Capability-driven leadership
1. Why capability-driven leadership?

‘Putting the right talent in place’ is critical for organisations that wish to ensure they will thrive in today’s dynamically changing landscape. Disruptive technologies, changing customer expectations and regulatory scrutiny are transforming the landscape at a very rapid pace. To compete and win in such an environment, organisations need to identify and cultivate talent that can recognise and seize strategic opportunities in constantly shifting conditions.

Companies that consistently outperform their competition often do so because they have a pipeline of solid, high-performing leaders who build on the success of their predecessors. In these companies, directors, CEOs, and senior executives establish and sustain leadership development as a priority.

What makes a leader successful?

Through our work with leading organisations across India and globally, we have identified four key factors that make leadership development programmes successful.

1. **Focussed on capabilities:** Organisations must understand and build capabilities in leaders contextually. These capabilities should directly support their strategies and differentiate them competitively.

2. **Embedded in specific experiences:** We believe that certain leadership experiences such as (a) cross-functional experience in unfamiliar parts of the organisation, (b) working across geographies and (c) spearheading change initiatives at an organisation level positively reinforce leadership behaviours.

3. **Solving for business priorities:** Leaders have to carefully sense and weave development opportunities by balancing the threads of operational needs today and strategic priorities of the future.

4. **Ensuring personality awareness:** It is critical for leaders to be aware of their own personality attributes and how these block or aid their development journey.

Given the above background, PwC’s Leadership Academy has designed a ‘Capability-Driven Leadership Programme’ (CDLP). CDLP is a highly differentiated and contextual intervention around leadership that takes into account the ‘focus capabilities’ that an organisation needs in order win in the market (e.g. in digitisation, mergers and acquisitions [M&A]). These capabilities are linked with certain key leadership behaviours and action learning projects called Bold Improvement Projects (BIPs). BIPs fundamentally reside in the strategic priority of the organisation and are structured to allow high-potential participants not only to develop relevant capabilities and behaviours but also to deliver a tangible return on investment (ROI) at the end of the programme.
3. **Whom is CDLP targeted at?**

While leadership capability building is becoming a strategic priority for organisations across levels, CDLP focusses on managers and above as leaders.

![CDLP focus diagram](image)

- **Top management**
  - Enable leaders in critical roles to provide direction to the organisation based on in-focus capabilities

- **Executives**
  - Enable high potentials who can take on critical roles in the next 2-3 years

- **The think tank:** Corporate and plant heads
  - Focus on high potentials who are role models and drive certain capabilities and behaviours

- **The trailblazers:** Senior managers
  - Complements broader talent programmes and/or serves as a precursor

- **The torchbearers:** First-line managers
  - Programme components tailored to target audience

4. **What is the CDLP approach?**

The strength of the CDLP lies in the fact that it is driven through a combination of four key delivery mechanisms that are based on three core principles.

**CDLP: Core principles and delivery mechanisms**

**Core principles**

- Leadership development should be seen as a business investment linked to the focus capabilities of the organisation.
- Leadership traits are best uncovered when individual initiative meets challenging experiences steeped in real business challenges.
- Select short-term interventions and mentoring should be used as catalysts to accelerate the development process.

**Delivery mechanisms**

- **Workshops**
  - Strategic capabilities
  - Functional capabilities
  - Behavioural capabilities
  - Personal capabilities

- **Feedback**
  - Use assessments:
    - 360-degree assessment
    - Leadership assessment centres
    - Various psychometric tests

- **Mentoring and coaching**
  - Trained internal mentors
  - External coaches
  - Behavioural and function mentoring

- **Bold Improvement in Performance Projects**
  - Action-learning projects
  - Rotational assignments
  - Stretch assignments and projects
  - Shadowing arrangements
Broadly, CDLP follows a modular approach that can be combined or segregated depending on the need of the organisation. The programme can have face-to-face or online elements such as virtual gamification, depending on the need and context of the organisation.

### Illustrative modular approach of CDLP

<table>
<thead>
<tr>
<th>Module (i)</th>
<th>1 week</th>
<th>Workshop 1 (e.g. understanding and deploying profit levers)</th>
<th>BIP discussion, KRA setting and kick-off</th>
</tr>
</thead>
<tbody>
<tr>
<td>Module (ii)</td>
<td>1 week</td>
<td>Workshop 2 (e.g. commercial acumen, collaboration)</td>
<td>BIP progress presentation</td>
</tr>
<tr>
<td>Module (iii)</td>
<td>1 week</td>
<td>Workshop 3 (e.g. digitisation, customer engagement)</td>
<td>BIP progress presentation</td>
</tr>
<tr>
<td>Pre-roll out</td>
<td>12-14 weeks</td>
<td>Understand focus areas and capabilities</td>
<td>Participant personal development plans</td>
</tr>
</tbody>
</table>

### 5. Key value proposition

- The programme ensures that organisations develop leaders who are focused on capabilities that will help the organisations create a right to win.
- BIPs can be designed to ensure a tangible ROI at the end of a minimum time period, thus making CDLP an almost self-funded model for leadership development.
- Workshops can be used to cultivate a focus on ‘strategic priorities’ in participants, along with the ability to apply these on projects and in their everyday work.
- The programme enables and motivates individuals to take charge of their own development.
- CDLP helps in building a great organisation—after all, developing leaders is one of the most important things senior executives can do to advance the success of their organisation.
6. CDLP has been well tested across multiple sectors, in India and globally

A few case studies are presented below:

Client/industry: An Indian multinational information technology (IT) service, consulting and business solutions company

<table>
<thead>
<tr>
<th>Business context and challenge</th>
<th>• India’s largest IT player was looking to build the consulting skills of its senior managers and groom them into ‘trusted advisors’.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approach</td>
<td>• We helped the client develop their managers’ consulting capabilities and facilitated their transition from technical experts to business advisors.</td>
</tr>
<tr>
<td></td>
<td>• The engagement involved four tracks: a) detailing consulting capabilities and designing content for eight capabilities, b) facilitating classroom workshops, c) conducting personalised coaching, and d) action learning and programme management.</td>
</tr>
<tr>
<td>Benefit</td>
<td>• The programme helped the client create a leadership pipeline that was ready to take on transformation consulting roles and build that business vertical.</td>
</tr>
</tbody>
</table>

Client/industry: A leading healthcare company

<table>
<thead>
<tr>
<th>Business context and challenge</th>
<th>• A pharma major wanted to develop senior leaders in its sales team in order to help drive the next wave of business growth.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approach</td>
<td>• We started by identifying and detailing the capabilities relevant to driving business for its sales positions.</td>
</tr>
<tr>
<td></td>
<td>• We conducted development centres for their senior leaders to evaluate where they stand today across seven capabilities.</td>
</tr>
<tr>
<td></td>
<td>• Among the seven, problem solving was identified as the most crucial. We designed and delivered workshops to help build this capability through business simulations.</td>
</tr>
<tr>
<td></td>
<td>• The intervention helped senior leaders identify problem solving as a development area and created a safe environment for them to learn, unlearn, and practice some of the related concepts.</td>
</tr>
</tbody>
</table>
About PwC

At PwC, our purpose is to build trust in society and solve important problems. We’re a network of firms in 157 countries with more than 2,08,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at www.pwc.com

In India, PwC has offices in these cities: Ahmedabad, Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune. For more information about PwC India’s service offerings, visit www.pwc.com/in

PwC refers to the PwC International network and/or one or more of its member firms, each of which is a separate, independent and distinct legal entity in separate lines of service. Please see www.pwc.com/structure for further details.

©2016 PwC. All rights reserved.

People and Organisation

Adding value to your business through people

Padmaja Alaganandan
Partner, People and Organisation
+91 97415 22661
padmaja.alaganandan@in.pwc.com

Sunil Ganesh
Partner, People and Organisation
+91 9810126321
sunil.ganesh@in.pwc.com

Pali Tripathi
Director, People and Organisation
+91 9820092865
pali.tripathi@in.pwc.com

pwc.in

Data Classification: DC0

This document does not constitute professional advice. The information in this document has been obtained or derived from sources believed by PricewaterhouseCoopers Private Limited (PwCPL) to be reliable but PwCPL does not represent that this information is accurate or complete. Any opinions or estimates contained in this document represent the judgment of PwCPL at this time and are subject to change without notice. Readers of this publication are advised to seek their own professional advice before taking any course of action or decision, for which they are entirely responsible, based on the contents of this publication. PwCPL neither accepts or assumes any responsibility or liability to any reader of this publication in respect of the information contained within it or for any decisions readers may take or decide not to or fail to take.

© 2016 PricewaterhouseCoopers Private Limited. All rights reserved. In this document, “PwC” refers to PricewaterhouseCoopers Private Limited (a limited liability company in India having Corporate Identity Number or CIN : U74140WB1983PTC036093), which is a member firm of PricewaterhouseCoopers International Limited (PwCIL), each member firm of which is a separate legal entity.

SUS/July2016-6912