is frequently detected in KSA society. Leaders try to make all decisions and execute important tasks themselves, are reluctant to delegate responsibility, and they feel comfortable when subordinates execute those decisions with no questions asked. In addition, they rarely take into account the ideas of people in lower positions and prefer not to work with people who are better than them.

Paternalistic leadership is another leadership type often encountered in the KSA society. Similar to autocratic leadership, this type of leadership is authoritarian, and leaders consider themselves as father figures who take care of their followers, as a parent would do. In addition, the leader expects unconditional loyalty, commitment, and obedience from his followers while feeling responsible for them and their families. In addition, paternalistic leaders fulfill a social role toward their followers. It is not uncommon to expect leaders in KSA to actively attend social events, such as wedding ceremonies of employees.

Table 14.1 Leadership types, supporting contextual factors, and practice outcomes in KSA

Leadership type	Supporting contextual factors	Practice outcomes
Autocratic	Royal structure of kingdom Religious authority Hierarchy	Diminished democracy Diminished role of women Minimal employee engagement
Paternalistic	Royal structure of KSA Religious authority Hierarchy Collectivist culture Patriarchal social system Emotionality	Employee commitment (but not satisfaction) Directive rather than reflective environment Diminished role for women
Consultative	Islam Collectivist culture Tribal traditions	"No" is not an option when executing orders Marginalized young/new employees Diminished role for women

Consultative leadership is also observed in KSA society. Based on tribal norms and values in which 'shawra' (to consult) is expected, consultative leaders listen to their followers and peers before making decisions. This creates an environment where individuals provide their opinions. The downside to consultative leadership is threefold: (a) the elderly, more experienced, individuals are expected to provide ideas; (b) younger individuals are expected to listen, learn, and develop their leadership/wisdom skills; and (c) all followers must obey and follow instructions once the leader makes his decision.

Table 14.1 provides a summary of the three leadership types practiced in KSA, contextual factors that support these types, and practice outcomes in the KSA context.

CONCLUSION

Over the years, the motto of most KSA royal princes and heirs was "no to change, yes to development" (Mathew, 2012). Saudi leaders had this attitude toward reform in general and resisted the accelerated type in particular. Leaders at the national level are likely to demonstrate conservatism and pragmatism. Saudi Arabia leaders' approach to glacial change and change process was left to the next generation, the grandsons of the Saudi founder to pick up. But with KSA taking on responsibilities in the

region at challenging times, the case for leadership development in Saudi Arabia is clear. The kingdom is in dire need for new leaders to step up and transform the country and take it forward into the twenty-first century.

In society, women are still banned from driving and voting, and only participate in the work force to a limited degree. The country also needs to create jobs for its largely young and growing population. In addition, the country needs to push through reform and come up with policies that match twenty-first century expectations. For example, a modern labor law would provide MNCs accessibility and sustainability in the country without violating organizational policies. The pressure for such transformations is enormous, exacerbated by neighboring countries, such as UAE, Qatar, and Oman, that are already implementing such strategies. What is more, a restive population, a war with neighboring Yemen, and chaos around the region only make the adoption of transformational leadership philosophy in KSA more urgent. The solution of rulers throwing money at problems does not work anymore, the government is not as rich due to plunging oil prices, and this method proved time and again it would not solve social problems currently ailing the kingdom.

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Exploring Leadership Development in Turkey: Implications for Technology and Innovation

Ahmet Coşkun and Mesut Akdere

Introduction

Leadership development has become an important phenomenon in Turkey, since the fast expansion of country's economy requires growing attention to developing its human resources. Despite the regional and national political and humanitarian challenges recently faced, Turkey aims to become one of the top ten largest economies of the world. Both government and corporate world are focusing their efforts on becoming more competitive globally, and one of the most important elements of this strategy is the expansion of technological innovation. Leadership is at the forefront of these efforts. This chapter examines the concept of leadership development in the Turkish business context broadly through the lenses of national culture and educational system and illustrates specific examples of leadership development practices.

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As an emerging market, Turkey serves as a hub, right in the middle of several crossroads—geographically between Asia and Europe; historically between East and West; culturally between modernism and traditionalism; ideologically between secularism, Islamism, and nationalism; and economically between developing and developed countries. Accompanying national development efforts, the country has been experiencing a dramatic social change in many areas since 2002. During this period, Justice and Development Party (Ak Parti) has won the elections in five consecutive times and has been governing for the past 13 years. Following a 30-year-long period of many unstable short-term governments as well as several military coups and economic crises, the stable Ak Parti government had the opportunity of realizing some long-term economic goals particularly utilizing the popularity and charismatic leadership of its chairman Recep Tayyib Erdoğan.

Considering the Islamic roots and aspirations of its founders, Ak Parti was regarded as a replacement of power from Turkish secularists, majority of whom were left-wing politicians or nationalists. The immediate impact of this change was observed in the unprecedented rapid growth of the Turkish economy by all segments of the larger society. It included a shift from a socialist and heavily government-controlled national market to a more liberal and entrepreneurial market structure with a heavy focus on decreasing high levels of unemployment, attracting large amounts of foreign direct investment, and revamping all governmental institutions and units. A new bourgeoisie class called Anatolian Tigers, emerged from previously periphery and began to serve as a powerful economic power in diverse sectors of Turkish economy, such as food, construction, energy, manufacturing, finance, education, and media. As a result, including these new governmental initiatives and approaches, Turkish economy and businesses responded positively and began to work harmoniously with the Ak Parti government under the leadership of Erdoğan to achieve economic goals that triggered innovation efforts in many areas, including defense, aviation, automotive, health, and information and communications technologies (ICT) production, just to name a few.

Taking into consideration that today's Turkish organizations increasingly encounter novel and complex business problems and opportunities, which usually do not respond well to traditional quick fix methods, these new situations demand empowered group of people with effective leadership skills and experiences. Conventional training methods dedicated to developing transactional leaders are focused on solving known orga-

nizational problems, but they poorly satisfy the requirements of more challenging and complex global issues coupled with rapid technological advancement that may at times be disruptive.

As an emerging market, Turkey is at a juncture in becoming both a global power player and transitioning to a participatory democracy with a stable economy. As such, Turkish organizations and companies are also transforming to support Turkey's role as a global economic and political powerhouse. Such transition requires leaders experienced in using non-traditional business and management approaches to help contribute to this transformation process. House, Hanges, Javidan, Dorfman, and Gupta (2004) described Turkish CEOs as being people oriented and participative. Kabasakal and Bodur (2002), on the other hand, viewed leadership development in the Turkish context as being a multifaceted phenomenon. Mabey and Lees (2008) argued that status (both economic and social) was still very influential in Turkish organizations. Leadership in general, and leadership development in particular, is generally new to the Turkish literature except for religious, political, and military leaders, and it is an unexplored topic. This chapter aims to explore leadership development in Turkey and discuss implications for technology and innovation as both these concepts have become very connected with leadership and Turkey is aiming to move forward through its investment in technology and innovation.

Brief Information About Turkey

Having over $820 billion of annual gross domestic product (GDP), and an 80 million population, Turkey is one of the biggest countries in the world (18th in population and 17th in GDP). In addition, Turkey has one of the youngest populations in Europe with a mean age of 29.6, while this number is 42.2 for the European Union (EU). In fact, half of Turkey's population is under the age of 30.

Gross expenditures on research and development (GERD) for Turkey have steadily grown by 8.2 percent on average since 2007. Furthermore, Fig. 15.1 illustrates statistics of the number of technology development zones and technology-intensive companies that are steadily increasing over the last decade. Figure 15.2, on the other hand, reports the significant increase in numbers of R&D personnel, especially in business enterprises. As a result, one might argue that having a considerably young population, who are more likely to use technology, and investing large
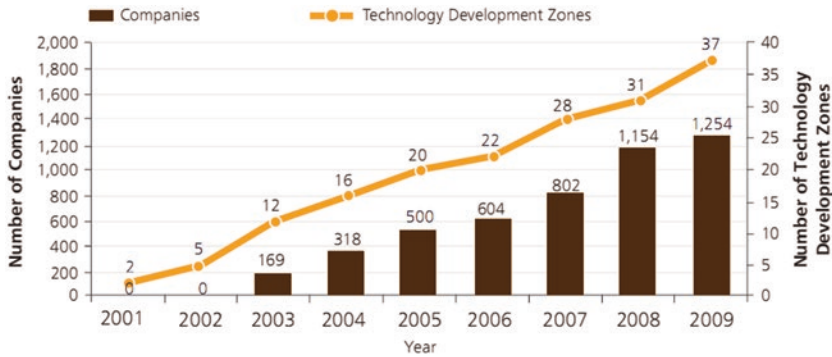
Fig. 15.1 The number of technology development zones and companies. Retrieved from http://www.tubitak.gov.tr/. Copyright 2011 by TÜBİTAK. Reprinted with permission. *Source:* The Scientific and Technological Research Council of Turkey, 2010
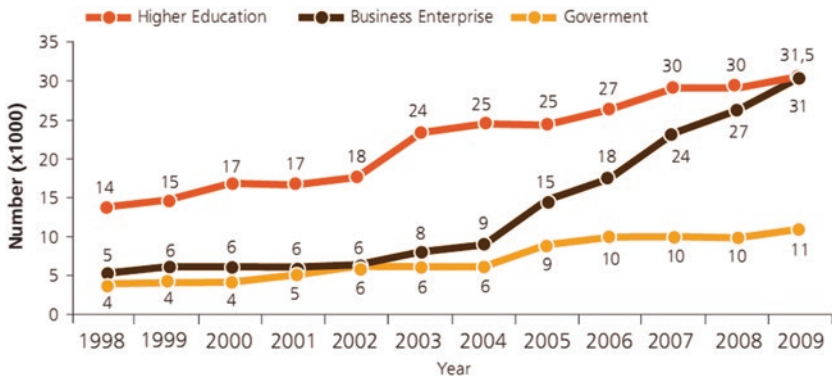
Fig. 15.2 Number of full-time equivalent R&D personnel by sector of employment. Retrieved from http://www.tubitak.gov.tr/. Copyright 2011 by TÜBİTAK. Reprinted with permission. *Source:* The Scientific and Technological Research Council of Turkey, 2011

amounts of money in R&D in recent years, Turkish businesses and organizations are expected to be more prone to integrate technology and focus on innovation more than ever because next generation of Turkish workforce will be more tech savvy.

However, striving for innovation is not a brand new effort for Turkish people. Having a modern and developed economy, embodied by the latest technology and production methods and driven by the innovations of entrepreneurs, has been one of the main goals of Turks since the Ottoman Empire but yet to be fulfilled (Kılınçoğlu, 2015). It is important to note that for five decades (between 1930 and 1980), Turkish economy was basically driven by interventionist and protectionist economic policies to support infant industries against foreign competition (Utkulu & Ozdemir, 2003). Instead of fostering a competitive market structure, government policies aimed at protecting all areas of industry and production so that national businesses would not face outsider market pressures. For example, in order to support national automotive industry, the government made it illegal to import cars and motor vehicles (Öztürk & Özyakışır, 2005). Unfortunately, this led to many misdirected and mostly corrupted government incentives and economic development programs which resulted in nothing but lack of technology development, innovation, and entrepreneurial efforts (Utkulu, 2001). Turkish economy is trying to overcome these deeply rooted development problems and vastly failed past experiences to reinforce growth and acceleration through enhancements and advancements in technology and innovation in any given field.

Nevertheless, although Turkey ranks third globally in R&D expenditures and investments according to its gross domestic product (GDP) since 2008, Turkey still is in the fifty-eighth place in Global Innovation Index (Cornell University et al., 2015), fifty-first in Global Competitiveness Index (World Economic Forum, 2015a), thirty-seventh in business and innovation environment (World Economic Forum, 2015b), thirty-second in patent applications (WIPO, 2014), fifty-eighth in International Property Rights Index (2015), and among the last four countries in innovation performance in Europe and classified as a "modest innovator" country in this index (European Commission, 2015).

Leadership as a Business Concept in Turkey

Leadership is defined as "the ability of individuals to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members" (House, Javidan, & Dorfman, 2001, p. 494). Thus, by definition leadership is closely related with aspects of involved people. It has been investigated not only as having universal (etic) aspects, which are relevant for all societies, but also as having some

culturally contingent (emic) aspects (Dickson, Hartog, & Mitchelson, 2003). Indeed, cross-cultural studies stressing on emic factors are becoming more popular while there is a decline in universalistic view especially in recent years. Thus, this chapter approaches leadership concept through the Turkish business and organizational contexts.

Perception of leadership in Turkish business life has its foundations in Turkish culture and history. First, there are some strong charismatic leader prototypes in the collective memory of Turkish people. For instance, Prophet Muhammed (Peace Be upon Him) is acknowledged as the most influential leader in world history (Hart, 1978) by transforming the worldview of almost one-third of the world population. Fatih Sultan Mehmet, the Conqueror, is famous among Turkish people with his conquest of Constantinople by brilliantly carrying 72 ships through land over night to conquer the last city of the Byzantine and putting an end to the Medieval Age. Atatürk is known as the initiator of national independence war against occupier Entente Powers and founder father of the new Turkish Republic. Recently, the founder of Ak Parti and the current president of Turkey, Recep Tayyib Erdoğan, is undisputedly recognized as the most influential leader in the country after Atatürk. These leaders are often viewed as societal role models, and they have been taken as vivid inspiration sources for charismatic and transformational leadership in Turkish society.

Second, throughout the history of Turkey, almost every leader had a military background. For example, more than half of the presidents of Turkey had military background or affiliation. Furthermore, Turkish men both living in Turkey and abroad are subject to compulsory military service to become indoctrinated by the Turkish military culture. As a result, it is impossible to ignore ample evidence of the effect of Turkish military on Turkish business culture in terms of having organizational leaders who generally display authoritarian and paternalistic leadership styles (Pellegrini & Scandura, 2006). Besides, patriarchal structure is still a very common feature of Turkish family (Ataca, 2006), and this has some implications for leadership and leadership development in Turkish organizations. Approximately 95 percent of Turkish businesses and organizations are comprised of family-owned companies, which are predominantly managed by family members, mostly males (Altindag, Zehir, & Acar, 2011). This not only includes SMEs but also most of the large companies, which are traded on the stock market. Thus, paternalistic leadership style, which emerges from Turkish family culture, has spillover effects on business life, too.

Confirming these characteristics of Turkish businesses, Kabasakal and Bodur (2008) revealed that autocratic and paternalistic leadership styles were most prevalent ones in Turkish business culture. An ideal leader in Turkish business culture is "described as a decisive, ambitious, and assertive person who is somewhat aggressive but controlled at the same time, and has a hands-on approach to problems" (Pasa, Kabasakal, & Bodur, 2001, p. 584). As a result, Turkish leaders mostly make business decisions on their own and often lack tolerance for feedback or criticism from their followers. Besides, strong leadership, which refers to limitless and unquestionable concentration of power in hands of leaders, is very common in Turkish society. Additionally, the halo effect is a very common appraisal error in Turkish context, considering especially leader–follower relationships. Due to the strong and charismatic leader archetype in social memory, followers tend to exaggerate the sphere of influence of their leaders in distinct areas, even in personal lives (Özbilgin, 2011). Consequently, these overblown power attributions on leaders conceal their weaknesses, hinder the positive feedback opportunities, and endanger leader development.

CULTURAL CHARACTERISTICS

Culture is defined as "the collective mental programming of the people in an environment" (Hofstede, 1980, p.43), which can be understood in a broader scale, such as national culture, or in a narrower scale, such as organizational culture. Both national and organizational cultures have significant impacts on leadership behavior of people in businesses and companies. Furthermore, in an organizational context, both culture and leadership influence each other (Bass, 1996). Therefore, Turkish cultural characteristics should be analyzed in order to gain insights into leadership development within the Turkish context.

While sometimes being criticized for gross generalizations, most of the culture studies in management and organization field still benefit from findings of Hofstede's research (Hofstede, 1980). According to his study, Turkey has the following characteristic features (Hofstede Center, 2014):

1. Power distance (66): This high power distance score means that the Turkish people attach importance to hierarchy and they usually expect superiors to tell them what to do. Moreover, empowerment level is considerably low, and indirect communication and feedback style is pervasive in this culture.

2. Individualism (37): Getting a relatively low score on this dimension, Turkish people have a place among collectivist cultures. This implies that group membership and loyalty are the key issues in a Turkish business context. Rather than task performance, relationship management and contextual performance are superior goals. People pay attention to concord in groups and do not favor open conflicts.
3. Masculinity (45): In comparison with other cultures, Turkish people have a place on the feminine side of this scale. This connotes that conflicts are unwelcome, but mediatory efforts in disagreements and showing sympathy are appreciated in business life in Turkey.
4. Uncertainty avoidance (85): Turkey has a high score on this dimension. Turkish people do not feel comfortable with unknown future conditions and try to reduce their anxiety by following rituals and norms.

Validating above findings, the dominant characteristics of Turkish business culture were found in a number of studies to be as following: high collectivism, power distance, uncertainty avoidance, vertical hierarchical structure, low delegation, centralized decision-making, strong authoritarian and paternalistic leadership style (Aycan et al., 2000; Fikret-Paşa, Kabasakal, & Bodur, 2001; Kabasakal & Bodur, 2002).

While living in a specific culture, social learning can become an important source of leadership development. Specifically, in adolescence, leadership is learned by parental modeling (Zacharatos, Barling, & Kelloway, 2000). For example, Turkish business people, who had authoritarian fathers as role models, tend to have a more authoritarian leadership style (İbicioğlu, Özmen, & Taş, 2009). Similarly, during adulthood, people adopt leaders as substitutes of their parents. Thus, authoritarian leadership style fits cultural expectations of Turkish society after childhood. Moreover, there is a highly powerful "obedience to authority" norm in Turkey, which comes from both Islam and pre-Islamic Turkish culture. Supporting authoritarian leadership, this norm starts to be built in early development period of an individual in his/her family, continues to be learnt in school age, strengthens within the individual during the military service, and remains to be effective in business or professional domain.

In paternalistic societies leaders are seen like parents and expected to show care toward their followers. Correspondingly, followers are supposed to be loyal to their leaders as a reciprocal behavior (Aycan et al., 2000). Hence, decision-making process is highly authoritative, and delegation

of power is rarely seen in Turkish business culture. Interestingly, Turkish employees are generally more satisfied when power is less delegated (Pellegrini & Scandura, 2006). Turkish society still favors elderliness, seniority, and experience, not only in social life but also in professional life. Thus, Turkish businesses and organizations do not provide adequate decision-making opportunities for younger generations. Nonetheless, culture has a continuously evolving dynamic nature. Turkey is going through a cultural transition that Turkish society demonstrates both conflicting cultural characteristics at the same time. For instance, as a result of globalization, the larger Turkish culture may be argued to be becoming more individualistic and masculine while still being classified as a collectivist society with a feminine business culture. Besides, embracing group cohesiveness and strong cooperation culture, Turkish people are increasingly pursuing materialistic individual goals and competition (Aygun, Arslan, & Guney, 2008). In particular, new generations in Turkey praise development more than their parents do. According to Aycan and Fikret-Pasa (2003), Turkish youth reported "autonomy," "opportunities for personal and professional development," and "sense of achievement" as the most motivating factors in their job and career choice. Instead of authoritative and paternalistic leadership they have chosen transformational leadership as their favorite leadership style for contributing the most to one's personal development. The only exception indicated in this study were some youth who preferred paternalistic leadership as their favorite because their parents had significant effect on their job decisions.

National Educational System and Research Focus

Leadership development is a long-term process with a lifelong multifaceted scope. Thus, leadership development may hardly be achieved by short-term training programs and should be treated as a long-term investment aimed to provide solutions for complex business problems (Day, Fleenor, Atwater, Sturm, & McKee, 2014). So, national education system is an essential component of this process; however, in spite of the existence of the 12 years compulsory education requirement, mean years of schooling in Turkey barely reached 7.4 years. More important than the length of education is the quality of education. For example, based on the OECD's Program for International Student Assessment (PISA) report (OECD, 2012), Turkish students ranked forty-fourth in mathematics, forty-third in science, and forty-first in reading among their peers from 65 surveyed

countries (2012). Above all, education system in Turkey has an authoritarian and didactic culture, which further hinders leadership development (İbicioğlu et al., 2009). Moreover, school teachers and administrators admit to the lack of showing leadership behaviors inside the classroom and they explain this by blaming "the insufficiencies in the administration and parents' support, limitedness of time, test-based education, and the inadequacies for the academic and professional qualifications" (Can, 2009, p. 446).

When it comes to scholarly efforts, leadership in general, and leadership development in particular, are generally new to the Turkish context except for religious, political, and military leaders. So, there is a common shortcoming of academic studies of leadership and leadership development in Turkey. For instance, there is not a structured curriculum in any stages of Turkish educational system that was intended to enhance leadership capacity of students. Leadership is not even mentioned among the goals of latest Turkish educational system in the National Education Law of Turkey (Ministry of National Education, 2015).

Leadership development concept is comprised of two separate and equally important components: "leadership" and "development." Although, there is a tendency to mostly investigate the leadership part, to better understand the issue, the development part should be taken into account. Furthermore, while being vastly confused in academic studies, there is an essential difference between leader and leadership development both theoretically and empirically. Leader development mainly focuses on developing individual leaders. On the other hand, leadership development implies the process of developing leadership capacity of a group of individuals (Day, 2001).

Considering these categories, leadership theory did not have much contribution to leadership development in the Turkish context. Rather than trying to contribute to leadership development that mainly focuses on changing a group of people, mainstream approach in leadership theory mostly deals with leader as a person (Day et al., 2014). In line with this mainstream approach, instead of taking into consideration both leader and leadership, the literature on leadership development in Turkey, which consists of very few studies, has been almost solely focused on leader development (Özbilgin, 2011). Additionally, instead of developing authentic approaches that reflect common characteristics of Turkish people, most of the scholarly efforts neglect contextual features and have a tendency to

import theories, models, and measures, which are predominantly developed for Western societies (2011).

Despite a record number of new universities established in Turkey in the last decade (both governmental and non-profit), the mentality that aims to maintain the status quo and not embrace both technological and societal changes prevalent in much of the Turkish higher education is one of the highly influential constraints in leadership development as well as technology integration and innovation. While third-generation university model based on entrepreneurship is rapidly becoming universal as a pioneer of innovation in higher education (Wissema, 2009), with the exception of only a handful of examples, almost all of the Turkish universities typically have second-generation university characteristics aiming at meeting preparing workforce for the existing needs of the industry without further consideration of future needs. One of the primary reasons is that faculty at Turkish universities rarely collaborate with private sector in conducting research and publish very few articles in top scholarly journals (OECD, 2014). Nevertheless, the *Entrepreneurial and Innovative University Index* was developed in 2012 by Turkish National Science Foundation (TUBITAK) to encourage innovative and entrepreneurial activities in Turkish universities, and the *Academic Incentives Program* has been put in place in 2016 which aims to reward scientific studies of academics, especially those related with technology and innovation (Council of Higher Education, 2015).

Leadership Development Practices

Day (2001) argues that leadership development begins with creating a shared vision and meaning through sense-making to identify the value-added perspective in the process. Thus, the question that begs to be answered is, "How can I participate productively in the leadership process?" (2001, p. 605). In this section the discussion focuses on seeking possible answers to the aforementioned question in the Turkish business context. There are two main issues which should be regarded under the umbrella of leadership practices—content issues and process issues. Content issues deal with the factors that might support the development process for desired leadership skills and capacity, whereas process issues deal with the methods that form leadership development in a period, namely mentoring, coaching, 360-degree feedback, leadership training, and job assignments, among others (Day et al., 2014). Content issues have

two dimensions. The intrapersonal dimension, which mainly addresses the leader as a person and deals with leader development, attempts to investigate some leadership relevant features of an individual, such as experience, education, skills, and personality. The interpersonal dimension, on the other hand, refers to all types of relationships and networks an individual might have as an agent in the organization (2014).

In consideration of intrapersonal dimension, one of the many ways that leadership development becomes possible is experiencing leadership by means of leading a team to solve complex business problems. Such approach in leadership development, particularly within the context of action learning or experiential learning, has become more prevalent as globalization and technology continues to play a vital role for businesses both in the developed and developing world (Marquardt, 2011). Beginning from childhood, leadership development is an ongoing process and naturally includes experiences such as training, part-time jobs, or volunteerism during or prior to receiving college education. Training programs may provide invaluable opportunities to develop leadership skills. Yet, as a result of overvaluing seniority in experience and age in Turkish business life, trainees are mostly seen as worthless and unskilled labor, and, at times, a time-consuming hindrance. As a result, they are often not given adequate opportunities to demonstrate their leadership potentials. Adding to this factor is Turkish college students' heavy dependence on family support during their college education and government-sponsored scholarships. Thus, college students often do not consider seeking part-time work during school year and often seek internships only in summer for brief periods. Similarly, youth entrepreneurship, as an opportunity to gain leadership experience, is uncommon in Turkey. Although the Ministry of Youth and Sports has been actively working with college students to engage them in leadership and entrepreneurship activities through grants for start-ups and sponsored-projects, the percentage of youth entrepreneurs has been steadily decreasing (Global Entrepreneurship Monitor, 2016).

Engaging in civil society activities through voluntarism usually contributes to leadership development as a result of organizing people and executing projects to fulfill social goals (MacNeil & McClean, 2006). However, in comparison with Western societies, Turkey has a crawling civil society, which is mostly composed of a mixture of communities with various sub-identities, such as religious, political, or regional. Most of these social communities have a patriarchal and seniority-based hierarchy and do provide very few opportunities for younger generations and female

members to experience and develop their leadership skills. Furthermore, some extracurricular leadership development mediums such as volunteering and scouting activities are seen very seldom in Turkey. According to the *World Giving Index* (CAF, 2014), Turkey is among the least volunteering countries in the world (132nd among 135 countries included in the Index). Generally, Turkish people have rare leadership development opportunities before starting their professional life.

What has been presented for the educational, non-profit, and governmental perspective is also the case for the business world in Turkey. The existing literature indicates that the number of Generation Y employees is rapidly increasing in organizations. To achieve employee engagement, highly efficient companies benefit from implementing "succession planning" strategies hand in hand with leadership development practices (Groves, 2007). Although some of the Turkish business organizations have succession plans, especially in family-owned small and medium-sized enterprises (SMEs), succession planning is usually limited to a single or very few in-group members. Even if the legacy leaders claim to favor competencies as the most important factor in selecting the next leadership cohorts, individual affiliations of the organizational members become more important in determining successors (Tatoglu, Kula, & Glaister, 2008). Thus, taking into consideration that 95 percent of Turkish companies are family-owned, we argue that this individual-based investment approach hinders the leadership capacity of the Turkish organizations in general.

There is a widespread confusion in Turkish business environment with terms like management and leadership, and manager and leader; these terms are mostly used interchangeably or as substitutes. In fact, management and leadership are "two distinctive and complementary systems of action" (Kotter, 1999, p.51), but leadership is not a responsibility of a handful of managers; it exists at all levels and surrounds every single member of the organization (Noel & Dotlich, 2008). However, in order to achieve "leadership development," Turkish business organizations usually invest solely in managers and do not consider the potential of other employees with diverse work and life experiences.

While intrapersonal dimension of leadership development aims to invest in human capital, interpersonal dimension of leadership development focuses on social capital in organizations. "Social capital is a capability that arises from the prevalence of trust in a society or in certain parts of it" (Fukuyama, 1995, p.26). Yet results from *World Values Survey* (WVS,

2014) showed that among nations all over the world, Turkish people have one of the lowest trust levels to other people (11.6 percent, compared to world average of 24.2 percent). Turkey ranked in the 45th place out of 60 countries included in the survey. This high level of distrust inevitably harms leadership efficiency in Turkish organizations. But Galli and Müller-Stewens (2012) revealed that leadership development practices, in general, such as networking, mentoring, 360-degree feedback, leadership training, job assignments, and action learning, may contribute to social capital of the organization.

IMPLICATIONS FOR TECHNOLOGY AND INNOVATION

Traditionally, technology innovation has been thought of generally as an outcome of creative processes held by brilliant individuals or small groups of smart people. On the contrary, today's highly connected business environment and networks present an abundance of examples of successful innovation stories realized by productive collaboration of "ordinary" people (Rodriguez & Solomon, 2007). For this reason, perpetually high motivation and ownership of the members in the organization is vital for innovation, specifically collaborative innovation or high-involvement innovation, because "innovation leadership is too diverse to be left to single individuals; it must be embedded in the organization" (Bel, 2010, p. 47).

In respect to different innovation approaches, different leadership styles may be more appropriate. For example, skills approach to leadership may be more appropriate for the bottom-up innovation approach of 3M, whereas the path–goal leadership approach may serve more effectively Apple's top-down innovation culture, or team leadership approaches may be more conducive for Whirlpool's 360-degree innovation approach. However, regardless of the innovation approach of the organization, at the initial phase of any innovation process, visionary leadership style is appropriate. Upon developing the organizational vision, participative leadership may be instrumental in motivating employees around the vision and mission and building a project team. Finally, innovation should be accomplished with the facilitation of transactional leadership (Manz, Bastien, Hostager, & Shapiro, 1989). As organizations become flatter and more complex, maintaining innovation efforts solely under the leadership of top managers would result in inefficiency. Thus, different leadership development processes need to take place in order to lead specific innovation approaches at various organizational levels (Bel, 2010).

Bearing in mind that over 99 percent of Turkish companies are SMEs, leadership for technology and innovation requires a dual role. One of them is front-end leadership role, which is necessary for creating a new and visionary higher-value strategy that members of organization stick to (Carnerio, 2008). The other one is back-end leadership role, which is necessary for creating an environment that expands the leadership capacity to the members of organization, in order to enable them to realize innovation goals (Bel, 2010). This back-end leadership role is especially important in Turkish context. Because innovation capacity of the organization depends not only on the creativity of individual members but also on the supporting climate factors, specifically financial rewards, positive feedbacks, praise of learning, delegation of power, and coaching and mentoring. Therefore, innovation is not an instant acquisition; it requires the organization to have an environment where employees voluntarily learn and an atmosphere in which innovation efforts, whether eventually successful or not, are expected and rewarded (Day, 2011). In order to create this environment, leaders in Turkey should recognize that innovation and development as processes have a common base, that is, "potential for failure." Innovation in its very nature has to do with uncertainty and it entails taking risk of failure. Similarly, development is based on inadequacy and failure presumptions. Although uncertainty avoidance is high in Turkish society, leaders championing for innovation should emphasize development opportunities as a result of breakdowns and motivate followers to try to find solution for problems or to create value-added organizational outcomes, to take risk in terms of innovation, most probably at the expense of several failures, but eventually to learn and share the outcomes with others to develop.

While innovation is typically associated with human capital features such as knowledge and innovative skills (Porter & Stern, 2000), social capital, which refers to networks within or among the groups in an organization (Akdere, 2005), was found to facilitate collaboration and foster innovation and ultimately growth (Akçomak & Ter Weel, 2008). So, trust level in organizations is one of the key factors that Turkish leaders should acknowledge in order to build an innovative work environment. In fact, exploring leader–member dyadic relationship, a recent study revealed that the level of trust in leaders had a significantly positive effect on innovative work behaviors of employees in Turkey (Taştan & Davoudi, 2015).

Turkish business managers are aware that besides cost of doing innovation, existence of underground economy, lack of financial sources and

government support, low levels of human and social capital, in terms of leadership, are some of the obstacles on the path to innovation as well (Demirbas, Hussain, & Matlay, 2011). Thus, leadership development in the Turkish context can immensely benefit from focusing on transformational leadership, which was found to have significantly positive effects on organizational innovation ability (İşcan, Ersarı, & Naktiyok, 2014).

There remain other approaches to consider for leadership development to support technology integration and innovation. However, there is very little research interest on this topic. In fact, between 2007 and 2012, on average, there were only four master's theses and doctoral dissertations per year about leadership in the context of technology and innovation, most of which (about 70 percent) has solely used quantitative methods, and thus, insightful revelations about Turkish business culture and organizational dynamics are lacking (Uysal & Madenoglu, 2015). Clearly, there is a greater need to approach leadership development systematically in general and promote leadership for technology and innovation for organizational purposes in particular. Furthermore, coupled with the family-business structure of the majority of Turkish companies, the need for new age leaders who focus on technology and innovation to address grand challenges of their industries has become even more evident.

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Eastern Europe

Leadership Development in the Polish Economy During the Transformation Process: Selected Issues

Andrzej Różański

INTRODUCTION

This chapter discusses leadership development (LD) of Polish managers during the process of economic transformation since 1989. The chapter is divided into two parts. The first part analyses the strengths and weaknesses of Polish managers' leadership capabilities and their characteristic features and behaviours as contrasted with managers from other Central and Eastern European countries (CEE) and those from Western European countries. The second part analyses changes in the approaches to leadership training and development in Poland. In addition, the second part of the chapter describes features of management and LD programmes at Polish universities. The chapter ends with a discussion and concluding remarks related to the changes in leadership training for Polish managers. It can be concluded that there was some progress in leadership competence development over the years. LD is based mostly on Western training models. In addition, Polish managers are learning from their Western counterparts while working in global markets and interacting with MNCs, operating in Poland.

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Leadership Styles and Behaviours of Polish Managers

Research on human resource development (HRD) in Poland shows that, since the 1989 transition to the market economy, leadership has been attracting increased attention, both as a phenomenon (e.g., individual cases of successful leaders) and as a field of study. Most of the extant studies in Poland are based on historical and comparative cross-cultural research aimed at identifying potential gaps in leadership capabilities. The following pages present selected results of the research focused on weaknesses and strengths of managers in Polish organisations. The WorkForce 2020 (Oxford Economics, 2014) report is one of these global studies aimed at identifying best practices and successes on the road to creating future talent management strategies in the world economy. Over 5400 managers and employees from different organisations from different countries, half of them Millennials, were interviewed.

Part of the report was devoted to leadership. The results obtained were presented as comparisons between the global data and the results for individual countries. The respondents from all studied countries pointed out the gaps in leadership capabilities of their leaders and indicated that in many categories only 20 to 30 percent of managers can boast of the desired leadership features. Results among Polish respondents were at 46 percent in effective talent management category, slightly below the 51 percent global average. However, they showed better results related to competence to lead an organisation to success (Poland: 50 percent; average for other countries: 44 percent). Moreover, Polish managers more often see leadership capabilities as an important attribute of employees (Poland: 30 percent; other countries: 21 percent). The same query addressed to employees showed the result of 22 percent for Poland and 20 percent for others. Over 36 percent of Polish respondents said that Polish leaders are well prepared to manage diverse teams (others: 34 percent). Similarly, 39 percent of Polish respondents claimed that talented managers had sufficient capabilities to drive growth in their organisations (others: 35 percent). These favourable for Poland results are partly confirmed in the Target report developed in collaboration with Henley Business School in London (Target, 2009, p. 20). Poland ranked high on most categories in this report. It ranked first on 17 of the 44 questions and in the first two places on well over half (28) of the questions. Polish managers were viewed as dynamic, entrepreneurial, hard-working, flexible in problem

solving, and capable of self-development. However, the results were not as strong for Polish managers on such dimensions as long-range planning, enthusiasm for innovations, and taking responsibility in difficult situations. In addition, the report found that Polish managers show the tendency to use an authoritative management style and are attached to hierarchical structures. Among other things, such attitudes can make teamwork rather difficult (Haromszeki, 2013).

The Target Executive Search studies of 2014 and 2015 conducted by the Institute for Social Studies, GfK, and the Central European University Business School in Budapest confirmed most of the results of the previously discussed studies. The respondents included 889 expats and 219 Polish managers. It was underlined that few Polish managers demonstrate a strategic approach to problem solving and long-distance planning. Expats claimed that Polish managers rely on "hard" skills and are attached to their own experience. In the present day more emphasis, however, is put on "soft" competences and abilities to identify, collect and process new information (Zygmunt, 2015).

The GLOBE (Global Leadership and Organizational Behaviour Effectiveness) cross-cultural studies on leadership conducted in more than 60 countries of the world confirm the above results (see Den Hartog et al., 1997; House et al., 2004; Mączyński & Koopman, 2000; Mączyński & Łobodziński, 2009; Mączyński & Zamorska, 2008).

In this study, conducted between 1995 and 2000, 22 European countries were divided into two clusters. Cluster 1 included north-western Europe (UK, Ireland, Holland, Sweden, Denmark, Finland, Germany, Austria and Switzerland); Cluster 2 included southern and central-eastern European countries (France, Italy, Spain, Portugal, Greece, Turkey, Hungary, Czech Rep., Slovenia, Poland, Russian, Albania and Georgia (see Koopman et al., 1999; Mączyński & Koopman, 2000). The objective was to diagnose similarities and differences in leadership on the basis of cross-culturally validated research methods (Mączyński, 1998). The study surveyed "the group of 6052 mid-level managers in the areas of finance (banks), telecommunication, and food industry" (Mączyński, 2010, p. 161).

The differences between the two clusters identified in the study showed that managers from north-western Europe were much more focused on achievement, defining long-range goals (strategic management), team work (team-communitive feeling), and avoiding uncertainty (defining and structuring action norms and procedures). In addition, they were putting

higher emphasis on employee inspiration and motivation, honesty, integrity, achievement orientation and organisation development vision. In contrast, managers from southern and central Europe had higher scores on assertiveness, power distance, and family-communal feeling. They manifested higher administrative and diplomatic capabilities, higher awareness of their own status, confrontational character and unfriendliness. They were also reluctant to share power with employees and a tendency to use an authoritative style in management (Mączyński, 2010).

In the late 1980s and early 1990s Mączyński and colleagues (Mączyński, Sułkowski, Chmielecki, & Zajączkowska, 2013) made an attempt to define the characteristics of the practices and management models in Polish organisations in the periods before, during, and after 1989. The results were compared to the descriptions of the practices and management models in organisations operating in countries with developed market economies. The surveys were conducted with managers from Poland, Czechoslovakia, USA, France, Finland, Switzerland, Germany, and Austria. The results showed that Austrian, German, Swiss, and Finnish managers were most participative; Polish and Czech managers were most autocratic; and American and French managers ranked in the middle. Polish managers were more open to using the participative style in minor issues while they tended to restrict employee participation when addressing major organisational problems. Western managers concentrated on making best use of human capital (Intellectual Capital Advantage Model) in problem solving and decision-making processes. Polish managers, however, were more focused on maintaining good relations with employees (Interpersonal Relations Model). Mączyński's conclusion was that "Polish managers appreciate the importance of good relations with employees and want to make an impression that employees' opinions and preferences are taken into consideration in problem solving processes in organisations" (Mączyński, 2010, p. 166).

In the opinions of international managers (research study conducted by TARGET Executive Search, GfK & Central European University Business School Budapest in 2014/2015) Polish managers were focused more on hard capabilities—qualifications and experience—than on soft competences like interpersonal relationships and emotional intelligence. In Western Europe both of these sets of capabilities are given high importance with soft competences even taking precedence compared to the technical and functional expertise (Zygmunt, 2015).

Another comprehensive study on leadership competences was the report "Liderzy na dziś—Liderzy na jutro?" (Leaders for Today—Leaders for Tomorrow?), published in January 2015 by the Polish branch of Deloitte Consulting (Deloitte Polska, 2015). Its authors used the new Leadership Competences Model and the general outline of the study included two perspectives: of managers who manage organisations on a daily basis and of members of the board of directors who set the directions for organisational strategic development. The following key leadership competences were analysed: adopting broad perspective, change management, focus on organisation value growth, effective relationship building, talent development, impact creation, and value-based organisation development. The results showed that for 99 percent of Polish managers the key competences for board of directors' members included adopting broad perspective (49 percent consider this competence as critically important and 49 percent as very important), change management (44 percent and 47 percent, respectively), and ability to see the organisation from the financial perspective (41 percent and 49 percent, respectively). The authors claimed that as a result of the global economic crisis, for board of directors members' short-termed objectives (e.g., capital management, or introduction of EU regulations) took precedence over long-term objectives (such as strategy development, increased sales, talent management, and innovation management) (Deloitte Polska, 2015).

Warsaw University's International Centre of Management (2014) conducted a study devoted to identifying leadership dimensions in large Polish organisations (HR Perspectives, 2014; Międzynarodowe Centrum Zarządzania Uniwersytetu Warszawskiego, International Centre for Management at the University of Warsaw 2014). Seventy HR managers participated in the study. The project's interdisciplinary research team found out that the key factors for the development of Polish organisations included leadership (56.9 percent of respondents), costs optimisation (35.4 percent), innovations (33.8 percent), marketing and sales (33.8 percent), and employee engagement (24.6 percent). Results also showed that HR managers considered LD in their organisations as a priority. However, results showed that managers were mainly focused on leadership perceived as direct influence on employees through inspirational motivation. Significantly less importance was attributed to leadership capabilities such as seeking and using feedback, strategic perspicacity, analysing problems from different angles, and critical attitude to existing practices or procedures (Warsaw University's International Centre of Management, 2014).

To conclude this section it is important to present the results of research carried out in small and medium enterprises, especially those located in smaller provincial cities, which on a daily basis function differently from large corporations or head offices of MNCs located in major centres of business and industry. The research carried out among managers and SME owners by the Socio Economics Department at Warsaw School of Economics and the Polish Confederation "Lewiatan" (business organisation representing employers' interests) showed that the most salient characteristic feature of Polish SME managers was paternalism understood as caring about employees, yet being autocratic at the same time.

Among Polish small business entrepreneurs responding to the survey, 62.3 percent preferred an autocratic style of management (making business decisions without consulting employees' opinions) and only 25.7 percent preferred to use democratic approaches. Almost half of the respondents admitted that employees' views are given limited credit in their organisations (Cieślak-Wróblewska, 2013). Similar conclusions were drawn from a survey of 250 managers in construction industry in the Leszno province (Dzikowski, 2008) where only one out of five managers trusted his or her employees and gave them more freedom at work. An even smaller fraction of managers tended to attach some importance to building good partnerships with their employees, sharing power (only some indicated that they would be willing to share power with a small and select group of more experienced employees), and involved themselves in HRD processes in organisations.

Gender Differences and the Role of Women in Leadership

Kupczyk (2013) claimed that Polish literature on the subject lacks broad discussion on gender differences; for example, what are the advantages and disadvantages of employing male and female managers in various managerial positions? For reasons of political and cultural correctness these problems are not tackled; however, fairly broad discussions are carried out on the reasons why female managers are discriminated against, particularly when it comes to promotion to top management positions. For example, in the TARGET studies expats pointed out that female managers seemed to be more effective than male managers, holding similar positions in organisations. At the same time the study authors admitted that Polish

female managers were discriminated against in the areas of remuneration and promotion (Haromszeki, 2013)

Professional careers of Polish female managers depend more on their private lives irrespective of how much support they can get from their families. For example, it is more difficult for a woman to leave the traditional role of a mother than for a man to avoid fulfilling his responsibilities as a father. A woman's decision favouring career rather than motherhood may sometimes have a dramatic impact on her life. It can thus be concluded that female managers who decide to develop their professional careers would be more determined to reach their business objectives than male managers (Różański, 2012).

The Deloitte study showed significant changes in the way female managers were seen with respect to their leadership competences. Responding managers, irrespective of their positions in organisations, had better opinions of female managers with regard to their leadership capabilities. Their competitive advantage is seen particularly in such competences as building effective interpersonal relations, developing talents, openness to change, and building organisations based on value (Deloitte Polska, 2014). According to Deloitte, these are some of the key capabilities in modern business.

Leadership Capabilities Development of Polish Managers Since 1989

Since 1989, numerous studies on qualifications of Polish managers and studies related to managerial education and training have been conducted by Polish researchers. Różański's (2012) research on managerial education and development in the transforming Polish economy identified three major types of managers: (1) Managers who function based on their own practical experience, (2) Experienced managers who also have formal qualifications (e.g., Master degree in economics or management, or an MBA, and (3) Graduates of higher education institutions and business schools with no practical experience in business. The major differentiating factor here is the source of acquired competences (practice vs. theory). An experienced manager with a diploma in management studies would be the most desired model (Różański, 2012). According to the survey conducted in 2013 by *Rzeczpospolita* daily among 493 managers of the top 2000 largest Polish companies, only 23.7 percent of managers actually had graduate

diplomas in economics. As many as 45.9 percent graduated from technical university programmes and 18.4 percent graduated from different university fields including the humanities. In addition, 4.5 percent received their diplomas from various universities abroad (Błaszczak, 2014). Thus one can estimate that 76 percent of the managers were graduates from fields different from economics or management and who obtained their managerial qualifications through participation in various training courses and postgraduate university programmes.

Koźmiński (2008) did not make a sharp distinction between managers who had MS, BS, or MBA diplomas and those who were in the process of upgrading their qualifications in various forms of managerial education. He only highlighted the group's common attitude, which favours learning that is manifested by the managers' participation in different managerial programmes of which MBA is ranked the highest (Ornarowicz, 2008).

In general, Polish managers have significant levels of educational qualifications. The research carried out in 2013 by HBRP and Hays Poland included managers from large organisations with foreign capital and organisations with Polish capital. A total of 1014 survey responses were received (Młynarczyk, HBRP, & Hays Poland, 2013). The study showed that over 88 percent of top managers boasted higher education qualifications and 4 percent had scientific degrees. They were continuously upgrading their qualifications: 25 percent had completed postgraduate university programmes, 8 percent had MBA diplomas, and 17 percent studied outside Poland. Polish managers below 35 years of age seemed to be most open to new ideas. They were well educated and knew foreign languages, but they lacked clarity in their communication skills, cross-cultural experiences, and long-term perspectives (Zygmunt, 2015). Also, young Polish managers had a good command of hard managerial capabilities while they were somewhat deficient in such interpersonal or conceptual skills like leadership, communication, negotiations, and conflict management (Haromszeki, 2013).

Numerous reports showed that managers were a social and professional group that entered most frequently into training programmes. (Różański, 2012). One can trace a thematic shift in the professional qualification development programmes for managers, from those focused on training for hard competences towards those developing soft leadership capabilities. A similar shift can be seen in the present demand for more modern forms of education ranging from regular university programmes, e-learning, skills trainings, coaching, and mentoring, to international programmes.

The significant allocation of EU funds in support of HRD in Poland resulted in a large number of training and consulting programmes on the local market. These programmes are offered by Polish private enterprises, organisations with foreign know-how, global companies, universities, public training centres, associations, foundations, as well as individual trainers, consultants, and providers of learning technology solutions. It is rather difficult to make an assessment of the scale of this phenomenon, as even business training institutions provide no consistent statistics. The 2007 records of the Polish Chamber of Training Enterprises showed the existence of 2500 operating training entities. According to various sources there were between 6900 and 9800 such entities active in 2011 of which 40 percent were established after 2006 (Czernecka, Milewska, Woszczyk, & Zawłocki, 2011).

In 2002 a report on the Polish training market showed that most of the training offerings were addressed to high- and mid-level managers (58 percent). Trainings in hard managerial competences were dominating and the demand for training related to LD was at the bottom of the list (position 11 out of 15) at 15 percent of the total demand (Boni, 2004). Studies carried out by Różański in 2004 and 2009 showed that soft skill-related training was most popular (71.31 percent in 2004 and 80.17 percent in 2009) with negotiations and leadership training at the top of the list. In both of the reports next came training in interpersonal communication, motivation, team building, marketing, change management, quality management, HRD, financial management, and accounting (Różański, 2012).

According to the statistical data of the Polish HR Association, in 2007 as many as 30 percent of the respondent organisations delivered managerial training in interpersonal skills and 21 percent in managerial and leadership skills (Polskie Stowarzyszenie Zarządzania Kadrami, 2008).

In 2011 the largest percentages of training budgets were expended on training for various types of specialists (68.5 percent), mid-level managers (54.8 percent), and line managers (43.8 percent). The expenditures on-top level management (28.8 percent), line employees (28.8 percent), and administrative support staff (27.4 percent) were lower (Czernecka et al., 2011).

In recent years, demand for more innovative forms of employee development (e.g., e-learning, mentoring, and coaching) has been growing. In 2011 most popular were trainings in managerial competences (70 percent of the respondents) and coaching support (37 percent). The ICF

(International Coaching Federation) Global Coaching Study 2012 showed that in comparison to other countries, coaching in Polish businesses (pertaining to all employees) was developing dynamically (22 percent as opposed to 15 percent worldwide). However, the figures for coaching for managers showed the opposite results: only 7 percent of managers in Poland made use of coaching as opposed to 15 percent worldwide. Similarly, in the case of leadership coaching, the number is 12.5 percent in Poland as opposed to 22.8 percent worldwide (International Coaching Federation, 2012). This means that in comparison to other countries coaching is underused among managers in Poland, and this applies to coaching to develop leadership competences as well.

At Polish universities almost 50 percent of post-master degree programmes, including MBA programmes, were thematically associated with management. The "Perspektywy" university programme survey of 2004–2007 showed that such programmes were offered in Poland by economics and management faculties of the universities as well as by institutions which had never had master degree programmes in management before. Managers valued MBA programmes the highest. This is why MBA programmes developed fast across Poland to reach the number of 60 in 2015 (Ranking Perspektywy, 2015). Many of these programmes were delivered in collaboration with foreign universities.

Ghoshal (2005) claimed that the contents of most MBA programmes in the USA do not sufficiently cover the soft managerial competences or the problems of value to the students and in most of them bigger focus on individual goal achievement and competition-based forms of training tends to dominate. Although most critics point out that the objective of business studies should be to prepare students to become leaders of "organisations of tomorrow," business schools do not take this criticism seriously and their management programmes remain full of "technical" content, which is also true in Poland (Rakowska, 2011).

Studies and reports discussed above showed that Polish managers need additional training in soft managerial competences the most and, therefore, more emphasis should be put on leadership capabilities in MBA programmes. At the same time, since individual psychological characteristics play an important role in leaders' success, more adequate selection procedures should be adopted in education, promotion, and recruitment of future managers. In education particular stress should be laid on shaping attitudes, creative thinking (Harrison & Leitch, 2007), and cross-cultural management (Rakowska, 2011).

Conclusions

The period of economic transformation in Poland after 1989 brought about deep political, economic, and social changes in the country. It was a time of reconstruction of the foundations of a democratic state, self-governance, free media, and above all market economy. Poland joined the European Union in an incomparably shorter period of time than did many "old" EU countries. This challenge required a number of major systemic changes and the initiation of numerous non-governmental initiatives related to the adaptation of human resources to the needs of the new market economy. The transformation had to cover both the new managers and those who gained their managerial skills in the previous epoch of centrally directed economy. During the early stages of the reform, broad management competence training programmes have appeared on the market, including both short-term trainings and degree study programmes. These programmes were addressed primarily to managers who were to become leaders of the transformation and change. At the initial stages the training and educational programmes were focused on upgrading and adopting managers' qualifications to the requirements of the market; after a long period of an educational boom, today we observe the existence of a well-qualified group of Polish managers with strong managerial skills.

Many studies show, however, that Polish managers still lack training and competences in such areas as leadership, communication, negotiations, and conflict resolution. One potential explanation for this is that training and education offerings for managers lack flexibility. Many MBA programmes are not focused on perfecting leadership capabilities or soft managerial competences because for many Polish managers MBA programmes only complement their higher education qualifications in other fields (e.g., in the humanities). Hence many training programmes are focused on upgrading hard managerial competences like finances or accounting. However, in recent years certain positive changes in the approach to managerial trainings could be observed. More attention is paid to developing soft skills, individual solutions (e.g., coaching), and individual potential assessment.

It seems that the internationalisation of managerial training processes, started during the period of economic transformation, begins to bring positive results. A new generation of managers (those under 35) is better educated, able to communicate in foreign languages, and more open to new ideas. Thanks to unlimited access to the EU job markets young Polish

managers have much better opportunities to gain new competences and experience in international environments than their older colleagues had earlier. However, that process is strongly individualised. It requires significant drive and motivation for self-development. At the same time, with the increase in the number of foreign multinational companies operating in Poland, Western cultural and managerial models permeate Polish business environment and university study programmes, which exerts significant influence on the development processes of local managers. It can thus be concluded that the traditional and indigenous characteristic features of Polish managers begin to give way to the universal model of the manager as a leader of a global business. This process is likely to continue in the future and can be even accelerated if more attention is paid to adequate selection procedures adopted in education, promotion, and recruitment of future managers, and to more extensive use of individual development models, including coaching for leaders.

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The Shadows of the Past and the Hopes of the Future: A Road Toward a Comprehensive Leadership Development in Hungary

Maria Cseh, Sára Csillag, Zsolt Nemeskéri, and Béla Krisztián

This book chapter presents the current state of leadership development in different sectors in Hungary, discusses the trends in leadership development and their implications for practice and research, and concludes with an integrative framework to guide future research and practice. Since

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297

leadership represents a crucial element in the competitiveness of organizations and nations driven by continuous changes due to technological advances and globalization, the understanding of leadership development approaches and the development of a systemic, multisector framework that will ensure the well-being of all is a significant pursuit. This chapter is informed by an integrative literature review and informal discussions with leaders, providers of leadership development and coaching, and scholars in the field of leadership.

WHY LEADERSHIP DEVELOPMENT?

The economist Frederick Harbison (1971, 1973) challenged the doctrine that the wealth of a nation is measured only by its per-capita gross national product. He postulated that "…human resources-not capital, income, or material resources-constitute the basis for the wealth of nations. Capital and natural resources are passive factors of production; human beings are the active agents who accumulate capital, exploit natural resources, build social, economic and political organizations, and carry forward national development" (Harbison, 1971, p. 426). Over the past 45 years, the question of how to ensure the learning and development of human beings who can contribute to the wealth of their nation has preoccupied human resource development (HRD) professionals as well as leaders and change agents in many disciplines around the world. Recently, the World Economic Forum (WEF) (2011) stated that "Any nation or company that continues to rely on conventional learning and routine, siloed work without fostering a culture of continuous learning will face an ever-deepening talent gap" (p. 7). In the Hungarian context, Chikán and Czakó's (2009) research on the competitiveness of Hungarian organizations at the start of the twenty-first century also asserts the crucial role of leadership in this process. Since leaders have an essential role not only in crafting long- and short-term organizational strategies in their respective sectors and professions but also in creating cultures conducive to continuous learning and change, thus enacting an authentic, ethical, and sustainable leadership (Ardichvili, 2014), the study of leadership development, and holistic frameworks to address it are worthwhile pursuits.

THE PAST AND PRESENT OF LEADERSHIP DEVELOPMENT IN HUNGARY

Located in Central Europe, Hungary is a landlocked country contiguous with seven other European nations. Hungary spans 93,028 square kilometers and has a population of 9,897,541 (Central Intelligence Agency, 2016). The population, however, has been slowly shrinking at a rate of 0.3 percent (World Bank, 2014). In 2000, Hungary celebrated its 1100 years of history. After the crowning of its first king, King Stephan, Hungary became closely linked with the western Christian church and western European culture. The historical and cultural legacy of Hungary is marked by wars and revolutions fueled by the opposition tradition of its people against occupation. In 1956, Hungary was the first country to rebel against the Soviet-ruled socialist system and economic reforms were introduced in Hungary as early as 1968 (Bakacsi, Takács, Karácsonyi, & Imrek, 2002). The National Centre for Leadership Development [Országos Vezetőképző Közpönt (OVK)] was established during this period as part of an International Labor Organization (ILO) project sponsored by the United Nations. The purpose of the center was to develop the leadership curriculum and methodology fitted to the Hungarian context, to invite experts from other countries to share their leadership insights, and to offer grants to Hungarian leaders to study abroad. As a result of these efforts, a cadre of highly qualified leaders emerged in the 1970s and 1980s. At the same time, the gradual relaxation of central control and the development of private enterprise during the 1980s meant that the transition from a centrally planned to a market economy in early 1990s was less of a shock than in some other Central and Easter European countries (CEE).

Currently, Hungary is a parliamentary democracy, a member of the European Union as of 2004, and a member of NATO as of 2009. The economy of Hungary consists of services (64.9 percent), industry (30.7 percent), and agriculture (4.4 percent) (Central Intelligence Agency, 2016). While agriculture has decreased in recent years, the booming tourism industry in Hungary welcomed over 12 million tourists in 2014, up 22 percent from 2010 despite declines in tourism in the region (World Tourism Organization, 2015). According to Makó, Illésy, Csizmadia, and Heidrich (2015) it is also important to mention that during the shift from the planned to the market economy in the 1990s, a radical restructuring of the economy took place. After half a century of dominance by the large

state owned firms, now the great majority of the firms (97.3 percent) in Hungary belongs to the category of small and medium enterprises (SMEs) and represents the majority of jobs (55.8 percent). Since the recession in 2008, GDP growth has nearly returned to its prerecession levels at 3.2 percent in 2015 with a per-capita GDP of $24,720 (Hungarian Central Statistical Office, 2016; World Bank, 2014). The labor force in Hungary includes 4,328,334 workers as of 2014 and boasts an unemployment rate of 5.8 percent as of April 2016 (Hungarian Central Statistical Office, 2016; World Bank, 2014).

Despite these economic and social indicators, its more advanced industrial and service sector, and stronger and longer-term ties with Western economies through joint ventures and other partnerships compared to other small countries in the region at the change of the political regime, the long term economic trends were not the ones expected. As Chikán (2014) noted, competitiveness, growth, investments, and employment among other indicators became worrisome and not the ones expected either by the population or by the predictions of the professionals at different major political and social crossroads such as the change of the political regime, the acceptance into the European Union (EU), or the promises presented at each of the national elections. The author discusses these trends in the view of the indicators reported by the 2014 WEF's Global Competitiveness Report which shows that while in 2001 Hungary's overall index placed it in the 28th place out of 140 (and ahead of other postsocialist countries such as Bulgaria, Czech Republic, Romania, Estonia, Slovenia, and Slovakia), in 2014 it slipped to the 60th place, with only Slovenia and Slovakia following it. Although all countries in the CEE region were ranked lower during this period, Hungary's overall placement was the lowest compared to 2001. Among the WEF's 12 factors, Hungary faired the lowest on the "institutions," "macroeconomic stability," and "business sophistication" ones. Although Chikán's discussion of the causes and consequences of these results focuses on economic dimensions, noting the complexities of the issues, he mentions core values and cultural and educational aspects as the factors that also impacted these results. He also highlights the need for a stable and predictable government approach toward the functioning of the free market economy that respects its integrity and allows for its development. Countries that received the top WEF scores for competitiveness are the most resilient ones and place special focus on educating, training, and rewarding their people (World Economic Forum, 2015). Although Chikán's paper was

not related to leadership and leadership development, in the view of the WEF reports, we believe that mindful, reflective leaders both in the public and private sector, who are open to (1) collaborations across sectors and professions in the pursuit of understanding the complex issues facing the country from different perspectives and (2) leadership processes that are ethical and sustainable, could bring a positive change and address some of the issues raised by the author.

Leadership in Hungary has been studied within the context of the change from a centralized to a market economy (Heidrich & Alt, 2009), in relationship to the development of leadership competencies (Muehlbacher, Kovač, Novotny, & Putnová, 2013) and emotional intelligence (Sándor, 2014), in considering the role of gender (Tanova, Karatas-Özkan, & Inal, 2008) and in the context of multinational corporations (MNCs) (Poór, Engle, & Gross, 2010). However, there is a dearth of research on leadership development in different sectors in Hungary.

Altogether the landscape of leadership development providers is varied and is represented by international and Hungarian consulting organizations (offering various leadership coaching and mentoring services, change management support, and a wide range of training programs); trade and professional associations (organizing conferences, networks, and meetings); central and regional chambers of commerce (varied activities); business organizations (especially large and multinationals, offering in-house or outsourced leadership development programs); and higher education institutions (offering graduate and postgraduate leadership programs and various courses, degree-related learning and development, some based on the German dual development model involving partnerships with organizations to enhance application of knowledge to practice). For example, one of the most prestigious consulting companies, Grow Groups (www.grow.hu), provides more than ten different types of flexible leadership programs such as: (1) Developing leadership skills, (2) Leadership skills for newly appointed leaders, (3) Motivation, (4) Leading by using coaching skills, (5) Mentoring, (6) Leadership skills: leading meetings and workshops, (7) Team leadership skills: leading virtual teams, (8) Performance management training, (9) Change management training, (10) Managing others: empowerment, (11) Leadership training: Shackleton Story-based leadership, plus three different types of coaching services.

Despite this variety, the demand for leadership development (and any training and developmental programs) is low especially from SMEs. In

their study of investments in human capital in different European countries, Makó et al. (2015) found that Hungary and other Southern and Easter European countries are still characterized by low levels of training provision and low innovation performance. Based on Eurostat (2011) data, only 43 percent of Hungarian SMEs provided any type of training program for their employees. In the last few years the Hungarian government also financed various mentoring programs to support the development of SMEs, but the low demand for leadership development could be attributed to the focus of SME owners and managers on the day-to-day survival of their firms and to the long process needed for openness to new ideas and shifting paradigms. The causes of overall low demand for leadership development could be as varied as the providers, and due to the lack of empirical data in this area, our assumptions based on anecdotal evidence relate to challenges in shifting the mindset of leaders and employees, and lack of incentives that could create a culture of continuous learning. For example, in 2012, a government tax benefit program that encouraged organizations to train their employees (including their leaders) was terminated, thus impacting the commitment of organizations toward the learning of their employees. The country also witnessed an influx of shared-service centers that involve cheap labor and require basic technical skills (although a high level of language skills is required) with minimal investment for training and development. We could not find any models of leadership development tailored to the cultural, social, and professional background of the leaders which could be attributed to the lack of medium- and long-term strategic thinking across sectors. The following sections present our findings related to leadership development in different sectors.

LEADERSHIP DEVELOPMENT IN THE PUBLIC SECTOR

The Hungarian National University of Public Service (NUPS) and specifically its Faculty of Political Sciences and Public Administration aims at educating professional civil servants for all levels of state administration and has done so since 1977. According to the website, the Faculty provides a vibrant community designed to ensure that students acquire at undergraduate level highly developed professional skills, while they also learn the basics of political and legal sciences from practitioners. All degree programs of the Faculty were redesigned according to the requirements of the HR reform of public service in 2013. The new programs reflect the

swiftly changing environment of the civil service and pay special attention to providing work placements and internships. The vision of the Faculty is to educate future employees and leaders who are adaptive leaners, and collaborative and critical practitioners, able to subordinate all efforts to the public good (Hungarian National University of Public Service, n.d.). Despite this vision, the website did not include any descriptions of leadership or leadership development efforts, or collaborations with private organizations and other Hungarian higher education institutions to ensure a well-rounded leadership development of civil service leaders. The only indication of the commitment to this vision related to leadership development was revealed through personal communications (R. Kramer, October 10, 2015, February 23, 2016) regarding the newly formed position of the Inaugural International Chair of Public Leadership, the plans for the Budapest Academy of Leadership, and the introduction of action learning as a leadership development approach by the inaugural chair. Out of the 43 listed doctoral research projects for 2016–2017 on the NUPS website in the School of Public Administration Sciences, only one research project in the area of Public Administration in the International and European Context could be directly tied to leadership development based on its title (i.e., *Theoretical, Research and Practical Foundations of Leadership Development in the U.S., Canada and the EU*) while three others in the areas of Public Management and HR could have an indirect tie to this topic (i.e., *Management of Organizational Changes in Public Administration; Integrity Management in Public Administration*; and *Professional Ethics and Organizational Integrity in Public Service*). The NUPS's major research and development initiatives are related to military and police science and engineering, national security, human rights, and public administration, with very limited evidence at this time to commitment to leadership development.

Leadership Development in the Private Sector

Leadership development in the private sector is an integral part of HRD which in the CEE region is included in the broader concept of human resources (HR) or human resource management (HRM). Thus, topics related to US and Western Europe conceptions of HRD, such as leadership development, workplace learning, training and development, employee development, career development, organizational learning, organization development and change (Lee, 2010; McGuire & Cseh, 2006), are

embedded within HR and HRM in CEE. For example, Horwitz (2011) noted that, in terms of CEE HR strategy, the top three "most effective HR practices all revolved around personal growth: increased training was first; using a mentoring system, second; and personal-development road maps or plans, third" (p. 441). In general, the HRM practice in Hungary is in a paradoxical situation: theoretically it emphasizes the strategic importance of HR and the importance of development of HR and speaks about the strategic and business partnership of HR (e.g., at professional meetings and conferences the HR directors frequently discuss these issues), but in practice the HR managers of multinationals still complain about being vulnerable and not considered strategic partners (Ulrich, Younger, Brockbank, & Ulrich, 2013) by the management or the headquarters, having mainly operative and administrative roles, and not having enough financial resources for developmental projects (Bokor, 2011). It means that although learning and development and leadership development are considered important areas in HR studies (Bokor, Szőts-Kovács, & Csillag, 2014), in practice even the HRM professionals of multinationals are often not able to get the budget to initiate leadership development programs.

The first references to HRD are related to training and specifically to management training and development. Frank and Bennett (1991, p. 10) described Hungary's National Management Development Centre (part of the Ministry of Labor) as having the following HRD-related functions: offer courses to senior enterprise managers and its own faculty staff; conduct basic and applied research in management science and co-operate with state and municipal bodies and educational and research institutions; prepare and publish training materials (texts, manuals, guides, etc.); carry out pilot studies to test new management methods and consult practicing managers; provide up-to-date documentation and information services; and establish and operate a computer center with a view to promoting the application of computer-based management systems and mathematical techniques in management on a scale as wide as possible. The training function, although not specific to management or leadership, remains the most mentioned one in the literature as related to HRD, although its content became more encompassing to fit the changing needs of the market (Mezei & Fodor, 2012).

Reflecting on the rapid development of the fields of management and HR in Hungary since the 1990s, Krisztián (2013) noted that such changes could not have been possible without the accumulation of

knowledge and experiences from the previous decades and the national policies that created the opportunities for them. The author highlights the main national policies and strategies that emerged since the late nineteenth century and the beginning of the twentieth century as a result of industrialization and the development of a civil society that required new approaches to management including the management and development of personnel/HR.

The economic reforms of 1968 started to ease the centralized directives given to organizations allowing for some market-driven strategies in the confines of the state's economic structure, in the so called "socialist market." These reforms allowed the strengthening of professional and management development. The follow-up decrees in 1974 and 1987 further referred to strategic approaches to personnel development. The 1988 Company Act that allowed for the establishment of private companies and joint ventures triggered changes to personnel development previously regulated by the state. The 1990 Sole Proprietorship Law and the 1999 Small Business Act (Richbell, Szerb, & Vitai, 2010) continued to shape the approaches to HRD in Hungary.

Although, at the organizational level, both the English and Hungarian language literature is rich in research focused on HR/HRM and other organizational and management issues where HRD-related functions are mentioned (Aydinli, 2010; Benedek & Klekner, 1997; Clement, Payne, & Brockway, 1994; Cseh & Short, 2000, 2006; Karoliny, Farkas, & Poór, 2009, 2010; Poór et al., 2010; Richbell et al., 2010; Simon & Davies, 1996), research specifically focused on leadership development is scarce. Dobrai, Farkas, Karoliny, and Poór (2012) studied knowledge transfer in multinational subsidiaries in Hungary. Noting that MNCs employ 20 percent of people working in the private sector in Hungary, the authors examined knowledge transfer from MNC expatriates to Hungarian managers and employees in terms that align with HRD principles. They sought information related to (a) formal/informal learning, (b) the place where formal learning takes place, and (c) the possibilities to learn as a result of work-related mobility. In addition, the authors found that respondents in their study identified local training/development and informal learning on the job site as the most powerful learning methods. Again, no distinction is made in these studies between management or leadership learning, and general training and development or coaching.

In a comparison of how Hungary, Bulgaria, Slovakia, and Romania responded to the 2008 financial crisis, Fodor, Kiss, and Poór (2011, p. 92)

focused on company responses related to hiring/firing, wage freezes, cost reductions, and organizational efficiency of workers and whether they were reactive or proactive in the crisis. In addition, they also examined the degree to which the four countries made changes in HR activities and investments. Hungarian companies were the least likely to make HR changes in every category. The categories related to HRD functions included workforce development, knowledge management, changes in organizational culture, competency management, and career planning. These results may be explained by the Hungarians' relatively high level of uncertainty avoidance based on Hofstede and Hofstede's (2005) findings. While Hungarians' low power distance and relatively high individualism (Aydinli, 2010; Cseh et al., 2004; Fodor et al., 2011; Poór, Karoliny, Alas, & Vatchkova, 2011) among CEE countries explain the Hungarian entrepreneurial spirit and are conducive to democratic principles in organizations such as equality in the workplace, less hierarchical organizations, and the adoption of Western HRD practices including leadership development, the high level of uncertainty avoidance may explain the divergence from some of these practices.

Several studies analyzed data gathered by the Cranfield Network on International Human Resource Management (Cranet), which conducts international comparative surveys of organizational practices in HRM across the world (Cranet, 2013). And while most of the Cranet data focus on HR and/or HRM and not HRD and leadership development, the research includes country-by-country comparisons related to training and professional development. Karoliny et al. (2009) used Cranet data to compare training among three groups—Hungary, Eastern European (EE) countries, and other countries. The authors (pp. 31–32) note that (a) internal training was most common among all the three groups, that (b) Hungarian employees receive more external or internal training than employees in the total sample, and that (c) Hungarian management, professional, and clerical staff receive fewer training days per year than either their EE or other international counterparts. Line managers had the most influence in defining training needs, and the role of the line managers in defining the training needs is higher in the Hungarian sample than for any other group. The authors also note that in the Hungarian sample—similarly to the other two samples, but with slightly stronger values—the most frequently used methods in managerial career development are participation in project team work and involvement in cross-organizational tasks and other special tasks to stimulate learning.

Poór et al. (2011) also used Cranet data to evaluate the importance of the HR function (which includes HRD components) in Hungary compared with other nations. Three of their findings shed light on HRD practice in Hungary. First, HR directors in Hungary are less likely to be on the board of directors of their organizations than in other countries. Second, Hungary relies on other countries for their senior HR managers more than other EE countries. Third, "nearly half of the Hungarian and other EE organizations turn to external providers when developing, running and managing pay and benefits systems" (p. 439). Along similar lines, Poór and Milovecz (2011) found that "nearly half of the respondents in Hungary claimed that they had increased the use of external service providers in the field of training and development in the past three years" (p. 310). On the other hand, Richbell et al. (2010) found that 56 percent of SMEs in Hungary did not provide training for their employees, but they appeared to compensate for this lack through informal learning activities and opportunities. They speculate that the "overall low level of training, especially in small and micro firms, could be one of the reasons for the limited competitiveness of SMEs in Hungary" (p. 275). The shadow of the past of the low investment in training and development, and the absent data on leadership development in Hungary is an unwelcome inheritance reproduced by multinationals and impacting SMEs. If not addressed, it will continue to impact creativity, innovation, and thus, competitiveness.

Looking Toward the Future: An Integrative Framework for Leadership Development and Implications for Practice and Research

In the quest for global competitiveness, economic stability, employment opportunities for all citizens, and sustainable solution to our ever-changing challenges, a culture that values continuous learning and collaboration across all sectors of the society could be a welcome solution. Leaders are an integral part of guiding the development of such a culture, thus a comprehensive leadership development framework is crucial in this endeavor. Based on the observation that "…most leadership development programs see leadership as something we do rather than an expression of who we are. We learn what to think and not how to think. We learn what to do instead of how to be" (Kevin Cashman, Senior Partner, Korn/Ferry, cited

in Ardichvili, 2014) and our observations derived from this paper on the limited and disjointed leadership development approaches across sectors, we believe that a holistic, multilevel model of leadership development proposed by Ardichvili (2014) could guide the development of an integrated framework for leadership development in Hungary.

At the individual level, the development of authentic leadership through reflection and self-awareness will contribute to knowing oneself and the development of mindfulness, crucial for the understanding of the "others." At the collective (e.g., group and organizational) level, the development of ethical leadership and understanding of power dynamics are crucial for being with the "others," and at the societal level, the development of sustainable leadership will allow for the crafting of lasting strategies and initiatives that will not jeopardize the health and well-being of our environment either now or in the future. As we found out from informal discussions with Hungarian leadership coaches, there is already a demand from the part of a small group of leaders who are mindful of their predicament (overstressed, exposed to a myriad of challenges) for safe spaces that allow for reflection, self-awareness, and collective meaning making. The recent literature on authentic, ethical, and sustainable leadership raises awareness of alternative (i.e., not competency based that is focused on "what to do") leadership development approaches as complexity and unpredictability are increasing in the global environment in which we live and work.

To develop such a framework, a paradigm shift is needed. Building a culture that values continuous learning across the isles through formal and informal meetings, conferences, research, and applied projects between representatives of Hungarian higher education institutions, public and private sector organizations interested in leadership development, and providers of leadership development could be a helpful start in expanding horizons of possibilities. It takes time for paradigms to change, but learning together while showing respect to each other's experiences, attitudes, and know-how offers a good start.

To engage in this learning, collaborative, multisector research projects examining leadership development practices and theories-in-use as well as their explanations using the same methodology in order to be able to compare the findings are needed. In-depth case studies capturing the complexities of leadership development practice and theory would add rich data and contribute to leadership development recommendations specific to the Hungarian context. Ensuring the financing of such research

projects is always a challenge, but faced with the importance of increasing our competitiveness through leaders that can "carry forward national development" (Harbison, 1971, p. 426), our hope is that the ingenuity of representatives from public, private, and higher education institutions will lead to solutions to this challenge.

Government policies supporting training and development and leadership development are crucial in building a culture of continuous learning across sectors that will lead to creativity and innovation. Higher education institutions also have a major role in instilling in their students a thirst for lifelong learning and curiosity in deciphering and understanding the complex systems in which they live and work. MNCs should impart the richness of their global experiences and collaborate with Hungarian institutions in finding the best fitting practices in the Hungarian context while consulting firms and professional association should continue to offer to their constituents the ever evolving knowledge and practices in leadership development.

In today's global context when solutions to complex problems require an understanding of the interconnectedness among people, organizations, and nations, and a mindset that will allow for both national and global stewardship, the quest for preparation to find these solutions should be more at the forefront as ever. In order to promote multidisciplinary and cross-cultural learning (inside and outside of our national boundaries) and the development of a global leadership mindset (Cseh, Davis, & Khilji, 2013), we need to find ways to transcend our own paradigms. Through individual and collective reflection and meaning making, we could enable ourselves and others to learn and become responsible for the sustainability of our fragile environment and the well-being of all—both in our immediate surroundings and in the larger world.

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Index