Determinants of the Effectiveness of Leadership Development Programs: A Literature Review

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In this paper, the authors will explore the determinants of the effectiveness of Leadership Development Programs (LDP) in the literature and will then develop a research framework which is suitable to be used to study the leadership phenomenon in the Oil Exploration Companies in Abu Dhabi of the United Arab Emirates (UAE). Abu Dhabi has been said to be the most influential and effective market for oil and energy related sector. The UAE government has realized the significance of oil and has invested heavily in this sector so as to achieve continuous improvement (Dhabi, 2009). In addition, Mezher et al. (2011) stated that in UAE the LDP are designed from the organizational philosophy to transform the country and organization’s strategic plan into action. Leadership can be defined as the art and science of influencing others for the achievement of organizational goals and objectives. It has become a crucial ingredient in the success and growth of organizations in the world including UAE. With this in mind, the paper also aims to highlight the importance of designing appropriate LDP so as to prepare leaders for the future. Scholars have found that there are several reasons for the effectiveness of LDP in organizations namely the ability of the programs to develop leadership skills and core competencies as well as their ability to inculcate the understanding of complexities of the business among the leaders concerned. Therefore the companies open opportunities for individuals to learn and grow more through LDP in order to make them eligible and more learned (Schein, 2010). From the literature, the authors found that leadership development has been considered by some scholars (Collins & Horton, 2004) as a critical element for an organization's long term success. The impetus for this study comes from the UAE context wherein substantial investments are being made to provide LDP to develop leadership skills of Emiratis working in the public sector, in accordance with the UAE Strategic Plan 2021 (UAE Strategic Plan, 2021). However, these programs predominantly utilize Western leadership development approaches, and tend not to consider the influence of national culture in their utilization - particularly in the selection, training, and professional development of leaders. There is extensive research on LDPs which have used different leadership theories (e.g. Day 2001, Abbas & Yaqoob 2009, Carbone 2009, Holt 2011 & Pinnington 2011). For instance, Day (2001) identified that the most popular practices to develop leaders are 360-degree feedback and executive coaching, mentoring and networking, job assignments and action learning. The 360 degree or multi-source, multi-rater (MSMR), feedback allows leaders to identify and focus on their strengths and areas for improvement. The paper will analyze critical factors that could influence the effectiveness of the LDP. This would include the external factors as well as the internal factors to the oil companies in Abu Dhabi. The development of the proposed research framework will form the basis for conducting a comprehensive study on LDP.

**Keywords:** Leadership Development, Leadership Program Effectiveness; Oil Companies Leadership Development

**Name of the Track:** Management / Leadership Development

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1. Introduction to Leadership Development Programs (LDP)

With the rapid economic development that United Arab Emirates (UAE) has witnessed in the past three decades, leadership effectiveness is becoming increasingly significant for steering organizational success (Abdalla & Al-Homoud, 2001). As a result, leadership development is emphasized in the Strategic Plan for the Emirate of Abu Dhabi 2030 (Abu Dhabi Strategic Plan 2030). Further, the vision of the UAE President and Ruler of Abu Dhabi, Sheikh Khalifa bin Zayed Al Nahyan, includes an emphasis on hard work and continuous training to maintain the UAE's ability to cope with changes locally and internationally. Therefore most of the governmental organizations within the UAE make significant investments in leadership development (Abbas & Yaqoob, 2009). Many organizations consider it is necessary to develop effective leaders and seek out successful Leadership Development Programs (LDP) from the international market. Such organizations value the importance of training future leaders and they consider it as an area crucial for success. They understand the value of ongoing and continuous leadership development methods which help talented managers become real leaders (Thach & Heinselman, 2000). Organizations are also spending large sums of money on LDPs annually (Gibler, Carter & Goldsmith, 2000). In spite of their potential economic implications, academic research examining leadership competencies and skills among Arab managers is limited. According to Abdalla and Al-Homoud (2001), scholars have until now neglected the study of leadership and organizational practices in the Arab context. However it appears that, due to inadequate evaluation mechanisms, many organizations are failing to gain maximum advantage from such LDPs (Hernez-Broome & Hughes, 2004). Furthermore, most LDPs are based on Western leadership theories, which might be applicable in Western countries, but might be less effective within the UAE context. This speculation is supported by the finding that national culture plays an important role in determining the effectiveness of leadership development (Randeree & Chaudhry, 2007).

The authors consider the above scenario as a lead and influence to this paper since LDP is critical for today’s thriving companies and organizations in moving towards growth, development and sustainability over the long term. The LDP creates leadership skills within the individuals who possess the ability to bridge various levels of functions in the organizations. These skills and abilities enable the individuals to manage their work by aligning their personal objectives in accordance to the organizational mission and objectives by connecting strategies. These programs carry the spark to polish the potential within the individuals to grow more in their professional lives and also provide jobs with various exposures along with business skill development (Bartlett & Ghoshal, 2013). Therefore, it proves to be useful for both individuals and organizations in the long run. Conventionally, LDP are designed to develop leadership skills of the employees; despite that people are not born with leadership skills, they but carry the potential to develop and further fine tune their abilities and become charismatic leaders (Wang & Walumbwa, 2007). However, these programs are designed to polish the hidden leadership potential present in the individuals which helps them in preceding their careers in an efficient manner.

Like all developing countries, UAE too face challenges in planning their workforce to ensure continuity at all levels but in particular to the leadership levels (ADIPEC 2012). Therefore the LDPs are planned and created for experienced first level-to-senior level managers of the organization, and executives responsible for leading
staffs across the organization. They provide the individuals with the skills to connect the strategy with everyday work, and lead across functions and up and down of organizational hierarchy (Schein, 2010). These programs carry a great impact on the personal and professional growth of individuals as well as the organization (Mabey, 2013). The oil exploration companies in Abu Dhabi focus much on LPD as they believe that the developing and training of their internal leaders on their capabilities is also a Corporate Social Responsibility (FLC 2013). The management in these companies prefers to hire internally at the first place and then look externally for the required leadership level employees. Their concept is to train the existing employees depending on their potential and capabilities and turn them as a prospective leader. This strategy helps them in retaining the talented employees and it enables the employees to learn with on job trainings which become highly beneficial for their futures. This scenario leads to the research possibility and the research framework that authors have developed aiming to identify the factors that determine the effectiveness of LDP in personal and organizational context within oil exploration companies in Abu Dhabi.


Leadership development is identified as a critical element for an organization's long term success (Collins & Horton, 2004). The impetus for this study comes from the United Arab Emirates context wherein substantial investments are being made to provide Leadership Development Programs (LDPs) to develop leadership skills of Emiratis working in the public sector. There is a continuous change in the business environment and considering the current and global situation, the environment is becoming highly volatile, complex, and unpredictable. Increasing recession, globalization and interdependency of one nation on another, there is a compulsory need to understand the influence of cultural difference on the overall organizational practices and the leadership program adopted in that company. In this highly diversified situation, there are changes in the skills needed for the leadership program. These skills have become highly complex and require critical and adaptive thinking abilities according to the Center of Creative Leadership (2014), the challenges faced by the managers have changed rapidly; therefore the ways to develop them should be changed from their traditional form. The methods to develop the leaders are undergoing transformations, but there are managers in the world who are taking appropriate trainings and are learning from their employment experiences. The training, mentoring, and coaching still remain highly important but competency is still required where they would quickly adapt with the fast moving technology to respond to the present challenges. In the wake of a depressing recessionary period world-wide, the organizations throughout the world must work to improve their strengths in the form of better leadership qualities, in a global competitive landscape. Companies operating across all economic sectors, whether it is primary, secondary, or tertiary, the rapid expansion in the strategies of producing goods and services have led to the emergence of the developed economies. Despite these facts, the companies sometime fail to realize the importance of building the appropriate leadership program in the provided geographies.

Jones and O'Leonard (2012) stated that this research topic is the uncovered scenario where an in-depth analysis is very important. The authors stated that each country has their own leadership competency, while they compete with each other in terms of effectiveness and success. Leaders, such as those of India and China, are
considered to have high operational efficiency, execution, and effectiveness (McGuire and Rhodes 2009). Leaders in this region adapt swiftly to the change in the environment, analyze the complex information very effectively, and deliver the results by planning and organizing very carefully. In contrast to India and China, leaders belonging to the regions of Denmark, Sweden, Netherlands, and related areas, have sky rocketing and strong vision and the style of transformation. These leaders are known to be the strategic thinkers and they are evaluated through their communication style which has to be very persuasive and innovative.

According to the study by Price Waterhouse Coopers (PWC) (2012), there are certain challenges faced by the organizations which might hinder their opportunities. The statistics given by PWC stated that around 54% of the CEOs faced hindrances and barriers in their research and development because of the shortage of available talent. Along with that, there was also a claim by 45% of the CEOs around the world that market opportunities were missed by them because of the talent challenges (PWC, 2012). In addition to this, 41% of the organizations related that the insufficient quality of the attributes were below the target performance which hindered their growth in this volatile world.

It is very unfortunate that contemporary leadership is devoid of the needed skills in the acumen of global business, in regards to cultural awareness and understanding of the requirements of the new and current markets. The companies are supposed to deploy expatriates when they aim to open up any new operational site, so that they can fill in the vacant positions. Irrespective of this deployment, there is an increase in the scrutiny that comes under this model. This strategy results into success for some organization, while at times, it does not. Companies operating globally are now very efficient in hiring and developing the skills of the leaders, instead of deploying those expatriates who belong to a different culture, norms and style of living. This is the basic reason for the development of different leadership programs on the front end of the organization. The efforts to build the capabilities of the leadership, these organizations are investing extravagantly in the LDPs. Considering these facts, the investment in the US companies have increased up to $13.6% in the year 2012, while in the overall world, this investment has increased by around 14% (PWC, 2012).

When the researcher considered the types of development discussed above that is change and leadership, it was analyzed that there are two diversified types of development including vertical and horizontal. There is a great deal of time which is spent on development of the horizontal core competencies but little effort is given to the development stages included in the vertical development. There is an expert needed to transmit the horizontal development while the individual himself can earn the vertical development through his experience. Secondly, there is a transfer of development of ownership to the individuals where people are responsible for their own development. In addition to this, the development of leadership has to be focused individually, to an extent. There is a change in the focus to spread leadership capacity throughout the companies and the leadership changes into a democratic leadership. Focus on innovation in the development methods, leadership has become extensive while levels of collective leadership require an increasingly complex future. Changes are required in the organization which results into better outcomes for those who do not resist change. According to Center for Creative Leadership (CCL), the current challenge faced by the global organization is
becoming highly complex and challenging. The global oil and gas industry companies like British Petroleum (BP), TOTAL, Shell raise fundamental questions about how to improve their leadership development, enhance top-team effectiveness, think strategically about their workforce needs, close technical capability gaps, strengthen local talent pools, manage mega projects, and organize for safety and growth (McKinsey, 2014). While Hays research shows that major international business schools have developed LDP with the focus on Oil & Gas Industry, it also shows that leaders who use the right styles of leadership will energize and motivate their teams, and retain their high performers. This is proven to positively impact organizational performance, including key sector metrics such as safety. (Haygroup 2014).

More than other industries, oil and gas uses learning, competency, talent, content, and knowledge management programs to grow and leverage leaders reports APQC blog. Boundary spanning, adaptability, network thinking, self-awareness and collaborations are the important attributes or the valuable assets to provide a strong foundation to the future leaders (Kegan & Lahey, 2009). The development methods that are currently regarded as best practices within the international oil and gas organizations include: employee’s training, learning, mentoring, job assignment and the 360 degrees feedback. These organizations aim to develop the employees either horizontally or vertically. Horizontal development relates to the development of individual’s skills and is useful to solve any problem which may occur. On the other hand, vertical development will help the organization to refer to different stages through which the organization will go through (mental development). There is greater knowledge, complex situations and bigger mind sets involved once the vertical development takes place (Kegan & Lahey, 2009).

As development programs are being discussed, in the context of leadership, vertical development is very important because the environment is highly complex, dynamic and competitive. In terms of leadership, the correlation between vertical development and organizational effectiveness is direct and it helps the leaders to assess the core competencies of the organization or the employees. Cognitive development has become a modern paradigm for leadership that emerges from one way, from hierarchy to hierarchy, communication is two ways that is network and centric, participation is effective and leadership style is collaborative (McGonagill & Doerffer, 2011). The modern mindset has become a tool for the world and the organization to support change and come up with different ideas in sophisticated and more preferable manner.

3. Government support to leadership development program in UAE

UAE government is using the opportunities offered by new technologies to the highest degree. There is no doubt that the days are easy to spot and future oil exploration can be difficult. Therefore, the government is striving to root in recruiting the best international leadership practices in order to improve enhanced oil recovery. The UAE government aims to develop applied studies on competition policy and regulation, fiscal federalism, education and competitiveness and development. Spread through teaching and dialogue, the use of best management practices in the public and private sectors. It has been facilitating the exchange of ideas and experiences in areas of joint action to facilitate the adoption or revision of public policies related to competitiveness and business efficiency, always in the service of
society. The government body provides support to the implementation of reforms in local communities and provides a forum that brings together executives, professionals and academics, both companies and government and social sector.

4. Evaluation of LDPs effectiveness

"Effectiveness of leadership development is defined as measuring the approaches used in leadership development programs which will help in increasing the leadership skills" (Collins & Holton, 2004, p. 221). According to Martineau (2004), organizations may experience rapid change in their leadership needs; thus, the incorporation of continuous assessment of the program is recommended. The evaluation must focus on the impact that LDPs have on an organization's capability to function more strategically because of its leadership ability (Ready and Conger, 2003). According to Buckley and Caple (2004), the final stage in any training program must be to assess how efficient the training intervention has been.

A meta-analysis conducted by Collins (2002) collected the results from 83 studies on managerial leadership development outcomes from 1982-2001. Some researchers (Alliger & Janak, 1989; Bassi, Benson, & Cheney, 1996; Clement, 1982; Holton, 1996; Newstom, 1995) believe that there is lack of evaluation models that sufficiently measure the effect of interventions on the organization's performance. These studies used different types of interventions, such as feedback, developmental relationships, formal training and on-the-job experiences. The key finding of this meta-analysis showed that managerial training was moderately efficient. Collins (2002) concluded that LDPs can fail or succeed, and organizations should spend more time in evaluating the effectiveness of their LDPs. In addition, Collins stated that if the organization wants effective LDPs, they have to apply the right program for the right people at the right time. That means that aspects such as cultural issues and other contextual factors should be considered.

There have been many attempts to develop instruments to evaluate the effectiveness of LDPs, such as the 360 degree feedback as noted earlier (Antonioni, 1996; Bracken, 1994; Church & Bracken, 1997). 360 degree feedback allows leaders to improve their performance and increase the communication between subordinates and leaders (Kuchinke 2000). However, Kuchinke (2000) argued that many organizations do not apply the full scope of LDPs, and may not, therefore reach the desired outcomes. He also added that in any learning process, feedback is the key component and evaluation methods should be specific and broad enough to satisfy the evaluation needs of organizations.

A study by Black and Earnest (2009) introduced a comprehensive technique to assess and evaluate LDPs on a post-program basis, measuring the outcomes at the individual, organizational, and community level. The authors built on an assessment framework called “EvaluLEAD”, originally introduced by Grove, Kibel, and Haas (2005), to create a comprehensive instrument called the Leadership Program Outcomes Measure (LPOM). Black and Earnest (2009) developed the LPOM in order to gain insights into program accomplishments and participants' outcomes. The outcomes of LDPs were determined by using the framework for the EvaluLEAD (Grove et al. 2005). While many evaluation mechanisms have been developed, there are some vital linkages missing, such as an integrative examination of cultural implications and contextual impact.
Fullard (2006) also stated that one of the most powerful frameworks for evaluating the effectiveness of training programs, which has been used for forty years, has come from Kirkpatrick (1959). The Kirkpatrick model is based on four levels namely reaction, learning, behavior and results. Carbone (2009) employed Kirkpatrick’s (1994) model and included group interviews, observations, and individual interviews with participants, their supervisors, peers and subordinates. The author conducted the evaluation at the first three levels of Kirkpatrick’s model and provided a measurement of the results of the LDPs. As mentioned earlier, the first level of Kirkpatrick’s model is reaction, and it was assessed based on the data given by participant interviews. During the interviews, participants were asked about their overall feelings of the program. The second level is “learning” where the outcome was assessed through queries about the core-competencies of the firm, particularly if they had any awareness about it. Transfer of training is the third level and it was assessed by determining the extent to which participants experimented with change and transferred knowledge after attending the program. The forth level which is results, was not conducted in Carbone’s study. That’s because of most training efforts are not able of directly impacting the forth level measures (Alliger, Tannenbaum & Bennett, 1997). In accordance with one study (Tyler 2002), companies evaluate training at the reaction level most often (78%), followed by learning (32%), behavior change (9 percent), and results (financial value) (7%). Although the Kirkpatrick model has been widely used, the model was criticized in the study of Holton (1999), who stated that it does not appear to be efficient in measuring the effectiveness of a leadership program. There is a greater emphasis on reactions in evaluation and neglected the use of the other levels. Dionne (1996) claimed that there is significant complexity involved in evaluating the impact of training, and claim that this "may be because of the lack of a unifying model and theory of research" (p. 280). While the literature on evaluation indicates that, although we can evaluate LDPs effectiveness at multiple levels as suggested by Kirkpatrick, it may be necessary to contextualize the evaluation measures in view of the potential impact of various contextual factors, including culture, on LDPs effectiveness. Finally, it is proposed here that the outcome of the evaluation itself can provide necessary feedback to improve the LDPs effectiveness and sustainability of the newly acquired behaviors and skills, besides offering important insights into LDPs evaluation.

The leaders in the organization must value their core beliefs, respect the behaviors of others and exhibit it to themselves and then judge the outcomes. The study conducted by Rohan Chopra, who was the principle and head of organization effectiveness, along with his fellow associate Gunjan Shroff at Tata Strategic Management group were the ones who gave the concept of enterprise leadership. In their point of view, psychometric instruments are significant in playing a pivotal role to measure the behavior and attitude of the individuals to transit from one passage to another. Their study incorporated different factors which detected how organizations recognize these needs to address these behaviors and traits to assess and make leaders in the organization. This will help them hire the best and the most competent pool of workers while hiring, developing, promoting and succession the planning stage. According to Martineau (2004), “Psychometric instruments have gained importance from the perspective of moving away from judgments and subjectivity towards an objective-driven approach to make people related decisions.” There are different organizations that make use of the psychometric instruments while the key motivators for these instruments are the prime leaders in the
organization who probably continue so that the organizations can succeed. It is observed that organizations will carry on leading their subsequent efforts, having a clear objective in their mind. Using the psychometric instruments will help them evaluate the talent management strategy which will align to these goals and integrate the framework of competency and the psychometric instruments will help them tie back in line with these efforts. It states, "There are a large number of organizations that have not yet been exposed to the importance and benefits of measuring behavior. While these organizations recognize the need to create leaders in organizations, the need to support the behavioral transition is limited."

There are certain psychometric instruments that help several organizations to measure and to predict the behavior of the individuals, along with their traits and attitudes. Making the critical people decision to incorporate various HR processes, help the company to predict the desired outcomes and fulfill processes of recruitment, selection and the effective team building. Their objective is to provide leverage in their collective synergy and to contribute to development of the leadership. Tata Strategic management Group found out that their Psychometric in the organizations are stated to be at an estimated adoption rate which is expected to increase to about 87% by the year 2016. This growth is expected to be more than 50% of what it is now. This study also states that there is an increase in the need to develop the leaders over the organization and to bring in a different perspective to transition the process of individuals operating at one level to another. The transition of the individual from one passage to another is typically the value-based or behavioral transition which takes a long time to oppose to the application of time and skills transition. There are organizations who promote the leaders over a passage of time so that they can specifically focus on their technical performance and skills which will contribute to the organizational success. Despite all these facts, the value of the work and the behavior is not given the important and attention is should be given.

5. The Research Framework

Based on the above literature review, the independent variables and the dependent variables are identified (refer Figure 3.1 for the study’s research framework).

![Figure 1 Research Framework](image-url)
5.1. Hypotheses Development

H1o: The leadership development programs significantly influence the performance of the ADNOC group companies
H1a: The leadership development programs do not influence the performance of the ADNOC group companies
H2o: The governmental and organizational factors are considerable while developing a leadership program
H2a: The governmental and organizational factors are not undertaken into account while developing a leadership program

6. Conclusion

After a comprehensive review of the literature on the concepts related to leadership development, the research framework was developed and discussed. The framework was targeted to be used in the study of the LDP within oil exploration companies in Abu Dhabi. The research framework reflects the needs of the leaders combined with the implementation of learning principles and translating those learning into actions. The paper also highlights individually each variable relevant for the said framework. In addition, the paper emphasizes the importance of studying the LDP within the oil companies of Abu Dhabi. The said companies seem to believe that these LDP will enable their employees to learn effectively. Furthermore the research framework also identified the role of organization as a mediating variable in helping to determine the relationship between independent variables and their influence on the effectiveness of the LDP. The research that will be conducted using this research framework will evaluate the effectiveness of LDP will significantly contribute in the development of LDP in the future. Also the research results will contribute to the organizations immensely in analysing the motivation of the leaders, which can further be emphasized in the research which will be conducted. The factors stated in the research framework will probably help in attaining useful and reliable results for academic as well as practical purposes. The paper has identified some external and internal factors that are considered critical by past researchers in the study of LDP in organizations.

7. References


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