Management Capability Development Index India 2022 report

Foreword by AIMA

> It is in times of crisis that good leaders emerge[1]
>
> - Rudolf W Giuliani

After two years filled with an unexpected, inevitable crisis that affected the entire human race, we come back with an even stronger vision to bolster and enhance leadership and management capability, especially during and after the crisis. I am pleased to present the 2022 edition of the AIMA KPMG Management Capability Development Index India Report.

The COVID-19 pandemic has adversely impacted business operations, employment, and expenditure, thus resulting in stagnant growth of economies. It takes immense management capability to navigate through uncertainty and ambiguity with changing business priorities tending towards survival for many.

While multiple macro-level initiatives are driven to bring sustenance to business operations, we need to delve deeper to understand organisations' management capabilities and have introduced a new section to comprehend the COVID-19 impact on Management Capabilities. The last two years have brought in multiple challenges for the leadership, and some of them have turned the crisis into ladders of innovation, learning and betterment.

As pioneers in management thought leadership, AIMA embarked upon the innovative initiative to study the management practices of corporate India in conjunction with the mandate of the Asian Association of Management Organisations (AAMO). The

Management Capability Index was first conceived by the New Zealand Institute of Management and AIMA has been conducting this Survey in India since 2010.

The Management Capability Development Index India 2022 Report is AIMA's sixth such initiative and has been used to measure and evaluate management capability across industries and sectors. This year, we have had overwhelming participation from over 500 organisations, out of which 41% are budding establishments. The manufacturing industry continues to be the highest contributor and precedes professional services.

We were pleased to witness that the respondents have scored high on Integrity and corporate governance in these difficult times. It implies that despite the external environmental constraints, organisations have continued to keep the fundamentals strong. While organisation capability continues to be an area of focus; the scores have seen a substantial rise compared to previous years' reports. The responses are positively skewed towards re-accelerating growth during the pandemic. It is concerning when it comes to the impact of remote working on productivity, especially for organisations with revenue less than 60 Cr. There seems to be some level of ambiguity floating around concerning the continuation of changes adopted during COVID-19.

Organisations will now have to pre-empt and build robust post-pandemic operating models. While they have a stronghold on strategy, values, business acumen and technology; there is an emerging need to focus on innovation, develop organisation capability while realigning their models towards productivity and business sustainability. We hope that this report will give business leaders and management practitioners the necessary insights to further bolster their organisations as they prepare for realigned paradigms in a new business world.

CK Ranganathan

**President, AIMA and
Chairman & Managing Director,
CavinKare Pvt Ltd**

1. Leadership in Times of Crisis: A Framework for Assessment, April 2013

Foreword by KPMG in India

> Only those leaders who act boldly in times of crisis and change are willingly followed[2]
>
> - James M. Kouzes

Given the unprecedented circumstances, it is even more pivotal to evaluate the management capability of the leaders of India. With this priority in mind and heart, KPMG in India, in collaboration with the All India Management Association (AIMA), presents the sixth edition of the Management Capability Development Index report.

The Management Capability Development Index (MCDI) measures how leaders and managers in organisations perceive their management capabilities, helping companies gauge the effectiveness and growth of their business performance. This year we have received 507 responses across sectors and locations. The report examines the 10 pillars of management capability complemented by a newly introduced dimension - Impact of COVID-19 in detail; and attempts to highlight the level of maturity of the organisations across these key dimensions.

While multiple schools of thought threw light on leading during the pandemic and in crisis, the perception around the management fundamentals remains unperturbed. It can be inferred that the organisations with a stronger foundation were able to sail through the turbulent seas with efficacy. The report also directs us to an interesting point around the need to innovate, think forward and realign to the new normal.

Respondents from the Professional services have rated their organisations relatively higher across all the 10 dimensions. It is intriguing to witness that despite healthcare being the most vigorous sector during the pandemic, employees of this sector have rated their organisations relatively low across the dimensions. The need for adapting to the new way of working has also created opportunities for learning, innovation and experimentation. Hence the organisations could focus on embedding this into the culture and driving a working environment that supports the same.

The survey outcome indicates that organisatios further need to demonstrate a stronger commitment to continuous learning for both individuals and the organisation. The respondents seem to feel that the management could apply effective knowledge and information management better. They could also look at being more effective at finding ways to commercialise ideas concerning innovation. There seems to be some room for improvement while encouraging employees to engage with external stakeholders.

While the world is still trying to get back on its feet, it is even more critical for the management to demonstrate higher levels of capability. It is encouraging to observe that scores have shown a positive shift from the previous editions. The management is encouraged to employ its core strengths such as living the core values, business acumen, influencing and communication, and perception effactually. Management capability development can help organisations achieve their strategic objectives while developing their people to ensure business sustainability.

Despite difficult times, the spirit of participation has not seen a decline. It is also promising to see that the main thing remains the main thing and the respondents have positively responded concerning the demonstration of values during these testing times.

We would like to thank all the senior leaders and various critical stakeholders for their valuable time to share their inputs and helped us in making this initiative a success. We hope you find the content of this report insightful and helpful in carving out your organisational capabilities.

Vishalli Dongrie
**Partner and Head,
People & Change Advisory,
KPMG in India**

2. Next Generation leader - WaterBrook & Multnomah - March 2019

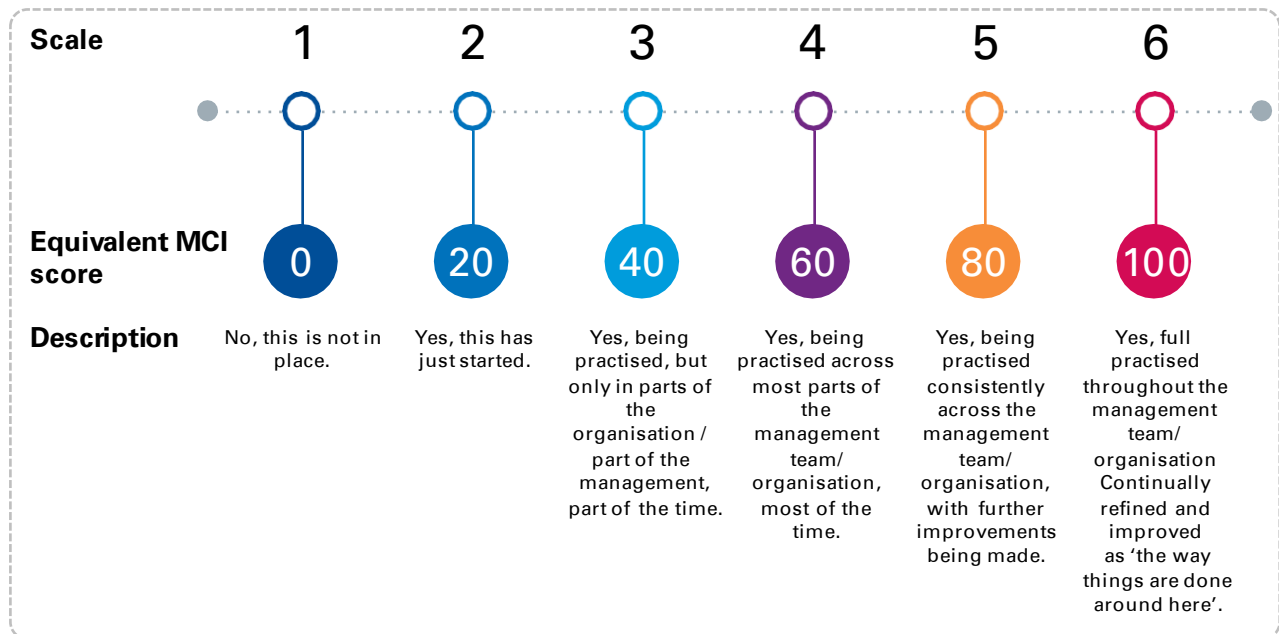# Table of contents

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About MCDI Survey

AIMA in collaboration with KPMG presents the sixth edition of the Management Capability Development Index (MCDI) survey in India. The survey measures perspectives from CEOs, CXOs and senior leadership on 10 dimensions of management capability. The survey allows participants to reflect on how mature their organisations are with respect to the ten dimensions. In addition, each of these 10 dimensions have sub-elements for participants to reflect on. The survey captures both the relative weightage and urgency of the dimensions.

The 2022 edition of the MCDI Survey has an additional section regarding the impact of the COVID-19 pandemic on the leaders' organisations. This section helps us understand how organisations changed their strategic priorities from growth to survival, the acceleration of digitisation in the organisations due to COVID-19, and the impact of work from home on productivity. The section also focuses on the aspects such as retaining changes enforced by COVID-19 in a post COVID-19 scenario and focus on re-accelerating growth in a post COVID-19 scenario.

The scale to understand participant perspective is captured below:

Scale	1	2	3	4	5	6
Equivalent MCI score	0	20	40	60	80	100
Description	No, this is not in place.	Yes, this has just started.	Yes, being practised, but only in parts of the organisation / part of the management, part of the time.	Yes, being practised across most parts of the management team/ organisation, most of the time.	Yes, being practised consistently across the management team/ organisation, with further improvements being made.	Yes, full practised throughout the management team/ organisation Continually refined and improved as 'the way things are done around here'.

Each dimension of the MCDI survey has a weightage allotted which was used to calculate the overall MCDI score – which is further analysed basis the demography of the responding organisations and its participants

15%	Visionary and strategic leadership	5%	Application of technology and knowledge
10%	Performance leadership	5%	External relationships
10%	People leadership and self-development	5%	Integrity and Corporate Governance
10%	Financial leadership	10%	Innovation and adaptability
5%	Organisation capability	25%	Focus on getting results

Definitions:

Visionary and strategic leadership

Demonstrates a strong and stimulating vision for the organisation and team which helps to channel and structure the organisation's vision, mission, objectives and goals, while simultaneously taking into account stakeholder requirements. Exhibits a global mindset and understanding of the market and business needs.

Performance leadership

Ensures an achievement-oriented environment that constantly challenges its team members to be driven to accomplish high standards of success. Focusses on ensuring goal setting, adaptability to change, risk mitigation and consistently striving for performance excellence and improvement.

People leadership and self-development

Ensures human resource planning, talent management and people development form an imperative part of the organisation. Encourages transparent communication that promotes growth and empowerment of its team members.

Financial leadership

Performs efficient and effective financial management practices in order to accomplish the objectives of the organisation. Leads and manages the organisation's funds in order to ensure consistent performance improvements and profitable growth.

Organisation capability

Constructs a culture of innovation and enquiry with an emphasis on consistent learning both for the individual and organisation. Promotes cross-functional synergies with effective application of best management practices to achieve organisational goals and objectives.

Application of technology and knowledge

Displays a high orientation towards acquiring knowledge and being adept with latest technology, brings about a knowledge driven culture that understands and expands information technology and knowledge management to improve the performance of the organisation.

External relationships

Builds effective relationships with all stakeholders that have mutual benefits and synergies. Proactively collaborates with others and develops formal and informal networks, keeping in mind their interests.

Integrity and Corporate Governance

Complies to ethical principles on a consistent basis and sets specific guidelines and procedures for organisation-based decision making. Has an established standard of ethical behaviour for stakeholders based on values such as truthfulness and morality. Adheres to legislative regulations and policies while administering the business strategy of the organisation.

Innovation and adaptability

Encourages continuous innovation in products and services and creating new value for the organisation. High orientation towards investing in improvements for different business processes and products.

Focus on getting results

Consistently measures and monitors business performance as the key performance indicator and scorecard of the organisation. Recognise and makes the team aware that performance results are the most crucial measures of management capability.
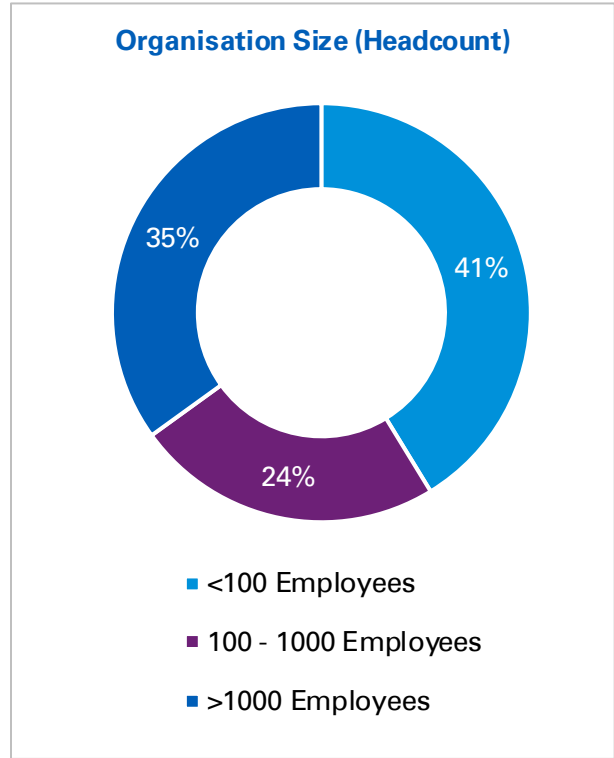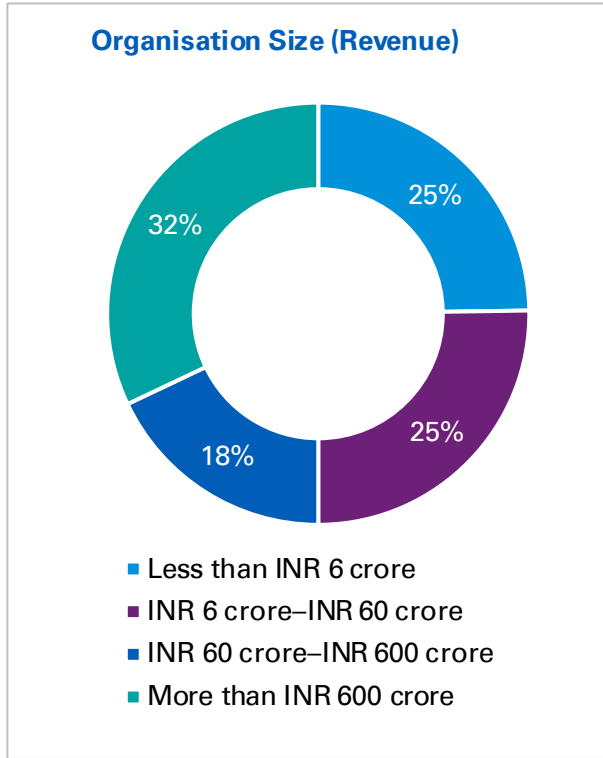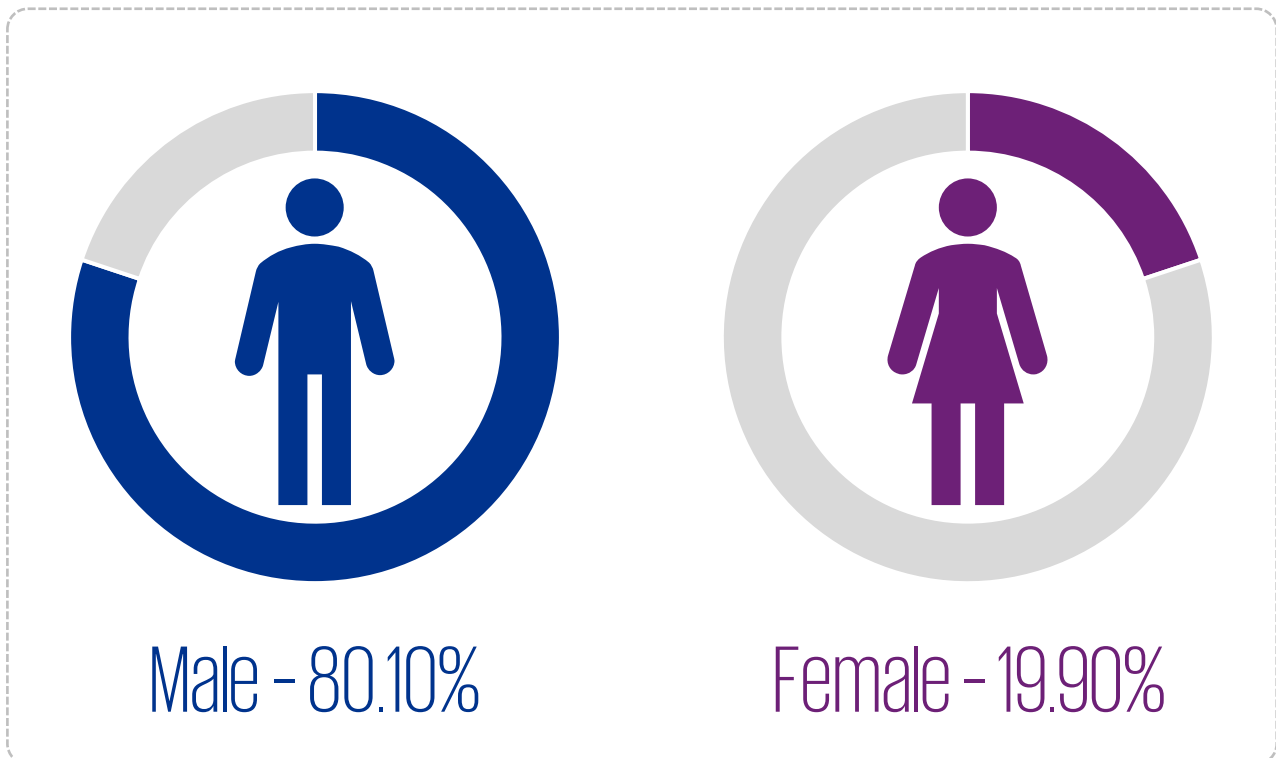
2

Participant Demographics

This report gives us an insight as to how different organisations in different stages of growth have fared. Here is a participant split according to the size of the company – both in terms of revenue and headcount.
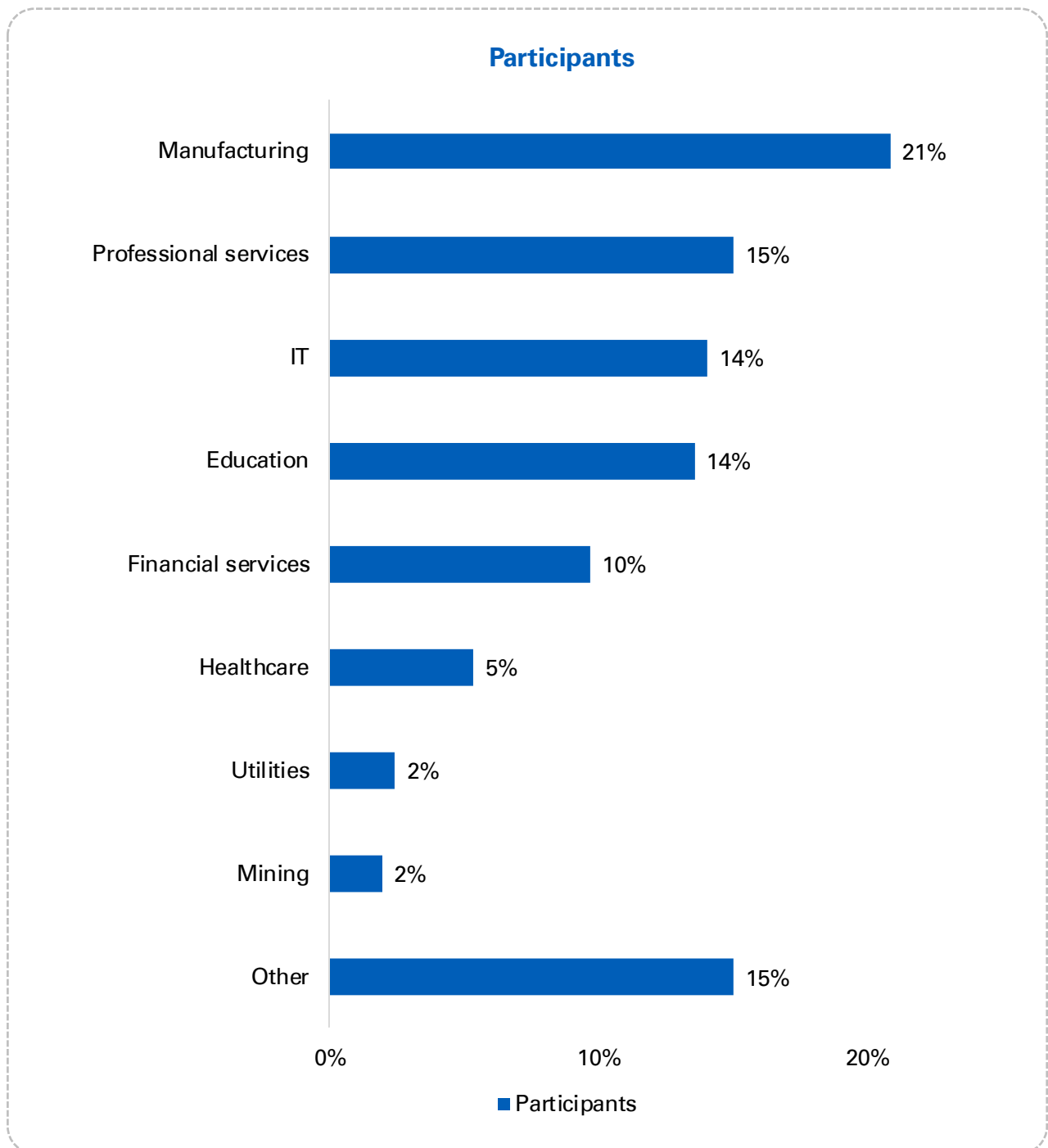
Organisation Size (Revenue)

25%
25%
18%
32%

- Less than INR 6 crore
- INR 6 crore–INR 60 crore
- INR 60 crore–INR 600 crore
- More than INR 600 crore

Organisation Size (Headcount)

35%
41%
24%

- <100 Employees
- 100 - 1000 Employees
- >1000 Employees

The diversity of participants also allows us to generate more insights from the survey.

Male - 80.10%

Female - 19.90%

25%	23%	17%	15%	10%	5%	5%

- ■ Publicly listed company
- ■ Sole proprietor
- ■ Partnership
- ■ Self employed
- ■ Government/PSU
- ■ Not for profit/charity
- ■ Others

From across the sectors, the survey was dominated by participants from Manufacturing sector.

Participants

Sector	Participants
Manufacturing	21%
Professional services	15%
IT	14%
Education	14%
Financial services	10%
Healthcare	5%
Utilities	2%
Mining	2%
Other	15%

■ Participants

3

Management Capabilities

Management Capabilities

> Management practices ultimately translate to business impact which is materialized by innovative business practices and transformation initiatives, which in turn lead to customer satisfaction, organisational productivity, financial profit, shareholder value and positive employee experience

The COVID-19 pandemic has had a significant impact on the global economy which led to a cascading impact on organisations across every industry around the world. As a response, business leaders had to take critical decisions to implement transformation initiatives and create an action plan which could not only put their organisations back on track in the short-run, but also ensure a sustainable growth path in the face of uncertainty in the long-run. In this process, it was the capabilities of the organisation and management that enabled organisations to tackle the challenges successfully.

Management capabilities are defined as managers' competencies which includes skills, knowledge, and aptitudes of relevance to their management role, that play a crucial role in driving organisational performance. They, in turn drive management practices and focus on innovation & research, building a people-driven culture, and inculcating values of sustainability and ethics into the fabric of the organisation. These management practices ultimately translate to business impact which is materialised by innovative business practices and transformation initiatives, which in turn lead to customer satisfaction, organisational productivity, financial profit, shareholder value and positive employee experience.

The broad set of in-focus capability areas may be different for different organisations depending on their specific strategic objectives at any given time. For instance, we have seen examples of specific managerial capabilities and traits that have stood out in the recent past, and propelled organisations out of the crisis – these include resilience, drive for innovation and a passion to out-perform. Organisations have leveraged digital technologies and built digital capabilities to transformation their value chain and processes, yielding operational efficiency and cost optimisation. Through adopting a cost-austerity driven mindset and focus, organisations have been able to maintain and, in some cases, even enhance their business performance.

To define in-focus management capabilities, organisations must outline a capability agenda which is in alignment with their strategic objectives and envisioned business outcomes for the future. Organisation's management must also draw correlations between capabilities and business impact. For instance, during the pandemic times, digital transformation played a key role in manufacturing processes by reducing process variations, improving quality and rationalising costs. As we look into the future, sustainability leadership and collective resilience should be an important part of these capabilities for organisations as their focus enlarges to incorporate social impact and environmental sustainability with the other strategic business outcomes. This may involve adopting latest environment friendly technologies and improved processes, which can produce eco-friendly or less-carbon emitting products that have lesser impact on the environment. This would further enable the organisations to develop a suitability-driven mindset as well as technological capabilities needed to operationalise the new processes.

We are operating in a business environment characterised by constant change and uncertainty. To ensure organisations are equipped with management capabilities to drive business performance, leaders should promote a culture of curiosity, continuous learning, and innovation. Organisations must invest in capability development for its people and create a culture of collaboration and cross-skilling, which can enhance departmental outcomes. Building the right management capabilities can drive sustainable business performance and outcomes even in the face of a volatile economic environment.

Harsh Pati Singhania
Vice Chairman & MD,
JK Paper Ltd

Survey Findings – Results vis-à-vis previous years

The overall MCDI preceptors have increased to 74.5 from 71.6 in the previous survey held in 2018. However, the confidence of the senior leaders in their organisation's overall MCDI capabilities has not been able to cross the 2011 levels. This indicates that while organisations have improved over the past few years, there is still scope for improvement to improve certain management capabilities.
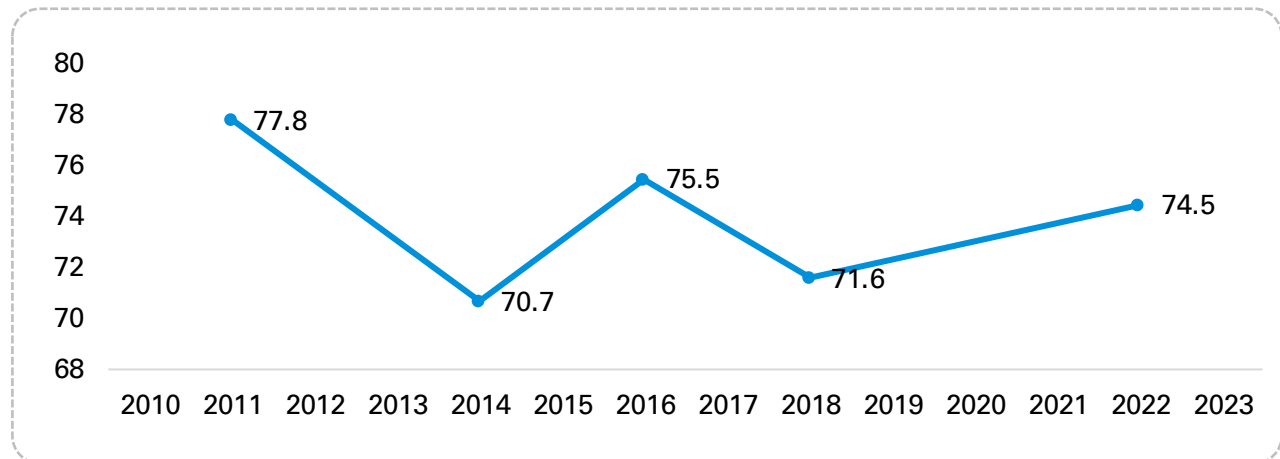
	2011	2014	2016	2018	2022
Highest	Integrity and Corporate Governance	Integrity and Corporate Governance	Focus on getting results	Integrity and Corporate Governance	Integrity and Corporate Governance
Lowest	People leadership and self-development	Focus on getting results	Organisation capability	People leadership and self-development	Organisation capability

Dimensions	2011	2014	2016	2018	2022
Visionary and strategic leadership	76.5	76.0	76.0	72.2	73.3
Performance leadership	77.1	73.4	74.9	70.7	74.4
People leadership and self-development	74.9	68.0	71.3	67.7	73.2
Financial leadership	76.7	74.4	78.6	71.2	75.2
Organisation capability	76.2	69.2	67.4	68.6	71.5
Application of technology and knowledge	75.9	67.2	71.4	72.1	74.0
External relationships	75.7	67.0	72.3	74.1	75.3
Integrity and Corporate Governance	80.1	80.0	76.4	76.8	80.4
Innovation and adaptability	77.6	70.2	74.1	70.3	71.6
Focus on getting results	77.6	66.4	79.3	72.9	76.0
Overall MCDI score	**77.8**	**70.7**	**75.5**	**71.6**	**74.5**

Survey findings – Dimensions that are strong and dimensions that require urgent attention

Strongest

- Integrity and Corporate Governance along with focus on getting results are dimensions where participants across organisations have established confidence in capabilities.

Weakest
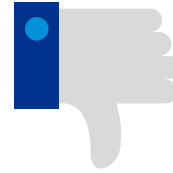
- Organisational capabilities along with innovation and adaptability are dimensions where participants have expressed least confidence and highest urgencies vis-à-vis management capabilities.

Strongest Management Traits:

- The organisation practices integrity, honesty and ethical behaviour as is necessary for sustained success
- Management and employees adhere to legislation, regulations and guidelines in administering the business of the organisation
- Management and employees understand ethical principles when making decisions with reference to the organisation's affairs
- Management is trustworthy, and utilises honesty and integrity
- The organisation promotes an established standard of ethical behaviour for directors, management and employees based on a code of conduct

Management Traits that need urgent attention:

- Management encourages employees to engage with external stakeholders
- Management demonstrates strong commitment to continuous learning for both individuals and the organisation
- Management is effective at finding ways to commercialise ideas with regard to innovation
- Management champions change
- Management applies effective knowledge and information management

# Survey findings – Summary of Responses

Mid-sized organisations (101-200) scored reported the highest MCDI scores. Small sized organisation scored relatively low with organisations having fewer than 20 employees reporting the lowest scores.
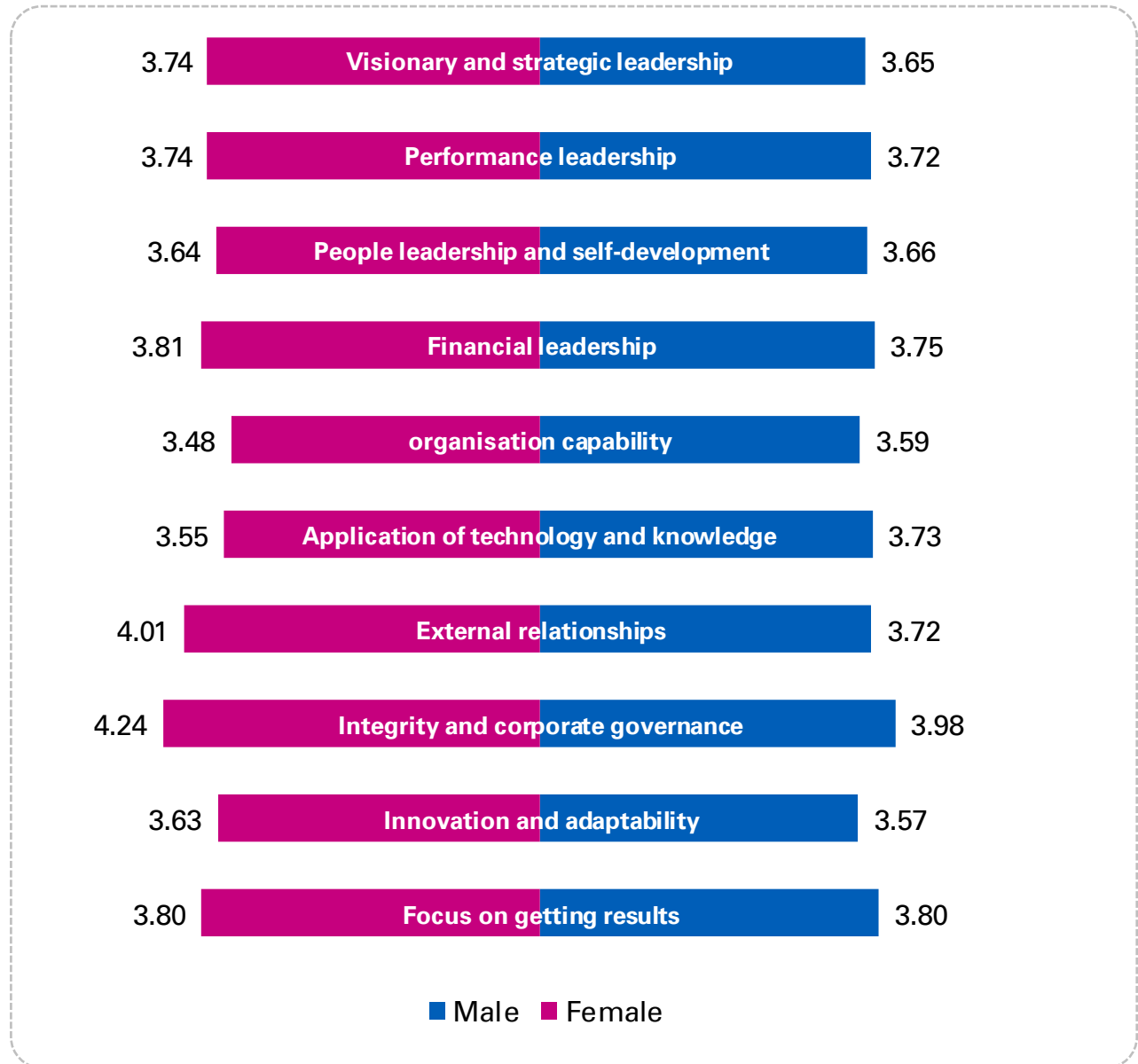
Performance by Headcount
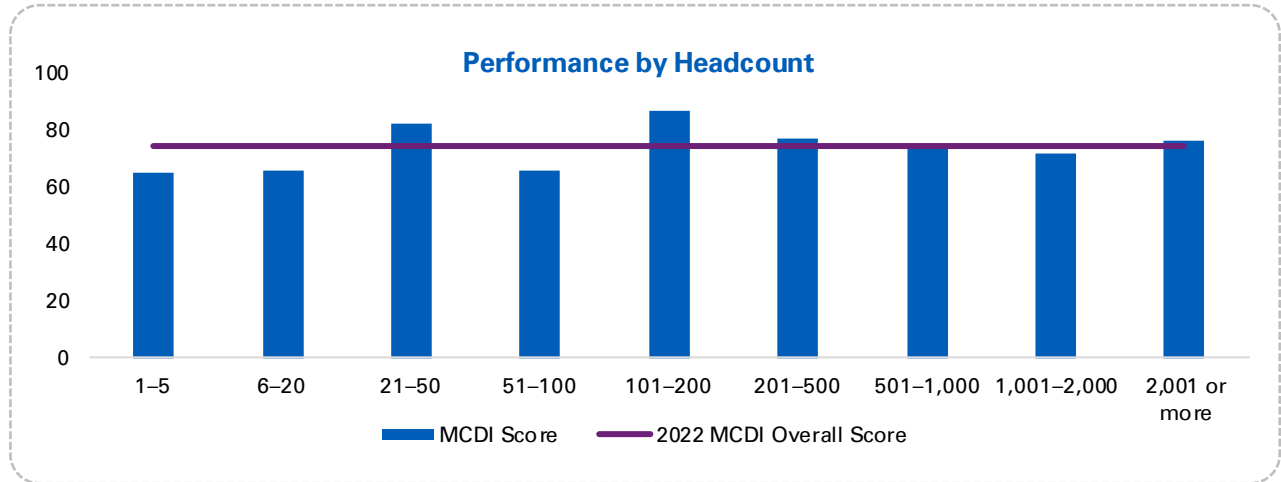
Organisations with revenue less than 6 Cr reported the lowest scores in the MCDI survey while midsized organisations reported the highest scores. Organisations with revenue between INR 30 Cr to INR 60 Cr scored the highest in the survey

Performance by Revenue
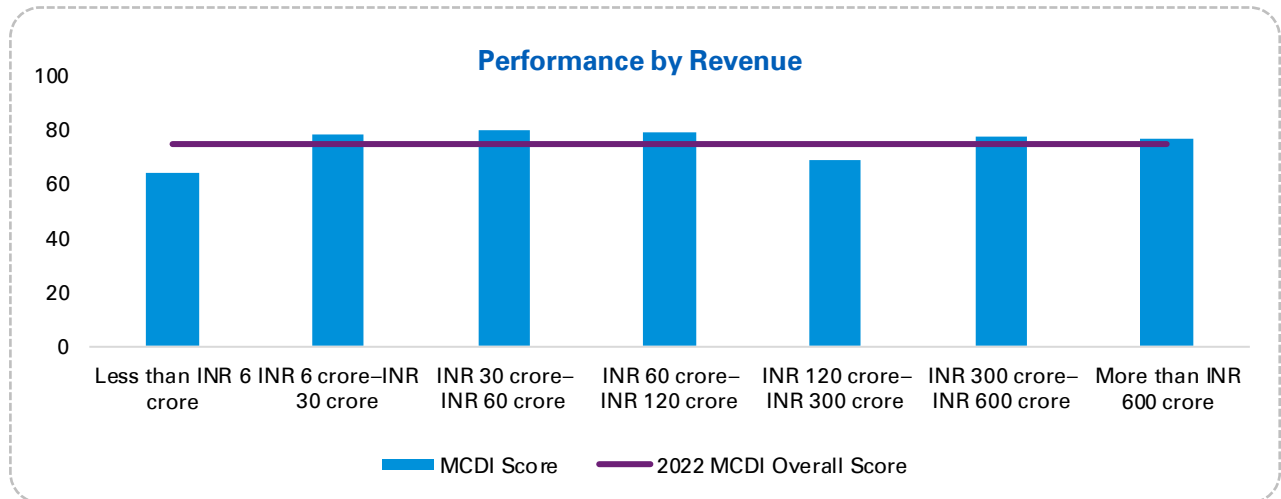
Healthcare sector reported to have the highest scope for development in their MCDI scores while Mining and Professional Services performed well in the survey

Performance by Industry
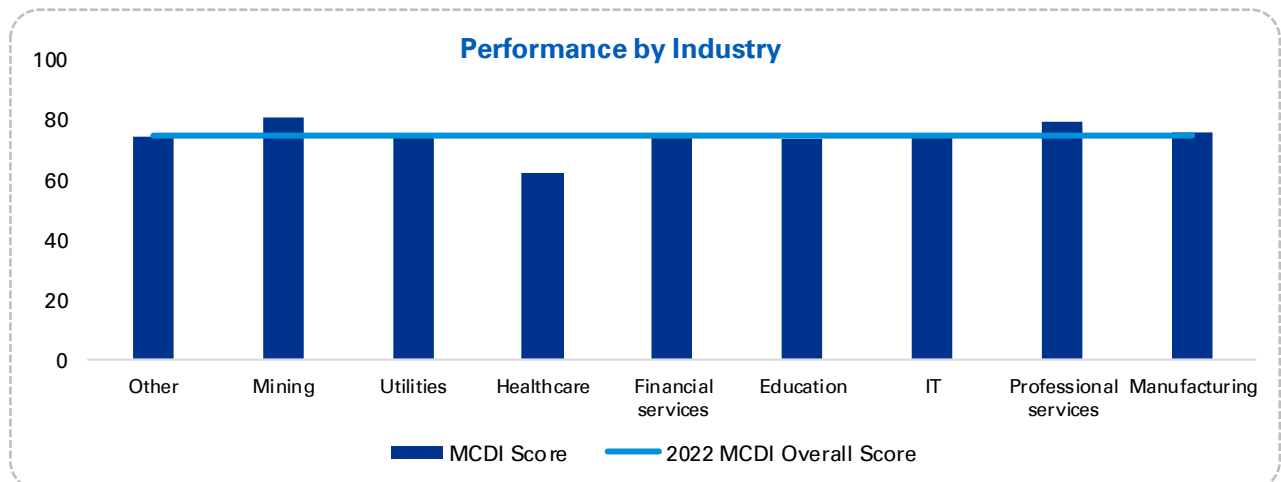
Following are the scores for different dimensions as reported by Men and Women who were a part of this survey.

	Female	Male
Visionary and strategic leadership	3.74	3.65
Performance leadership	3.74	3.72
People leadership and self-development	3.64	3.66
Financial leadership	3.81	3.75
organisation capability	3.48	3.59
Application of technology and knowledge	3.55	3.73
External relationships	4.01	3.72
Integrity and corporate governance	4.24	3.98
Innovation and adaptability	3.63	3.57
Focus on getting results	3.80	3.80

■ Male   ■ Female

4 Dimensions of MCDI

Visionary Leadership

> Trying to keep things simple, focusing on the larger goals and taking care of the people within the company will be the hallmarks of a future leader

We have seen numerous accounts of good leaders setting the direction, inspiring vision, and guiding their companies to dominate the markets. But what differentiates these leaders from 'good' and 'great'?

It is their ability to sustain their position at the top and remain competitive in the industry. This competitiveness can be ensured through constant product innovation, technology upgrading, process excellence and cost optimisation. Thus, strategic leadership, as we see today has evolved beyond building excellent operating models and team mechanics to being more flexible, holistic, and agile, while continuously driving growth as a disruptor.

The pandemic has accelerated this growth by forcing companies to look at different ways of operation and continuously adapt to change, which they would have otherwise been resistant to. In fact, the last 2 years have been a blessing for technology firms to capitalise on market opportunities and come up with new products, enabling companies to transform operations digitally, reduce cost and improve productivity. The leaders of today have got a firsthand experience of how leveraging technology can help navigate the uncertainty. The pandemic has pushed organisations to remove their technological mandate from the freezer and fast track its deployment. With the operating environment improving, leaders of tomorrow will need to focus on institutionalising this growth path.

Secondly, the pandemic has highlighted the importance of maintaining strong balance sheets, financial positions, and cash reserves. Leaders need to work out the amount of money to keep aside for crisis situations which can be leveraged when market conditions are prime. Without it, companies will be unable to capitalise and invest on constant innovation and steer ahead of the curve. Leaders need to uphold a cost-conscious attitude and continue to re-invest in the company's future R&D.

There is also a need to reignite the drive in people, create a purpose led and future-fit organisation. Leaders need to care for the communities in which they operate whilst ensuring that the business model thrives. Today, employees are looking for a shared goal, relating their duties to a larger purpose to remain motivated and associated with their employers. As a leader, one needs to invest in their employee's wellbeing and build trust with all stakeholders of the company. A leader needs to prepare for the future of work by building capability, managing talent, nurturing a growth culture, and becoming a beacon of diversity. Leaders need to constantly introspect on the question - 'Why should people stay in the company'?

And finally, a leader's vision for his or her organisation's future will be incomplete without emphasising on the sustainability agenda. Irrespective of the business needs, it will be the leader's responsibility to ensure that environment, net zero, nature and climate positive are part of the constellation aligned to the organisation's north star.

Leaders have never had it easy, but the current times can make even the toughest of them doubt their decisions and strategy. Trying to keep things simple, focusing on the larger goals and taking care of the people within the company will be the hallmark of a future leader.
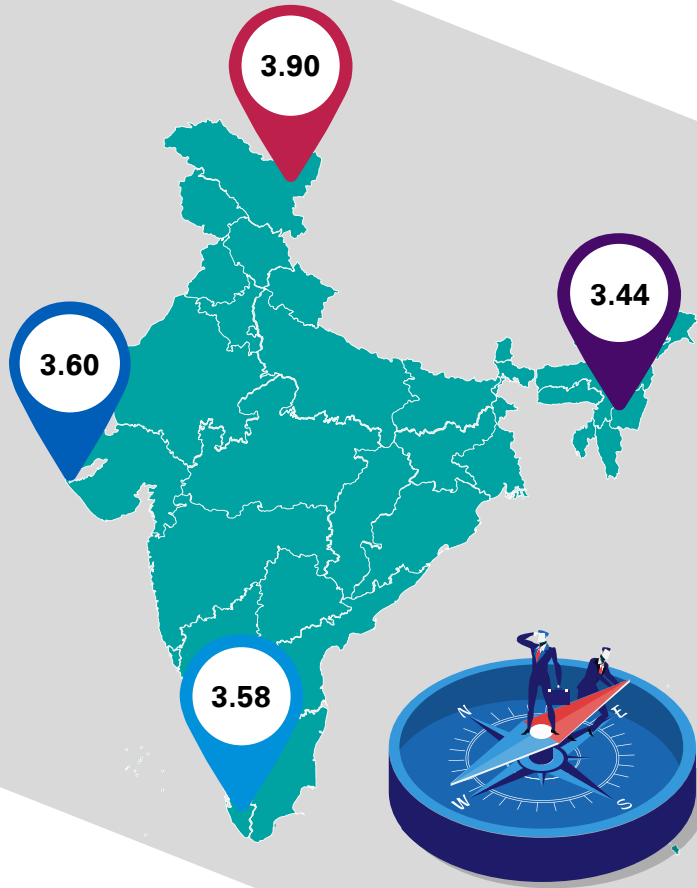
The strategic and the visionary leaders of the future bear the responsibility of shaping the world while responding to the question - 'Is the world a better place because of my company?'

RC Bhargava
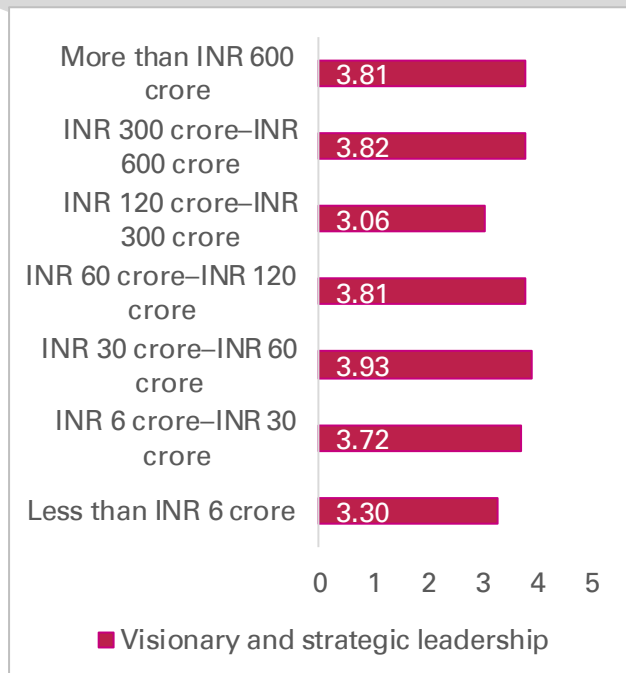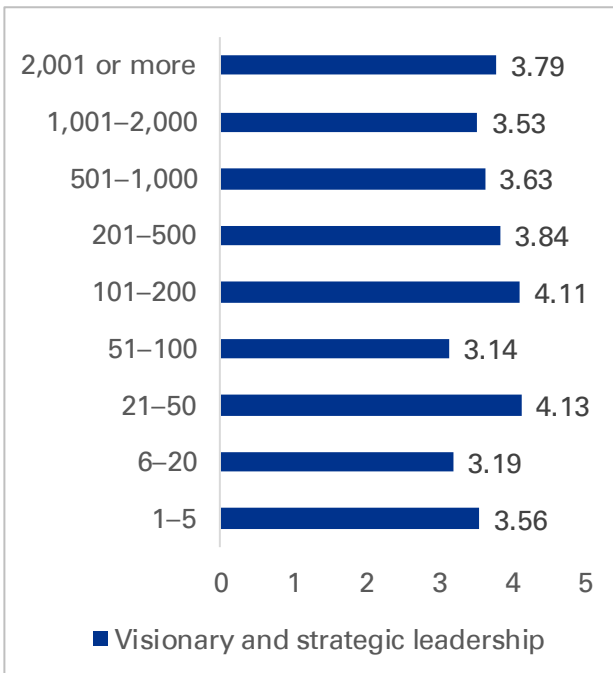Former CEO and Current Chairman, Maruti Suzuki

Key Findings

3.90

3.60

3.44

3.58

Visionary Leadership is critical for building and sustaining organisations in the long term. The overall MCDI score for this dimension was pegged at 73.3 (moderate).

Participants from Mining and Professional Services firms are most confident while those in healthcare are least comfortable of their management's ability in this dimension.

Participants from organisations with revenue between 30-60 Cr were rated their management highest (3.93) while those from organisations with revenue between 120-300 Cr rated the lowest (3.06).

Employees	Visionary and strategic leadership
2,001 or more	3.79
1,001–2,000	3.53
501–1,000	3.63
201–500	3.84
101–200	4.11
51–100	3.14
21–50	4.13
6–20	3.19
1–5	3.56

■ Visionary and strategic leadership

Revenue	Visionary and strategic leadership
More than INR 600 crore	3.81
INR 300 crore–INR 600 crore	3.82
INR 120 crore–INR 300 crore	3.06
INR 60 crore–INR 120 crore	3.81
INR 30 crore–INR 60 crore	3.93
INR 6 crore–INR 30 crore	3.72
Less than INR 6 crore	3.30

■ Visionary and strategic leadership

While there was an improvement in the score of visionary leadership over the previous survey, the score obtained was still lower than the surveys conducted 3 years before.

The respondents were pleased with the management's ability to demonstrate business acumen and articulate a clear and inspiring vision. However, they felt that there was a scope for improvement when it comes to championing change and actively fostering and encouraging the visions of the organisation. This may indicate that while organisations are well equipped in defining their vision, they need to work on the implementation of the same.

Results for Key Aspects Analysed
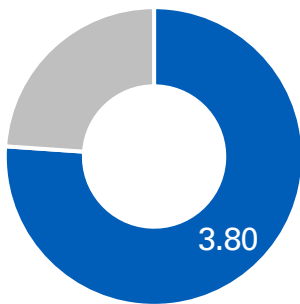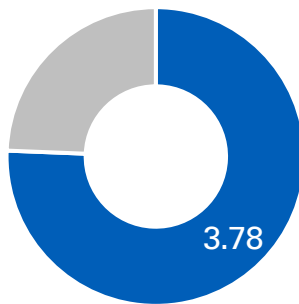
3.80

Management demonstrates business acumen

3.78

Management articulates a clear and inspiring vision that is well understood

3.70

Management establishes stretch goals for itself and the organisation

3.56

Management actively fosters and encourages ownership of the vision by the staff

3.54
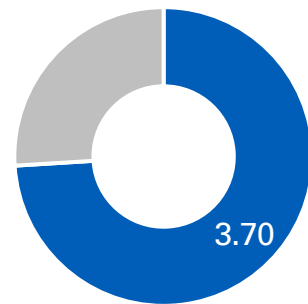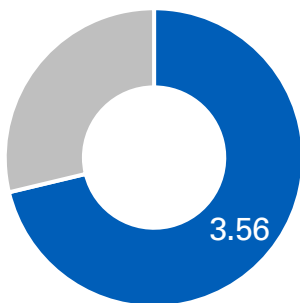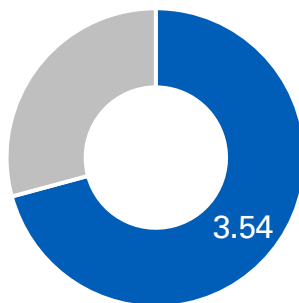
Management champions change

Performance leadership

> A leader who is highly committed to working towards the best version of themselves is a leader who stands out and inspires others to follow suit.

Performance leadership is based on transformational leadership and the principle that leaders should inspire the professional environment around them in such a way that they constantly encourage people to think more ingeniously than they originally intended or even thought possible.

High Performance Leadership brings in several benefits, whether implemented at an organisational, team or individual level. It's a strong belief that leaders should create conditions for success by aligning organisation goals to the bigger picture where priorities need to be clear-cut. Managers need to drive their teams to use a data-driven and systematic approach. This allows everyone in the team to have clear performance expectations and understand how their work contributes to the ultimate business goal.

A post-pandemic world really did a number on leaders everywhere and put them to the test! Not only do they now have to take difficult decisions, but they need to reinstate trust and credibility to the level that it was at before. We are heading into a new age of working and there are new challenges to deal with. Leaders have to take the time out to listen to the mood in their organisation and be on the lookout for any red flags and discontent. Leadership has always been about creating conditions for their employees to thrive and perform in. Leaders need to make everyone feel valued and let them know that they will always support them not only in their career and development journey, but in their overall wellbeing as well.

It is important for a leader to keep a few things in mind before stepping into performance-related conversations with colleagues:

Know that, as a leader, one always has an impact on others:

A good leader knows how to fine-tune things in order to develop and build a strong foundation to the mentor-mentee relationship. This is more about figuring out the right language and creating the right environment for people while providing feedback.

There's always time to learn and grow (no matter what stage in your career you are at):

A leader who is highly committed to working towards the best version of themselves is a leader who stands out and inspires others to follow suit.

If something goes wrong, just step up and fix it:

A good manager will step up, acknowledge their part in any given problem and not be averse to stepping up and getting the task done themself.

Strive to create a culture of engagement & energy:

Strive to put in place a structure and environment where people are stimulated by challenges, feel they are part of the complete process, and have the space to make use of their strengths.

The talent an organisation has can be a huge differentiating factor. A good leader will not just lead by example but also motivate those around them to do so – because they know the influence and impact they can make. They will create an environment that is most suitable for their team to encourage collaboration and achieve new highs.
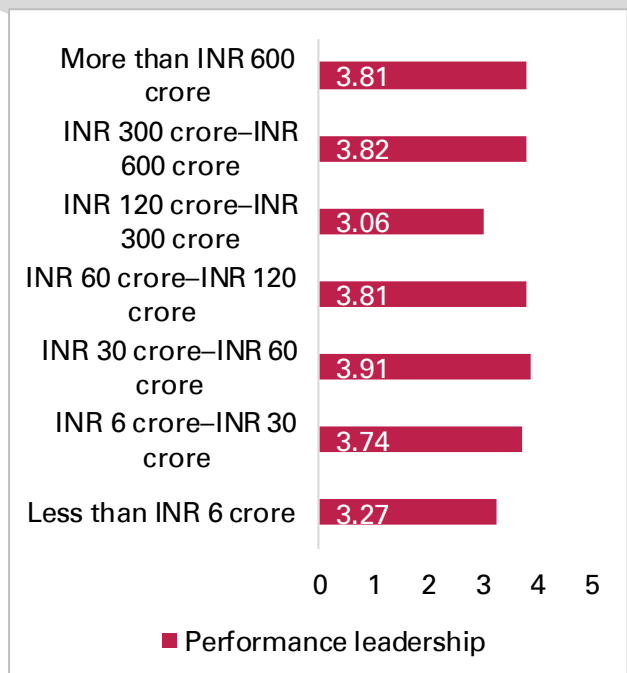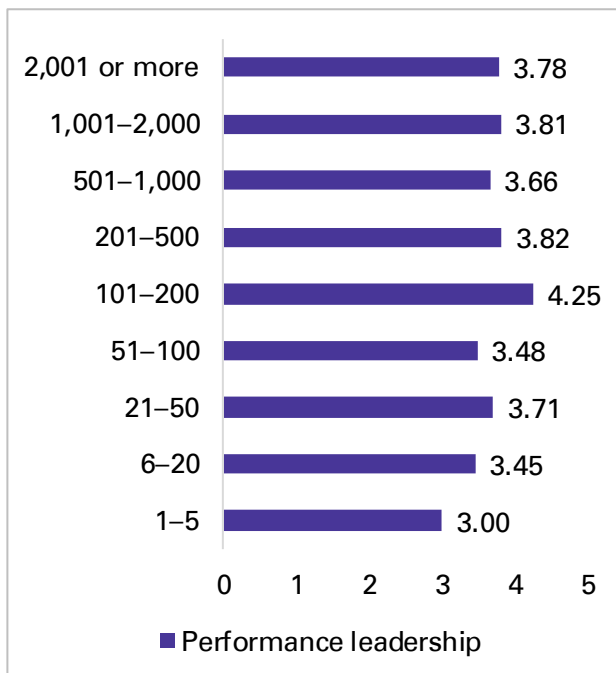
Sanjiv Goenka
Chairman, RP Sanjiv Goenka Group

Key Findings

3.97

3.54

3.58

3.78
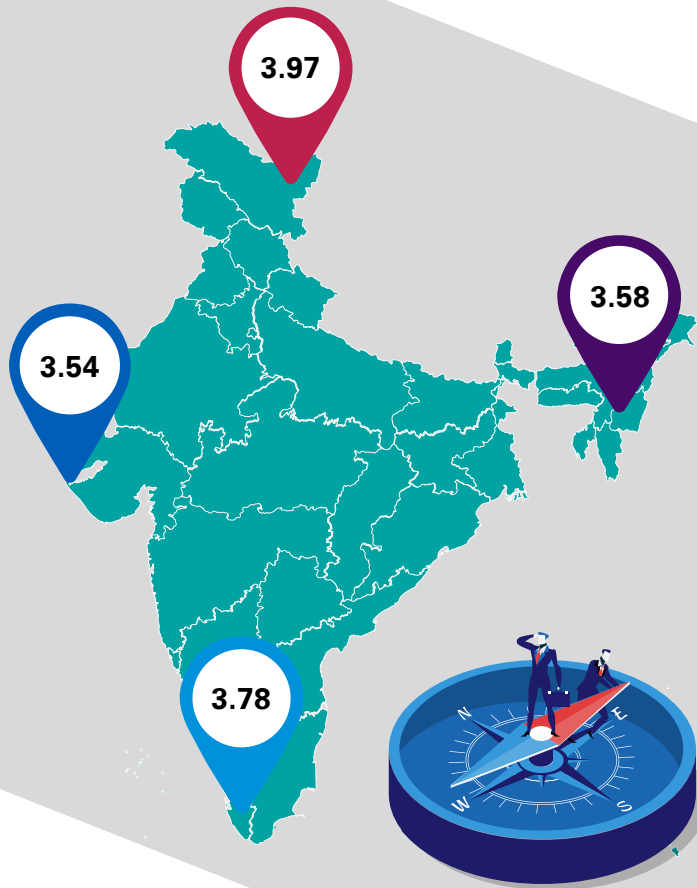
Performance Leadership is the backbone of organisation with growth orientation. The overall MCDI score for this dimension was pegged at 74.4 (moderate).

Participants believe their organisation consistently meets the organisation's performance goals, and have a performance track record of growth and continually improving performance

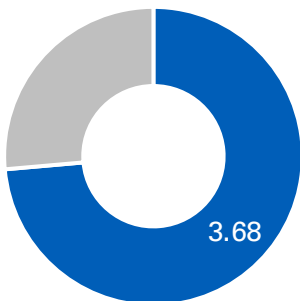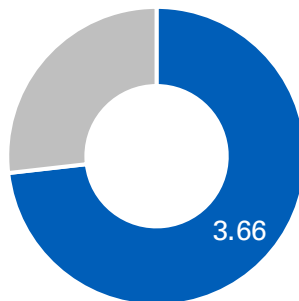Organisations with headcount between 101-200 have rated their management highest while those from organisation with headcount between 1-5 rated the lowest.

Headcount	Performance leadership
2,001 or more	3.78
1,001–2,000	3.81
501–1,000	3.66
201–500	3.82
101–200	4.25
51–100	3.48
21–50	3.71
6–20	3.45
1–5	3.00

Revenue	Performance leadership
More than INR 600 crore	3.81
INR 300 crore–INR 600 crore	3.82
INR 120 crore–INR 300 crore	3.06
INR 60 crore–INR 120 crore	3.81
INR 30 crore–INR 60 crore	3.91
INR 6 crore–INR 30 crore	3.74
Less than INR 6 crore	3.27

There was a significant rise in the score of performance leadership from the previous survey with the score almost matching the 2016 survey score.

Organisations reported a high score in the ability to meet organisation performance and goals on a consistent basis. However, they scored slightly on the lower side when it comes to balancing risk with achievement. Management may have been risk averse due to the uncertainties and difficulties enforced upon by the pandemic.

Results for Key Aspects Analysed
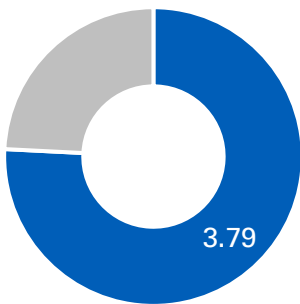
3.79

Management consistently meets the organisation's performance goals, and has a performance track record of growth and continually-improving performance

3.78

Management demonstrates the ability and attitude to lead and champion the achievement of challenging goals and change

3.72

Management is organised and effective at performance planning

3.68

Management analyses issues, anticipates and solves problems

3.66
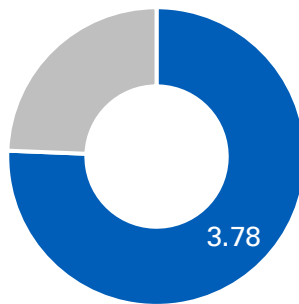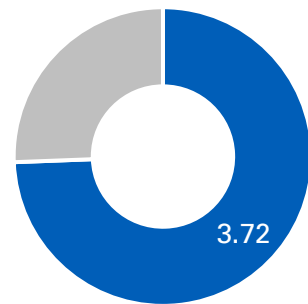
Management balances risk with achievement, not risk avoidance (management is not risk averse)

People Leadership and Self Development

> Leaders have no choice but to be impactful, if you are not impactful, you will be mundane, and people will not follow you..

The world needs impactful leaders.

Impactful leaders impact the teams they work in they impact the results of their companies, and they impact their industry and the society they are in.

Impactful leaders are inclusive leaders. It is important to remember that as an individual we will be in the minority in some situation or the other. For example, if you travel to the west, you will stand out being the odd person out. So, inclusion will be a defining capability for all leaders. When leaders include others, they create higher engagement, they get higher discretionary effort. That higher effort drives impactful results. Inclusion is no longer a choice; it is something all our colleagues expect of us as a hygiene factor.

Impactful leaders are authentic; hence people won't need to second guess them. Impactful leaders challenge their teams but do not throw them under the bus. They spend time investing in talent and their capabilities and are happy to release the talent they groom to a wider eco system.

Impactful leaders will raise their communication quotient and communicate for impact by winning on effective listening. Communication will get leaders a premium in a hybrid mode of work.

Impactful leaders balance strategy and execution. They operate seamlessly between issues at 50,000 feet and at 5 feet. This ambidextrous capability will be needed to create impact. Strategy normally leads to execution, and in an agile world, great execution leads to sharpening strategy. Strategy will be about where to play and execution will be about how to win. The link between the two is agility. Most companies say they are quick, in reality, every company is slow if compared with a best in class company. Agility will be a premium capability that impactful leaders will drive. In tomorrow's world, the cost of a poor decision is lower than the cost of a delayed decision. Impactful leaders will not procrastinate. Time will be a

competitive advantage this decade and impactful leaders will know how to leverage time.

Impactful leaders create impact through a set of super habits - the set of super habits that will never go out of fashion are time management, notes management, following through on commitments, learning and staying ahead of the curve. Impactful leaders do not need prodding or follow up, they set their own agenda and benchmarks. The day you let someone else determine your standard you are not an impactful leader.

Impactful leaders do not play to the rules of any industry, they rewrite the rules and put out a fresh syllabus with their thinking. That's how impactful leaders become thought leaders and leave a legacy over time in every industry they work in.

The one thing I would caution impactful leaders is to take care of their health. This is an area where impactful leaders could make a compromise. One cannot be an impactful leader without being healthy and energetic. Whatever path you choose, do ensure that you prioritise your health.

D Shivakumar
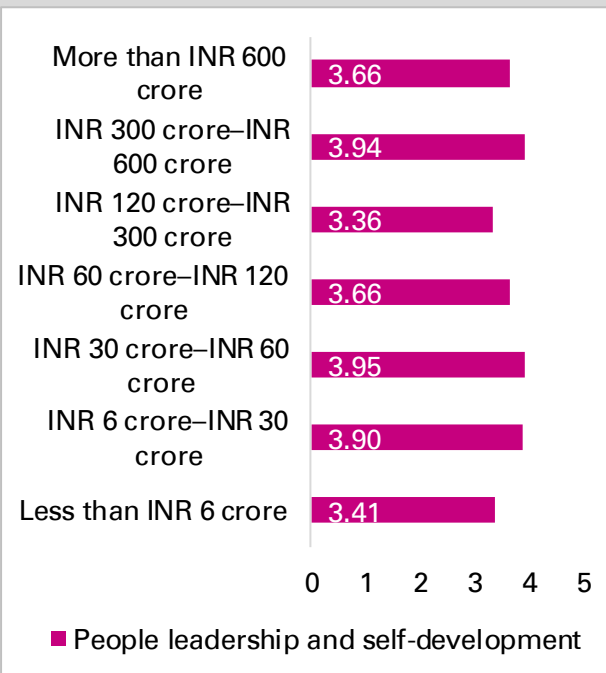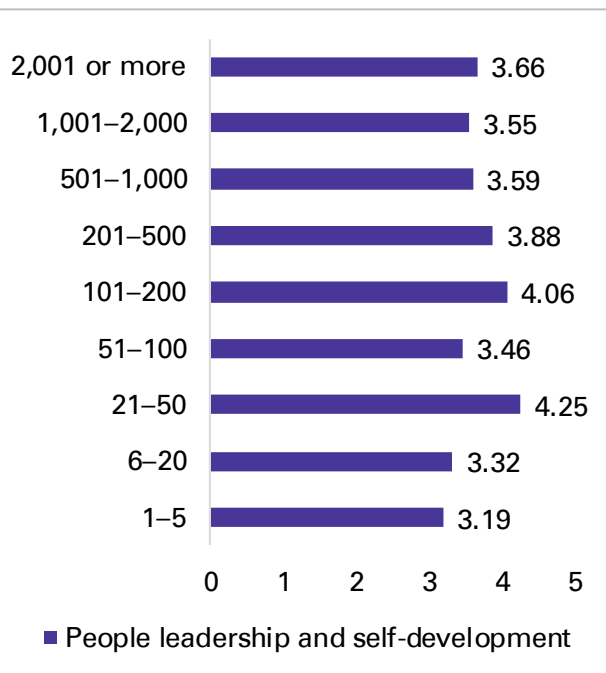Group Executive President- Corporate Strategy & Business Development, Aditya Birla Management Corporation Pvt Ltd.

Key Findings

3.96

3.55

3.51

3.59
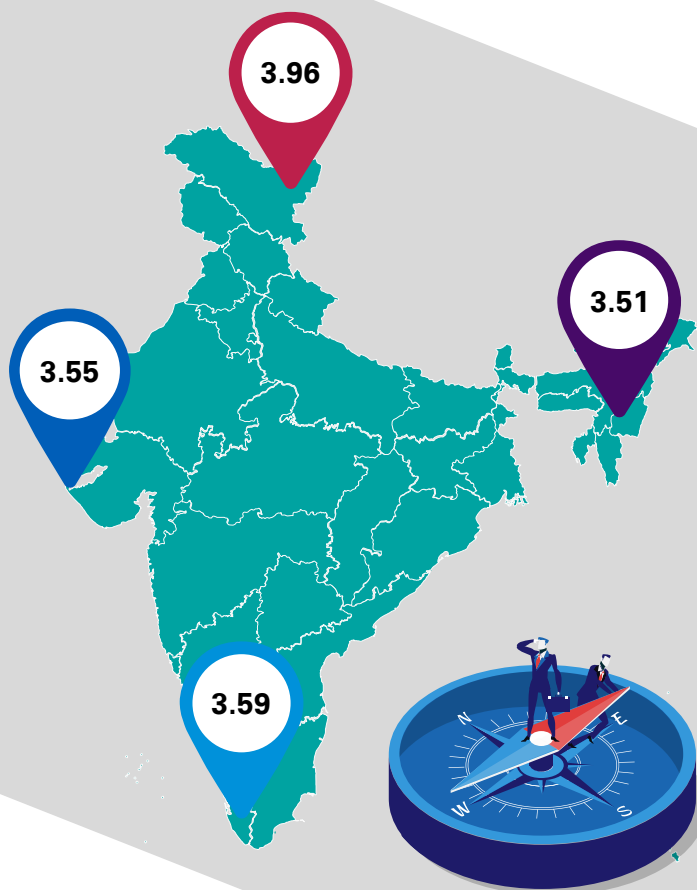
People Leadership and self-development help the organisation create a lucrative employee value proposition. The overall MCDI score for this dimension was pegged at 73.2 (moderate).

Participants from IT and Mining are most confident while those in healthcare are least comfortable of their management's ability in this dimension.

Participants from organisations with revenue between 30-60 Cr were rated their management highest (3.95) while those from organisations with revenue between 120-300 Cr rated the lowest (3.36).

2,001 or more	3.66
1,001–2,000	3.55
501–1,000	3.59
201–500	3.88
101–200	4.06
51–100	3.46
21–50	4.25
6–20	3.32
1–5	3.19

■ People leadership and self-development

More than INR 600 crore	3.66
INR 300 crore–INR 600 crore	3.94
INR 120 crore–INR 300 crore	3.36
INR 60 crore–INR 120 crore	3.66
INR 30 crore–INR 60 crore	3.95
INR 6 crore–INR 30 crore	3.90
Less than INR 6 crore	3.41

■ People leadership and self-development

Legend:
- People leadership and self-development
- Average People leadership and self-development

(Bar chart categories: Other, Mining, Utilities, Healthcare, Financial Services, Education, IT, Prof. services, Manufacturing)

Historically, people leadership and self-development has been one of the least rated dimensions in the MCDI survey. The score for this dimension significantly increased over the last survey – second only to the score attained in the 2011 survey. Despite the rise, the capability was still one of the lowest rated capabilities (ranked 8th out of 10) in the survey.

Organisations highly rated the internal communication as well as the overall support for people leadership initiatives. However, HR planning and budgeting and attraction, retention and development of talent were identified as areas with a large scope of improvement.

Results for Key Aspects Analysed
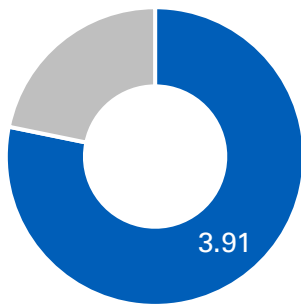
3.91

Management communicates powerfully and broadly to people in the organisation

3.82

Management efforts generally get other managers' support

3.67

Management respects and maintains a culture, supportive and inclusive of employees, their values and their diversity, and is not stifled by structure and hierarchy

3.51

Management attracts, retains, develops, motivates, inspires and leads an effective team capable of achieving organisational objectives
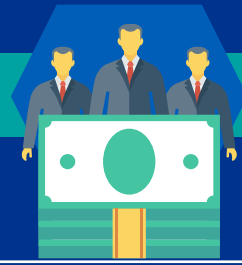

3.51
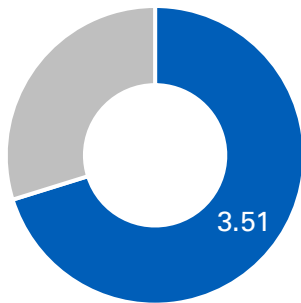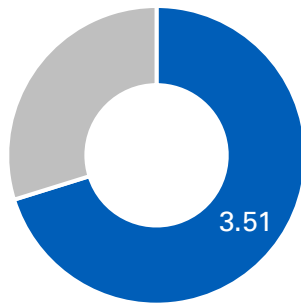
Human resource planning is an integral part of the annual business planning process

Index

- 4.01 – 4.5
- 3.51 – 4
- 3.01 – 3.5

Financial Leadership

> As the process of reporting becomes increasingly automated, finance functions have more time to enhance their value as business partners, using advanced analytics to deepen insights, model future scenarios and map outcomes.

The COVID-19 pandemic came upon the world with unparalleled speed and pervasiveness. Financial and human resiliencies were tested. Chief Financial Officers (CFOs) were challenged to act swiftly and decisively – and to thoughtfully select and execute their priorities. Sustaining a business meant a keen focus on protecting both its cash flows and its people. In addition, regulatory and management reporting requirements had to be met in a vastly changed work environment. And, as the pandemic abated and pent-up demand came springing back, CFOs had to ensure that opportunities were not being missed.

The last two years have demonstrated the need for finance management to have the capabilities and mindset to address disruption head-on or risk being left behind nimbler competitors. Leading chief financial officers are focusing on leveraging disruption into opportunities for competitive advantage and growth while also improving their delivery of products and services to their stakeholders. Here are some of the key areas they focus on:

Innovation and Investment

CFOs are thinking like venture capitalists, seeing opportunity in disruption and managing risk with a portfolio approach. They seek to understand the trends and economics that are driving market disruption in their sectors. They then aim to manage innovation investments as a portfolio that balances risk, using metrics aligned with the organisation's overall strategic objectives and governance programme.

Extreme Automation

Finance professionals embrace technology disruptors to transform their operating models and unlock the benefits of extreme automation. Leading finance organisations are reaping the rewards of cloud enterprise resource planning and robotic process automation—from reduced costs and risks to heightened efficiencies and improved cybersecurity.

Organisation and Talent

By redefining the skills, roles, and structure of its workforce, finance aims to attract, retain, and develop talent to match its evolving needs. In the future, the skills required will include strategy and finance, process and control expertise, and the ability to collaborate and build relationships across formerly siloed departments.

Operating Model

Extreme automation is changing the size, structure, and delivery model for finance, separating human expertise from automated execution and simplifying the organisation's operations. Finance organisations must assess what new work needs to be done, how those demands translate to the skill sets of their workforce, and how to manage processes end to end.

Finance is on the cusp of a technology inflection that will change its world, and astute chief financial officers are getting ready. They are starting to reimagine their workforce, capabilities, and overall operating models. For example, how would you redeploy talent if you could reduce labor requirements by 70 percent on core accounting processes? How would services and delivery approaches change if one could instantly determine which customers, products, and channels are most profitable? What new value can be provided if finance moved at the speed of the customer?

As the process of reporting becomes increasingly automated, finance functions have more time to enhance their value as business partners, using advanced analytics to deepen insights, model future scenarios and map outcomes. CFOs must consider the new skills and roles their organisation will need, the services they will offer, how they will integrate new technologies, and convert disruptors into opportunities.

Arun M. Kumar
Former Chairman and CEO, KPMG in India
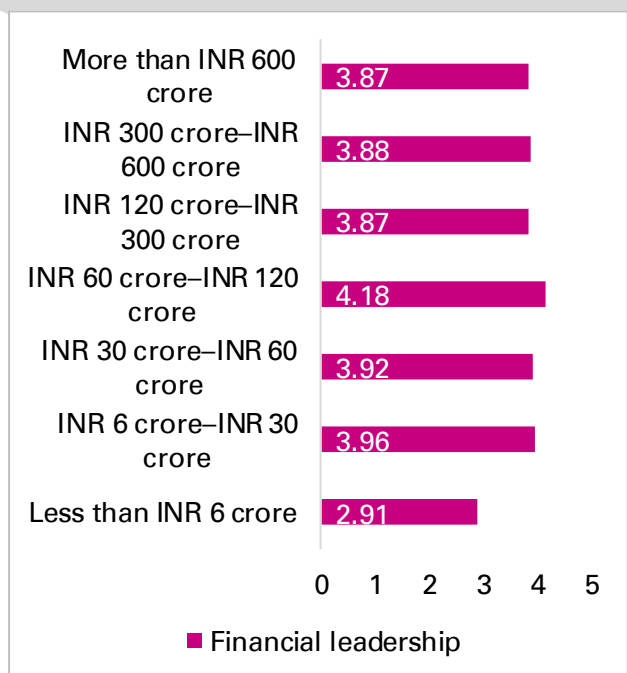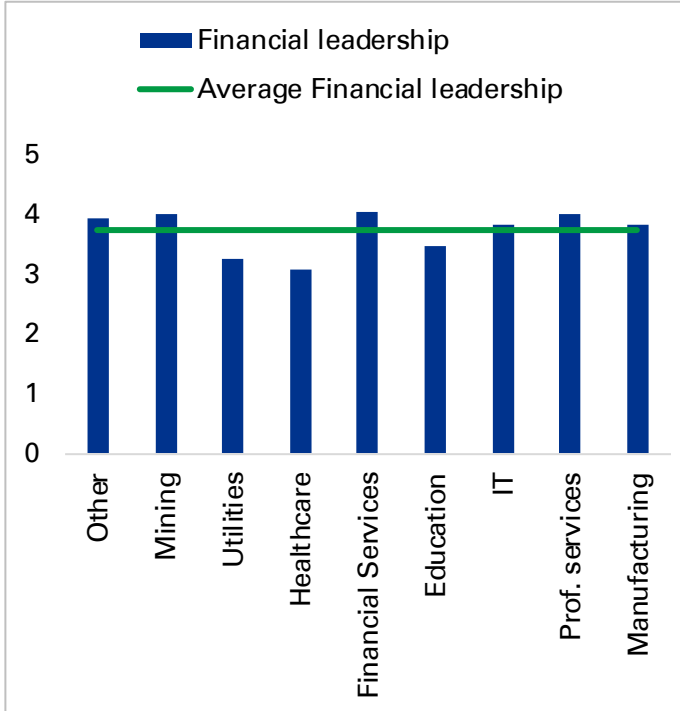
Key Findings

4.06

3.53

3.51

3.90
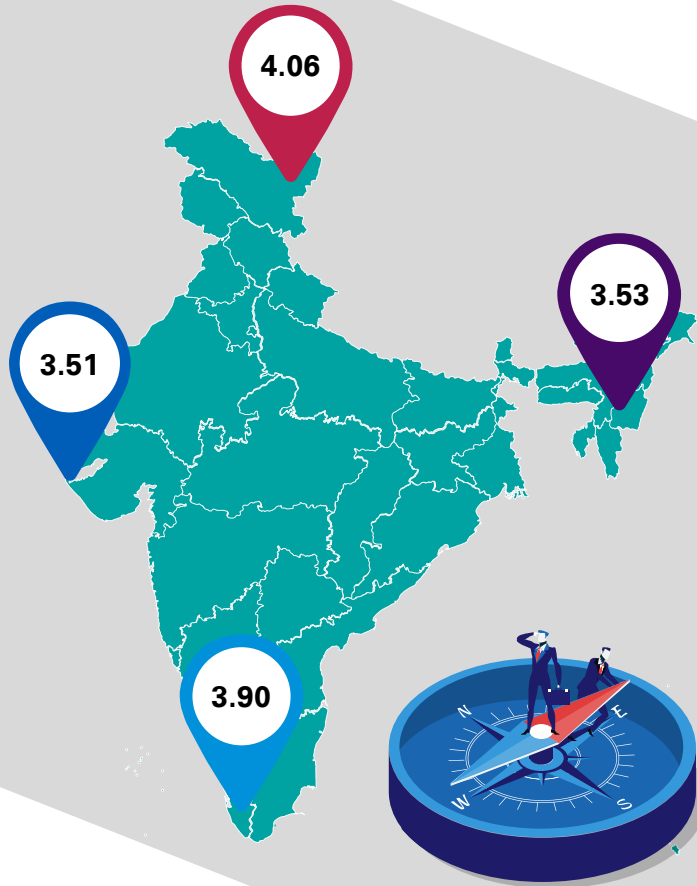
Financial Leadership helps in shaping future business goals while allowing the organisation to improve decision making. The overall MCDI score for this dimension was pegged at 75.2 (High).

Participants from organisations with revenue between 60-120 Cr have rated their management highest. While those from organisations with revenue between 1-6 Cr rated the lowest.

Participants from organisations with headcount between 101-200 have rated their management highest while those from organisations with headcount between 1-5 rated the lowest.

Financial leadership was amongst the highest rated dimensions in 2016 survey with the highest ever rated by organisation on the dimension in that year. While the score on this dimension was higher than the previous survey, it did not cross the high score of the 2016 survey.

	Financial leadership
2,001 or more	3.86
1,001–2,000	3.62
501–1,000	3.92
201–500	4.09
101–200	4.45
51–100	3.33
21–50	4.00
6–20	3.05
1–5	2.40

	Financial leadership
More than INR 600 crore	3.87
INR 300 crore–INR 600 crore	3.88
INR 120 crore–INR 300 crore	3.87
INR 60 crore–INR 120 crore	4.18
INR 30 crore–INR 60 crore	3.92
INR 6 crore–INR 30 crore	3.96
Less than INR 6 crore	2.91

Financial leadership
Average Financial leadership

The ability of the management to implement a sound and effective internal controls mechanism was rated highly by the respondents. Respondents also highly rated management to develop and commit to plans and goals for sound growth and performance improvement. However, the ability of management to lead and achieve these goals was identified as an area of improvement.
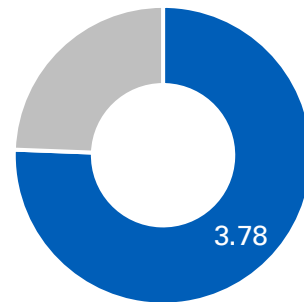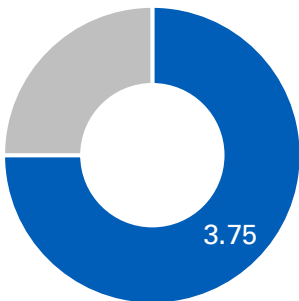
Results for Key Aspects Analysed
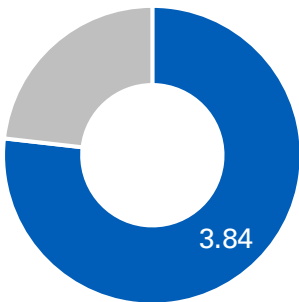
3.84

Management implements sound and effective internal control systems through supervision and internal audit and hierarchy

3.78

Management develops and commits to plans and goals that support sound growth and continuous performance improvement

3.78

Management ensures effective financial planning, accounting, cashflow management, investment, financial reporting; and liaisons with financial institutions

3.75

Management hires experienced accounting and financial personnel for its financial management

3.64

Management leads and manages the organisation to consistently achieve or exceed these goals

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■ 3.01 – 3.5

Organisational Capability

> Any strategic roadmap may provide the steps required to do something differently, but what is required is a roadmap on how to build the skills, knowledge and processes needed to carry out and sustain those critical changes.

Several disruptions have emerged in the last couple of years, and we saw some industries diminishing or halting while others blossomed at unprecedented rates. These are the times when any organisation needs to perform a health check to gauge its level of readiness for such disruptions. How do organisations plan to stand tall in face of such uncertainties and adapt to the changing times better and faster than the competitors? This is the perfect time for any organisation to relook at its capabilities and its current impact. What is Organisation Capability? When we look at organisations that stand out, it is not just what they sell, how well structured they are or how large they are, but their capabilities- their ability to innovate, to turn things around during any scenario.

While an organisation might have the most skilled employees with best technical expertise, being able to leverage and deliver on the combined competencies and abilities of its individuals is what becomes the major differentiator for any organisation. An organisation's capability could be understood as a combination of factors such as its culture, leadership, agility, talent, innovation, customer connectivity, collaboration within teams, efficiency etc.

The current scenario presents innumerable challenges, starting from unpredictable demand patterns, talent availability gaps to increasing competition. Any strategic roadmap may provide the steps required to do something differently, but what is required is a roadmap on how to build the skills, knowledge and processes needed to carry out and sustain those critical changes. Now the question is, how does an organisation build that capability?

Developing capabilities requires experimentation, trial and error, and iterative learning to figure out what works well in the organisation's context, unique culture, functional structure, and environment it operates in. Mental model shifts must follow any change, or leaders and employees will revert to the old ways of working in no time. The first step is almost always to finalize an organisation's strategic

priority, but what is a commonly missed is to proactively identify capabilities required to achieve that objective in a way that it sustains. This could mean building certain skills-technical or behavioural, developing certain future focused roles, redesigning some processes, enhancing innovative capabilities, or bringing about cultural changes.

Once these capability gaps are identified and we are clear on where we want to be, the next step should be to create an action plan with clear priorities. It is critical to identify capabilities that will bring most value and will form a good foundation for the strategic objectives we plan to achieve. Meanwhile, it is also important to identify teams and equip them with the necessary resources to be able to work on more complex capabilities.

Another crucial aspect is to have quantitative and trackable milestones in place. Since capabilities could be abstract and difficult to evaluate, defining success metrics for each milestone is key to success in this journey.

Finally, as an organisation, it is essential to take everyone along and constantly reinforce the significance of these capabilities through linkages to rewards, learning, culture and overall employee experience.

Sanjay Kirloskar
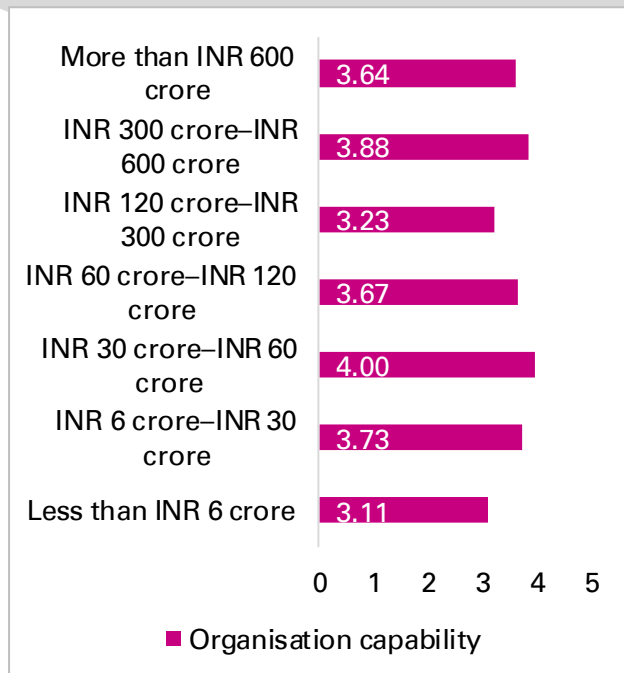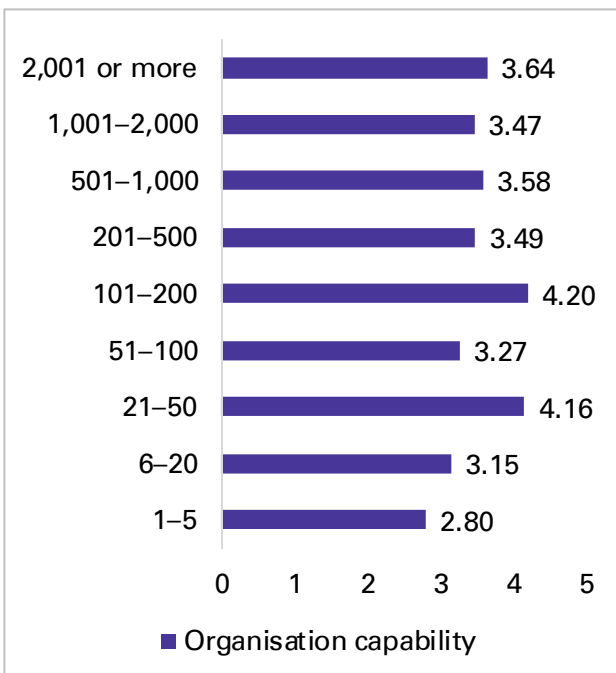Chairman & MD,
Kirloskar Brothers Ltd
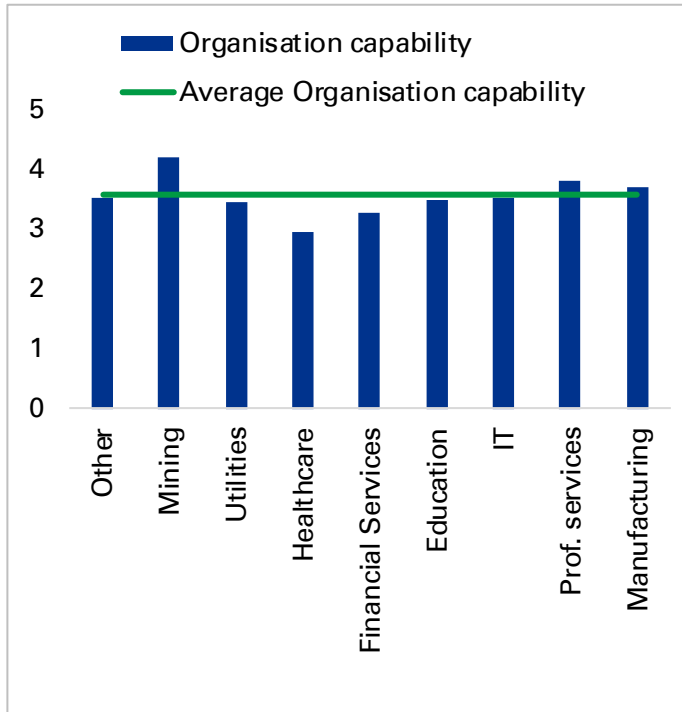
Key Findings

3.87

3.67

3.36

3.55
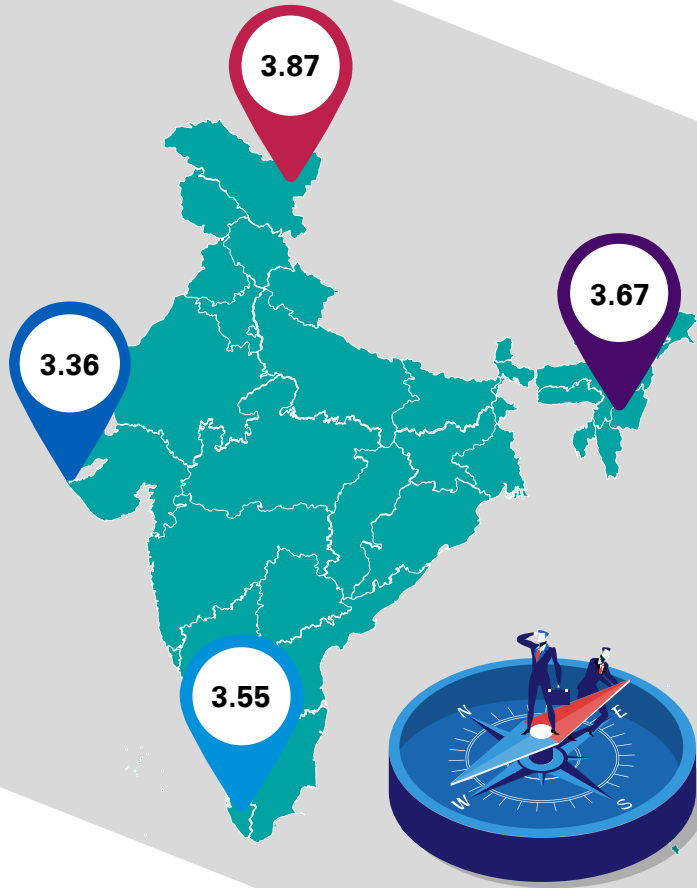
Organisational Capability is one of the key driving forces for an organisation to gain competitive advantage. The overall MCDI score for this dimension was pegged at 71.5 (Moderate).

Participants believe that not many organisations demonstrate strong commitment to continuous learning for both individuals and the organisation.

Participants from organisations with headcount between 101-200 have rated their management highest while those from organisations with headcount between 1-5 rated the lowest.

Headcount	Organisation capability
2,001 or more	3.64
1,001–2,000	3.47
501–1,000	3.58
201–500	3.49
101–200	4.20
51–100	3.27
21–50	4.16
6–20	3.15
1–5	2.80

■ Organisation capability

Revenue	Organisation capability
More than INR 600 crore	3.64
INR 300 crore–INR 600 crore	3.88
INR 120 crore–INR 300 crore	3.23
INR 60 crore–INR 120 crore	3.67
INR 30 crore–INR 60 crore	4.00
INR 6 crore–INR 30 crore	3.73
Less than INR 6 crore	3.11

■ Organisation capability

Organisation Capability has historically been among the lower rated dimensions in the MCDI survey. However, this year it was the lowest rated dimension in the survey. Despite being the lowest rated dimenion, the score was higher than that of the last 3 surveys.Respondents believed that organisations have a fairly sound understanding of the best practices to achieve goals and that management builds a culture of innovation and continuous improvement. However, the respondents want the management to demonstrate a stronger commitment to continuous learning.

Results for Key Aspects Analysed
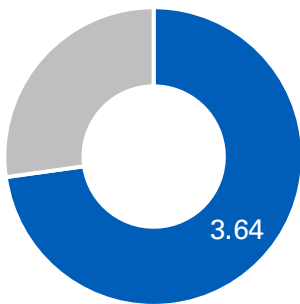
3.64

Management has a sound understanding of best management practices to achieve organisational goals and objectives

3.62

Management builds organisation capability, a culture of innovation, and a dedication to continuous improvement

3.58

Management brings about and maintains an organisation that encourages collaboration between departments, and does not rely solely on hierarchy to achieve its goals

3.56

Management effectively balances strong effective teams with autonomous individuals

3.46

Management demonstrates strong commitment to continuous learning for both individuals and the organisation

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- 3.51 – 4
- 3.01 – 3.5
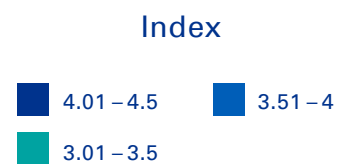
Application of technology and knowledge

> **Knowledge sharing and technological innovation are the outcome of trust, training, and good communication between associates and organisations.**

Knowledge and talent are irreplaceable assets of any organisation, and their effective use makes good organisations great. While every employee brings in his/her unique knowledge, skills, and expertise, it is the organisation's duty to facilitate continuous and seamless dissemination of knowledge uniformly. Doing so not only adds value to the professional development of employees, and helps them to develop new collaborations and partnerships, but it also increases the productivity of the organisation. It creates a win-win situation for both, the employees and the employer! Let us look at the importance of creating a culture that encourages a seamless flow of knowledge and how technology is enabling this.

Information and Knowledge - Assets of the Digital World

It's said that what cannot be measured cannot be managed and cannot be improved. Information & knowledge are the biggest assets in the digital world. Indeed, knowledge management is one of the top factors affecting the growth and success of any organisation and recent times have further reiterated this. It has been proven beyond doubt that a healthy and free-flowing knowledge exchange in any organisation forms the cornerstone of innovation and creativity. Hence, we must aspire to unearth tacit knowledge from our surroundings and amongst ourselves, share it widely and develop best practices so that everyone can benefit from it. The idea is simple - connect, translate and mediate between the different worlds of academia, business and policy to create novel experiences for everyone.

Role of Technology in Enabling Seamless Knowledge Sharing and Collaboration

Today, we are fortunate to be in the midst of a revolution, which is inter-twining the physical and digital worlds to create an interconnected global value chain. However, to make the most of this technology, we need to create a knowledge-sharing culture that can create value for the end-users. The inevitable workplace disruption caused by the COVID-19 pandemic has compelled employers globally to grapple with the unconventional work modes and adjust to them. As human beings, we are driven by our natural instincts of curiosity, communication, and the need to make new relationships with ourselves and the people around us. It is important to keep that streak alive. The pandemic has definitely changed the way we work and do business. Technologies such as Metaverse, Augmented Reality and Virtual Reality are also enabling mixed-reality immersive experiences, which can add value to the physical mode of interactions and networking. We are now at the threshold of a rapidly changing, uncertain, paradoxical, and tangled (RUPT) world and digital technologies play a key role in collaborative disruption to survive and thrive in this world. They humanise businesses and workplaces by helping people think, connect, communicate, and act better than before.

Technology is indispensable to drive knowledge management robustly. Most importantly, we must remember that knowledge sharing and technological innovation are the outcome of trust, training, and good communication between associates and organisations. *Hence, accept technology as a rule, not as a ruler - be humane!*

CP Gurnani
Managing Director & CEO, Tech Mahindra Ltd.

Key Findings

4.00
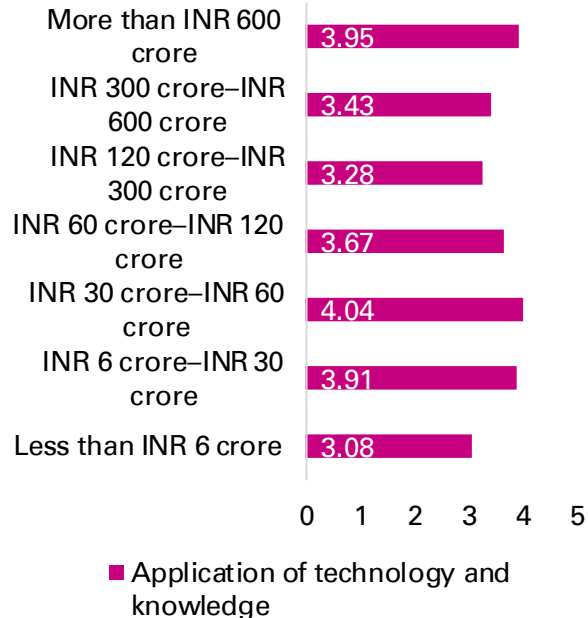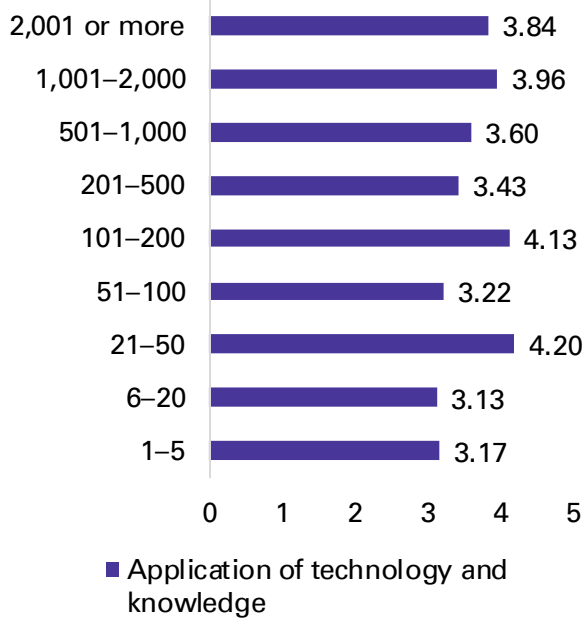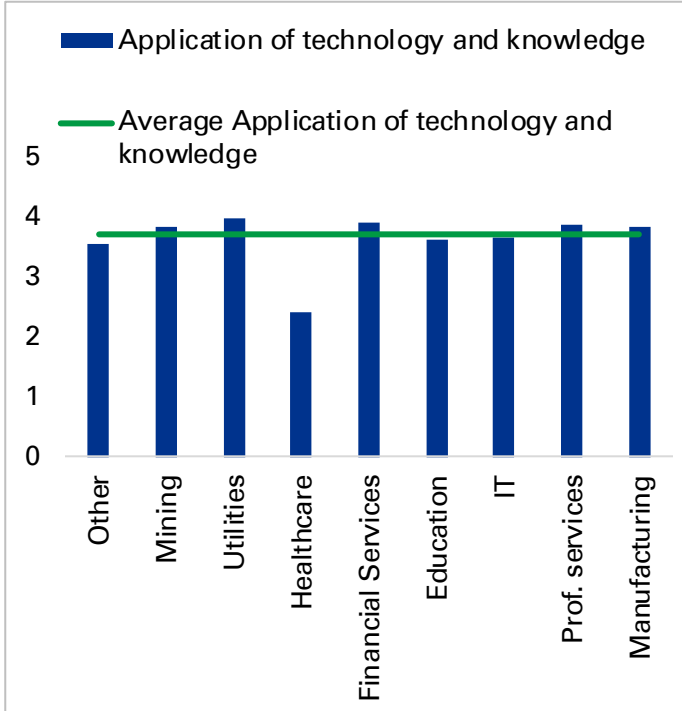
3.36

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3.81
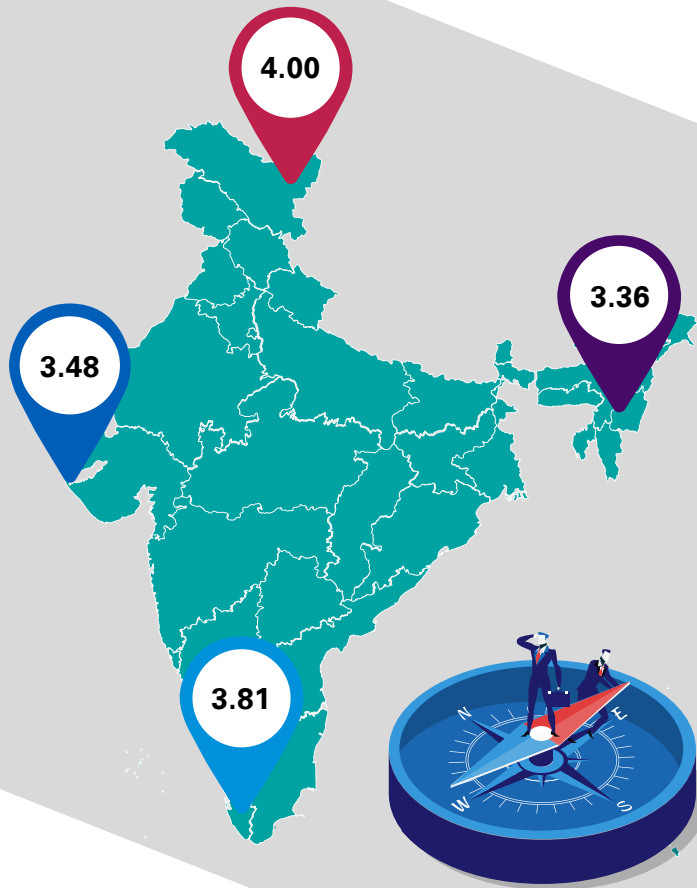
Application of technology and knowledge provides a better interactive experience to the employees. The overall MCDI score for this dimension was pegged at 74.0 (Moderate).

Participants from Utilities and Financial Services are most confident while those in healthcare are least comfortable of their management's ability in this dimension.

Participants from organisations with headcount between 101-200 have rated their management highest while those from organisations with headcount between 1-5 rated the lowest.

COVID-19 has resulted in an additional emphasis on digitisation and application of technology. To ensure remote working does not affect organisation productivity, companies invested in technologies and advanced the timelines of their digitisation goals. As a result, the overall MCDI score for application of technology and knowledge was higher than those of the past 3 surveys, continuing the upward trend of the past 3 surveys.

Headcount	Application of technology and knowledge
2,001 or more	3.84
1,001–2,000	3.96
501–1,000	3.60
201–500	3.43
101–200	4.13
51–100	3.22
21–50	4.20
6–20	3.13
1–5	3.17

■ Application of technology and knowledge

Revenue	Application of technology and knowledge
More than INR 600 crore	3.95
INR 300 crore–INR 600 crore	3.43
INR 120 crore–INR 300 crore	3.28
INR 60 crore–INR 120 crore	3.67
INR 30 crore–INR 60 crore	4.04
INR 6 crore–INR 30 crore	3.91
Less than INR 6 crore	3.08

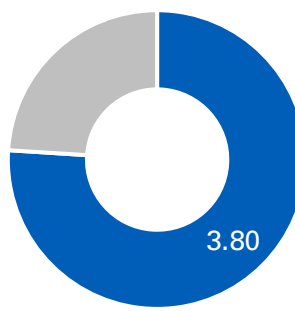■ Application of technology and knowledge

Most people believe that the management understands the value and application of technical knowledge and expertise in organisations as well as the impact of technology on organisations and processes. However, there still seems to be a significant scope of improvement when it comes to application of effective knowledge and information management systems.
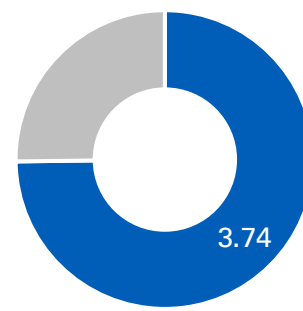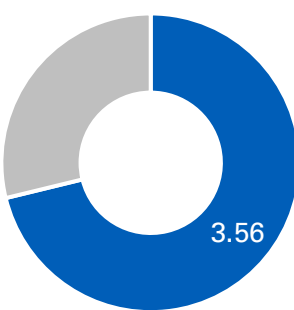
Results for Key Aspects Analysed
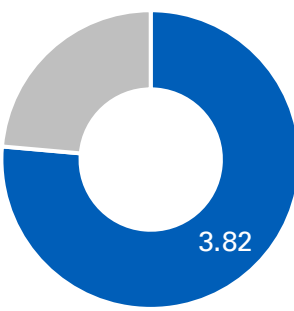
3.82

Management understands the value and application of technical knowledge and expertise in organisations
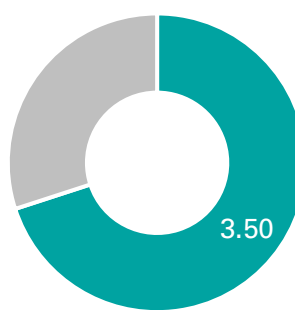

3.80

Management understands the impact of technology on organisations and on processes

3.74

Management leverages information technology to bring about a knowledge-driven organisation

3.56

Management practices knowledge management and promotes a learning organisational culture

3.50

Management applies effective knowledge and information management

Index

■ 4.01 – 4.5   ■ 3.51 – 4
■ 3.01 – 3.5
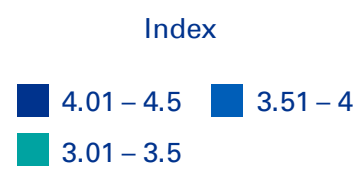
External relationships

> Successful organisations derived much of their success from maintaining a fruitful relationship with the various concentric circles connected with their business.

Myriad external factors are reshaping the world that we knew, and the data that was used to take decisions in the past is now becoming less relevant.

Unpredictable business cycles, Black Swan events like pandemics, corrosive climate change events, toxic geopolitical events, ever-progressing competition, and rapidly evolving technologies have combined to make the global business environment fluid and uncertain. Consider for example the influence of technology; over the last two decades, there has been exponential progress in R&D, product design and processes have been upgraded, while technology has completely reshaped consumer engagement through augmented connectivity.

In this environment of shift, change and churn, firms must constantly aim to become more adaptable; they also need to review their business models and align these to a digital future. The ramifications for organisations are obvious. From being merely firm-centric, strategy must be reshaped to become ecosystem-centric and outside-in by default with an emphasis on dynamic relationships, collaborations, and external ties.

Of course, it could be argued that many firms and organisations have followed a stakeholder approach for decades. Successful organisations derived much of their success from maintaining a fruitful relationship with the various concentric circles connected with their business, be it clients, business partners, government, legal bodies, financial institutions, industry associations, regulators etc. Such external stakeholders may or may not have been directly involved in the market, but they certainly influenced how the business functioned in the market.

However, several such relationships were maintained and practiced in a less robust and possibly non-transactional manner. Now, as organisations increasingly look to optimise resources in an uncertain world, external relationships and parlays must be managed in a way that organisations can derive value, instead of exhausting time and resources without any productive results.

The time has now come to make external ties more vigorous and where possible metric-based and outcome-driven, so they can deliver additional value and create long-term sustainability. To be sure, the external relationships would have to be shaped by an organisation's priorities; therefore, the essential goal of external strategy must be to identify, develop and strengthen relationships in spheres and domains that matter the most.

While growing, managing and leveraging such external relationships was relatively easier in a stable environment, it is common to see associations with partner firms getting disrupted in today's pandemic-induced world. Yet herein lies the opportunity to re-evaluate an organisation's business relationships in a manner that they become more contextual and appropriate.

When organisations question convention, establish new ties, rearrange old ones, think laterally and explore unchartered terrains — in other words, when they begin inculcating the culture of disruption that startups are pioneering—they become better equipped at facing the future.

Sunil Kant Munjal
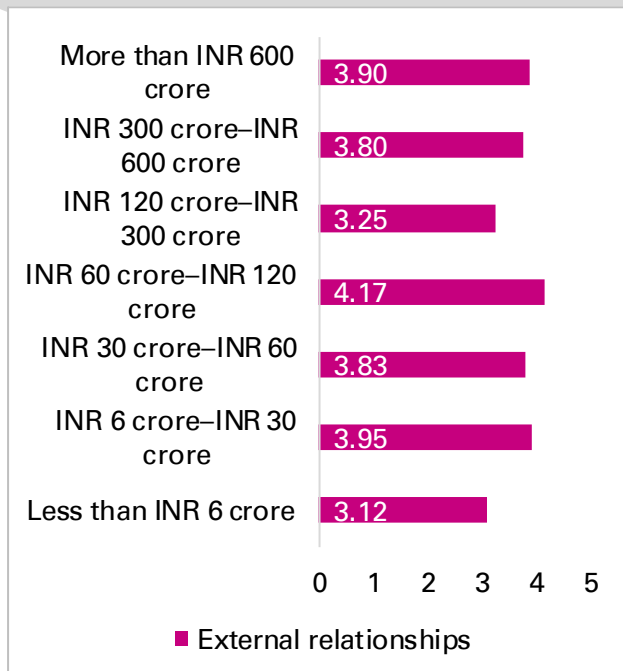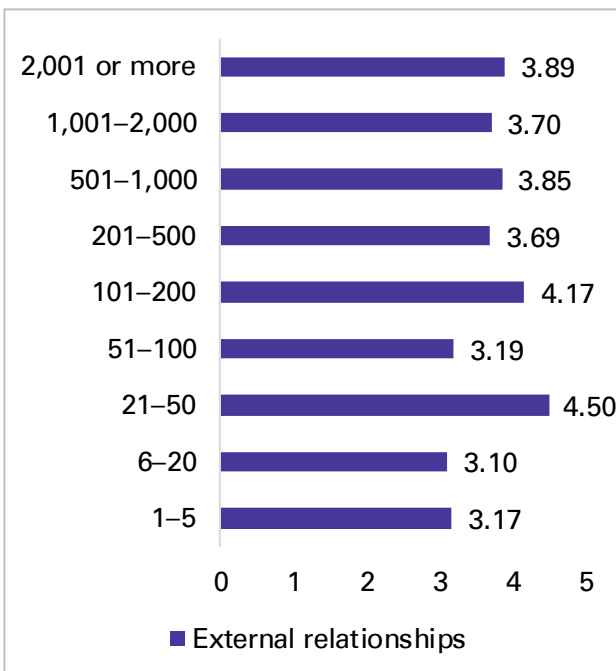Chairman, Hero Enterprise

Key Findings

3.93

3.53

3.66

3.82
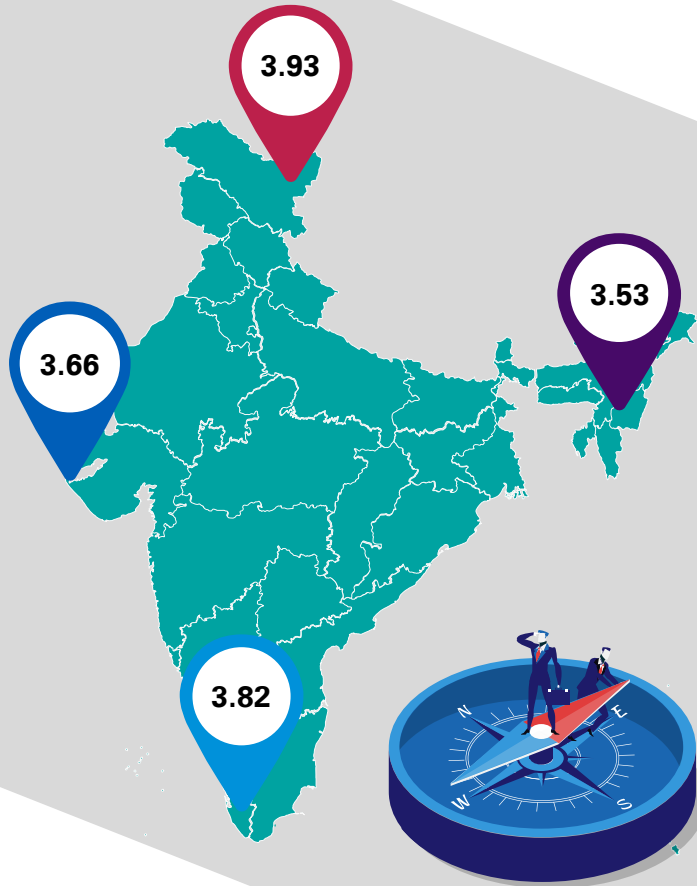
External relations help a firm to make better products that meet customer needs resulting in a better fit with the overall market. The overall MCDI score for this dimension was pegged at 75.3 (High).
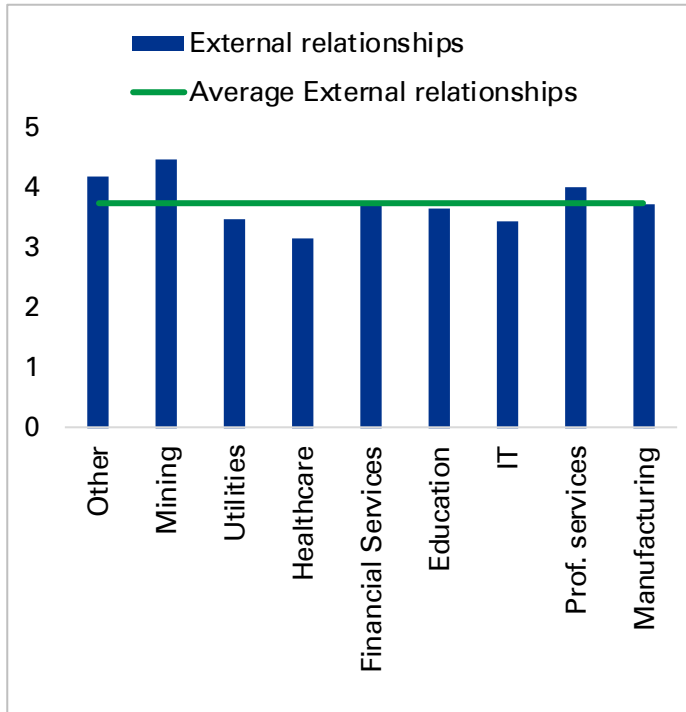
Participants believe that not many organisations encourage employees to engage with external stakeholders.

Participants from organisations with headcount between 21-50 have rated their management highest while those from organisations with headcount between 6-20 rated the lowest.

Respondents believe that the capability of their organisations in maintaining and building external relationships has increased. The dimension continues its upward trend of the past 2 surveys surpassing the previous scores and almost reaching the high score of 2011 MCDI survey.

Headcount	Score
2,001 or more	3.89
1,001–2,000	3.70
501–1,000	3.85
201–500	3.69
101–200	4.17
51–100	3.19
21–50	4.50
6–20	3.10
1–5	3.17

■ External relationships

Revenue	Score
More than INR 600 crore	3.90
INR 300 crore–INR 600 crore	3.80
INR 120 crore–INR 300 crore	3.25
INR 60 crore–INR 120 crore	4.17
INR 30 crore–INR 60 crore	3.83
INR 6 crore–INR 30 crore	3.95
Less than INR 6 crore	3.12

■ External relationships

External relationships
Average External relationships

Categories: Other, Mining, Utilities, Healthcare, Financial Services, Education, IT, Prof. services, Manufacturing
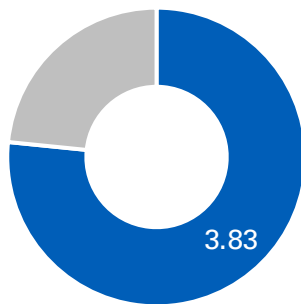
The respondents believed that the organisation ensures having a positive external image through building effective relationships with all stakeholders. They also believe that the organisations take community and social initiatives to build a positive eternal image. However, the survey indicates that organisations are averse to encouraging their employees to engage with external stakeholders.
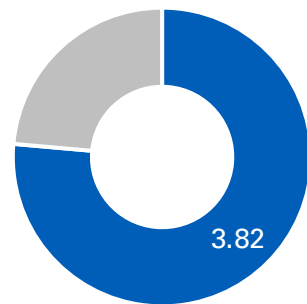
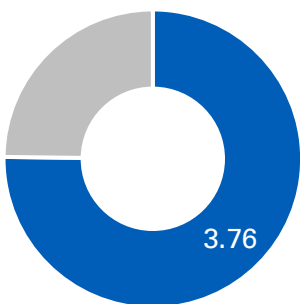# Results for Key Aspects Analysed
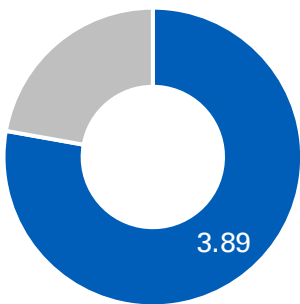
3.89

Management ensures the organisation has a positive external image through building of effective relationships with all stakeholders including customers and suppliers
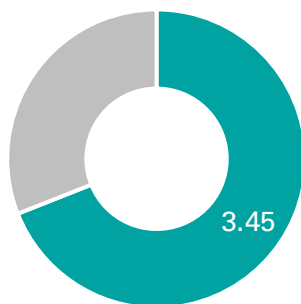
3.83

Management ensures the organisation has a positive external image through the fulfilment of community and social obligations

3.82

Management maintains networks and spheres of influence with stakeholders

3.76

Management develops networks and spheres of influence with stakeholders

3.45

Management encourages employees to engage with external stakeholders

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■ 3.01 – 3.5

Integrity and Corporate Governance

> Long gone are the days when corporate governance was limited to adherence to legislations and regulations. Modern corporate governance revolves around demonstrating the organisation's values to the shareholders and the community

Corporate Governance aims to steer an organisation to achieve the desired vision and mission. Given the current challenges and complexity in business environments, the Corporate Governance framework, underpinned by the principles of trust and integrity, helps directors and management to navigate the increasing complex business landscape to unearth the value creation while balancing the interests of various stakeholders.

It is well understood that good corporate governance supported by right values, can become a competitive advantage for organisations in the long run. Good corporate governance is lot more than enforcing compliance, it is a vital tool for value creation and sustainability. Most organisations today are aware that a robust corporate governance is necessary to grow sustainably and have made structural & process changes on how the board operates. Other focus areas for organisations include increased collaboration between management and board, board composition including diversity, transparency & disclosure of information, strengthening the decision-making process and guidelines. It is also important to highlight that the often-invisible culture promoted by workings and processes must promote trust, cooperation, and efficiency.

There are numerous advantages of having good corporate governance.

Enhanced Performance - A robust corporate governance framework promotes quality decision making, succession planning, and execution of activities efficiently which translates into increased share prices or profits.

Increased Investor Trust - Investors are willing to pay premium where corporate governance, integrity and trust is high. Companies are aware that they may be exposed to reputational risks if they fail to meet the standards of good corporate governance.

Combating Irregularities and Corruption - Effective corporate governance guided by a set of values like accountability, transparency, trust, integrity, fairness reduces irregularities, malpractices, corporate crisis, and corruption.

Moreover, long gone are the days when corporate governance was limited to adherence to legislations and regulations. Modern corporate governance revolves around demonstrating the organisation's values to the shareholders and the community, it also increases the management capability index which inspires trust and increases the bottom line. Also, in the present day, corporate governance is a pivotal pillar of ESG investing and hence is a barometer that informs investors about how the company prioritises financial returns as well as how it treats the environment and its stakeholders.

Yet, no matter how comprehensive the corporate governance framework is, it cannot cover every situation. In such instances, good corporate governance is dependent on integrity of the board, management, and individuals. Integrity is a virtue that needs to be practiced and nurtured right at the top to drive a culture that promotes decision making, even in ambiguous situations. Such consistent actions will inspire confidence and build trust of customers, shareholders, and employees. Further, in an increasingly hybrid way of working where interactions have become virtual, the organisation's cultural values assume an even more important role to guide daily actions.

Finally, in simple terms, beyond regulations, it is about being courageous to speak and present the truth, even amid the most challenging times. This ethos and high standards are critical to developing institutions that outlive their founders and is the finest form of contributing to nation building.

Preetha Reddy
Executive Vice Chairperson, Apollo Hospitals Enterprise Ltd
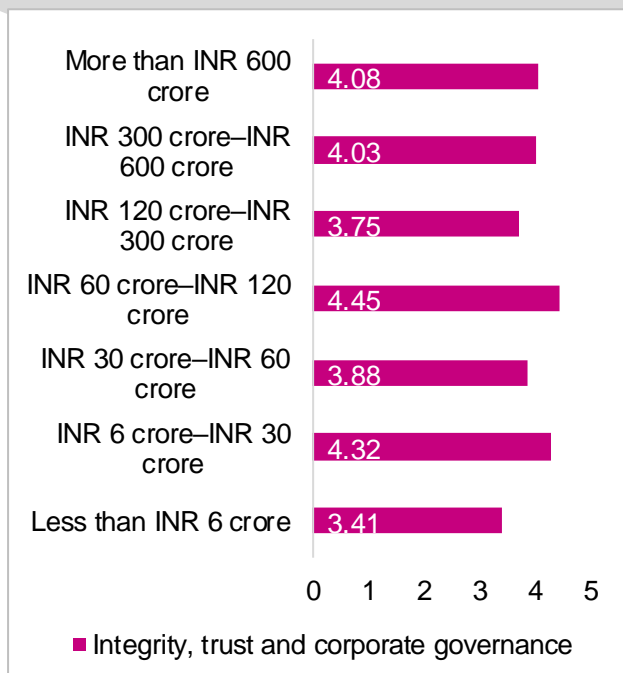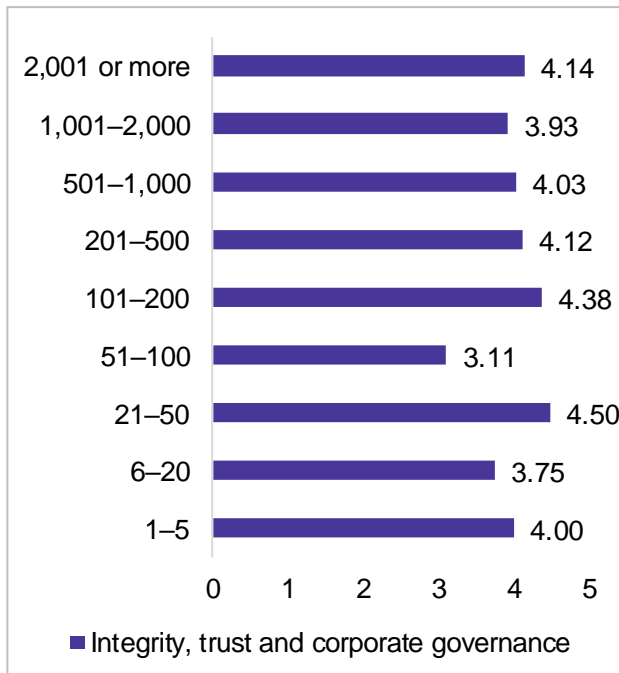
Key Findings

4.32

3.94

3.78

3.89
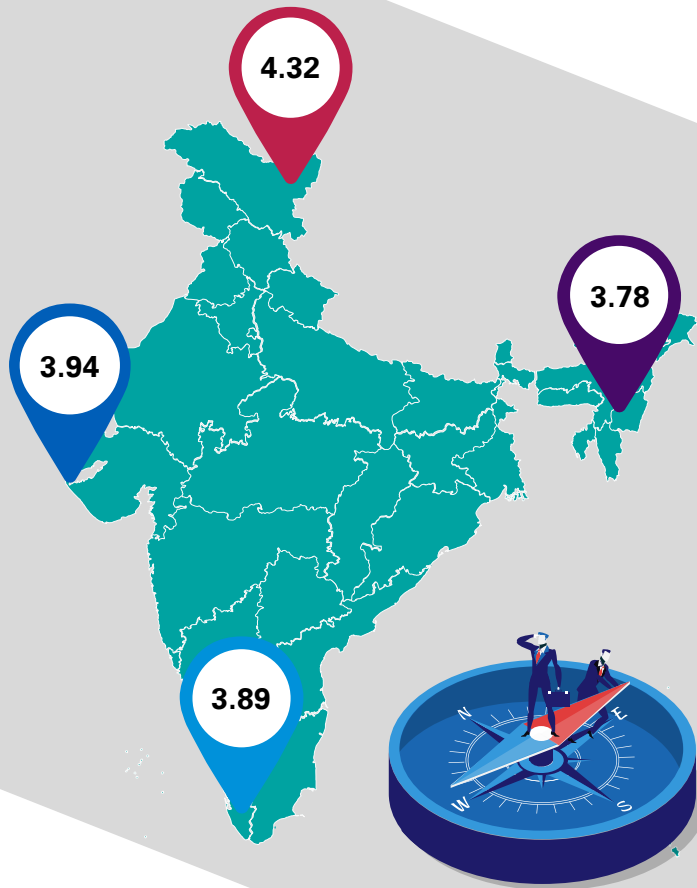
Integrity and Corporate Governance ensure internal control and foster an environment of positive behaviour in the firm. The overall MCDI score for this dimension was pegged at 80.4 (High).

Participants are in sync that the organisation practices integrity, honesty and ethical behaviour as it is necessary for sustained success

Participants from Utilities and Professional Service are most confident while those in IT are least comfortable of their management's ability in this dimension.

Integrity and corporate governance have always been amongst the highest rated dimensions of the MCDI survey. In this edition of the survey as well, it is the highest scored amongst all dimensions. Respondents scored this dimension higher than any of the previous surveys – even surpassing the high score of the 2011 edition.

	Integrity, trust and corporate governance
2,001 or more	4.14
1,001–2,000	3.93
501–1,000	4.03
201–500	4.12
101–200	4.38
51–100	3.11
21–50	4.50
6–20	3.75
1–5	4.00

	Integrity, trust and corporate governance
More than INR 600 crore	4.08
INR 300 crore–INR 600 crore	4.03
INR 120 crore–INR 300 crore	3.75
INR 60 crore–INR 120 crore	4.45
INR 30 crore–INR 60 crore	3.88
INR 6 crore–INR 30 crore	4.32
Less than INR 6 crore	3.41

Integrity, trust and corporate governance

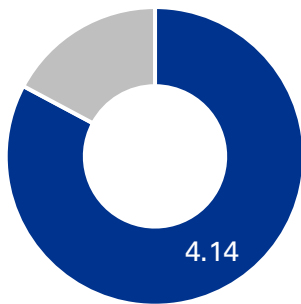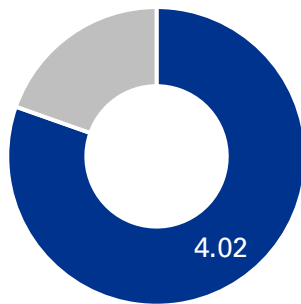Average Integrity, trust and corporate governance

Respondents strongly believe that their organisations practice integrity, honesty and ethical behaviour and adhere to legislations, regulations and guidelines in administering business. They strongly believe that organisations understand ethical principles when making decisions with reference to the organisation's affairs.

It is particularly refreshing to see organisations continue their commitment to ethical and honest practices despite the tough business challenges posed by the recent pandemic.
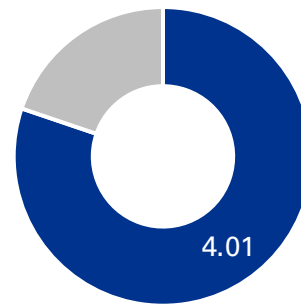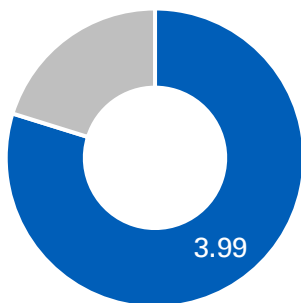
Results for Key Aspects Analysed

4.14

The organisation practices integrity, honesty and ethical behaviour as is necessary for sustained success

4.02

Management and employees adhere to legislation, regulations and guidelines in administering the business of the organisation

4.01

Management and employees understand ethical principles when making decisions with reference to the organisation's affairs

3.99

The organisation promotes an established standard of ethical behaviour for directors, management and employees based on a code of conduct

3.95
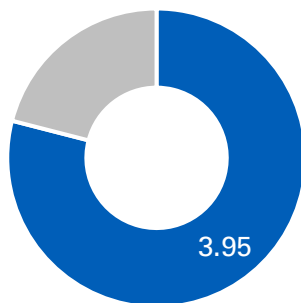
Management and employees follow ethical rules and procedures for making decisions

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■ 3.01 – 3.5

Innovation and adaptability

> Innovation and adaptability have a symbiotic relationship, and the difference between businesses thriving or struggling to stay relevant is now dependent on whether adapting to change is proactive or reactive

When the winds of change blow, they sweep away the past and expose the New. 250 years ago, the Industrial Revolution changed the world and catapulted Europe into dominance. It heralded the Age of the Machine and brought in unprecedented prosperity for humanity. Today we have seen the arrival of the Digital Revolution with a bang during the Pandemic. Over the past 20 years Technology and Innovation have been changing the world but the full impact was seen by all during the Pandemic. Suddenly the world changed and over 50% of humanity used Digital Technology for their very survival and the system responded with alacrity. Innovation and adaptability are the building blocks in the Digital world, where there is very rapid change, and nothing is predictable.

The pandemic has accelerated the rate of change at a pace not seen before. The digital transformation which may have taken years, took place overnight and businesses with innovation and agility in their DNA have thrived. As systems, policies and databases were revamped and made virtually accessible almost overnight to ensure business continuity, human habits changed almost overnight. We not only adapted to an almost entirely virtual mode of being, but we also devised ways to embrace it. A plethora of ideas that seemed implausible became ingrained in our daily lives to drive connectivity, enable socialisation, and enhance productivity.

Sectors like education, banking and retail which rely predominantly on physical touchpoints, were forced to innovate and adapt at a rapid pace. In schools and colleges, teaching pedagogy has moved to a broadcast approach, tablets have replaced books, anytime videos supplement classroom lectures and digital simulations are providing a lifelike practical experience to the most remote areas of the world. Robust learning platforms were developed, teachers and students were reskilled to meet the needs of the digital age; and thus, dawned the new era of a ubiquitous learning system. The disruptions have not only provided an opportunity to democratise learning but have also highlighted the inadequacy of physical infrastructure.

Innovation and adaptability have a symbiotic relationship, and the difference between businesses thriving or struggling to stay relevant is now dependent on whether adapting to change is proactive or reactive. The pertinent question that faces both organisations and individuals now is how to remain ahead of the curve.

Post the second wave of COVID-19, all offices and institutions across the nation started rolling out plans for a 'return to normalcy', but how do we define what is normal now? Could we go back to the pre-Covid era of offline working and learning? There is a need for innovative practices on an extensive scale to create a hybrid environment for safe yet efficient operations of all the offices and institutions.

More than 50% of the companies amongst the world's 10 largest companies by market cap, are organisations that are at the forefront of technology and innovation; and if our history is any indication of our future, the rate of innovation in the coming decades will accelerate beyond anything we have seen. We are living in exciting times, where the willingness to innovate, adapt and embrace change dictates not just success, but also our survival. Those who are agile and adapt will be the winners.

TV Mohandas Pai
Chairman, Manipal
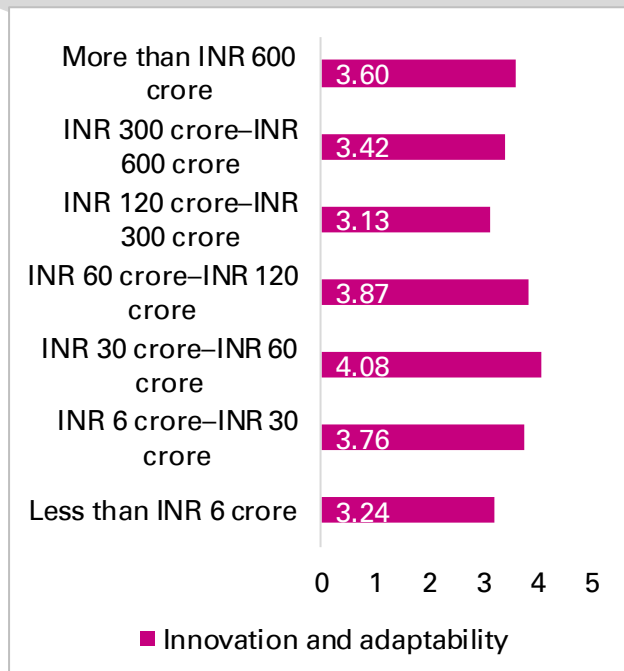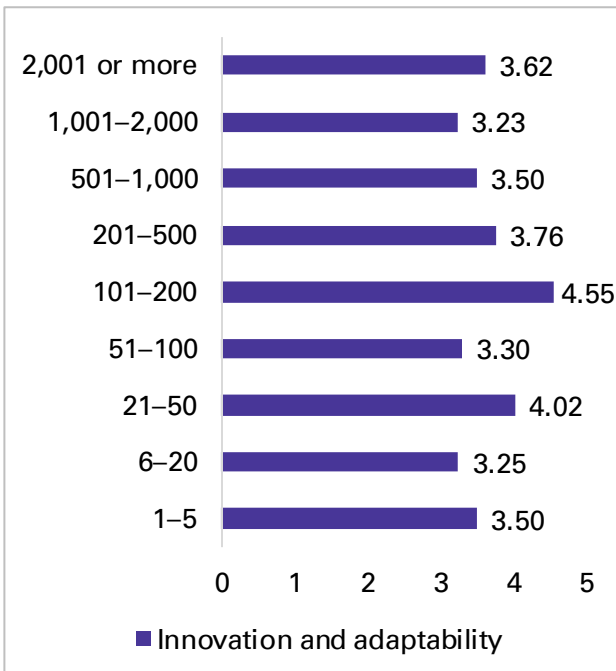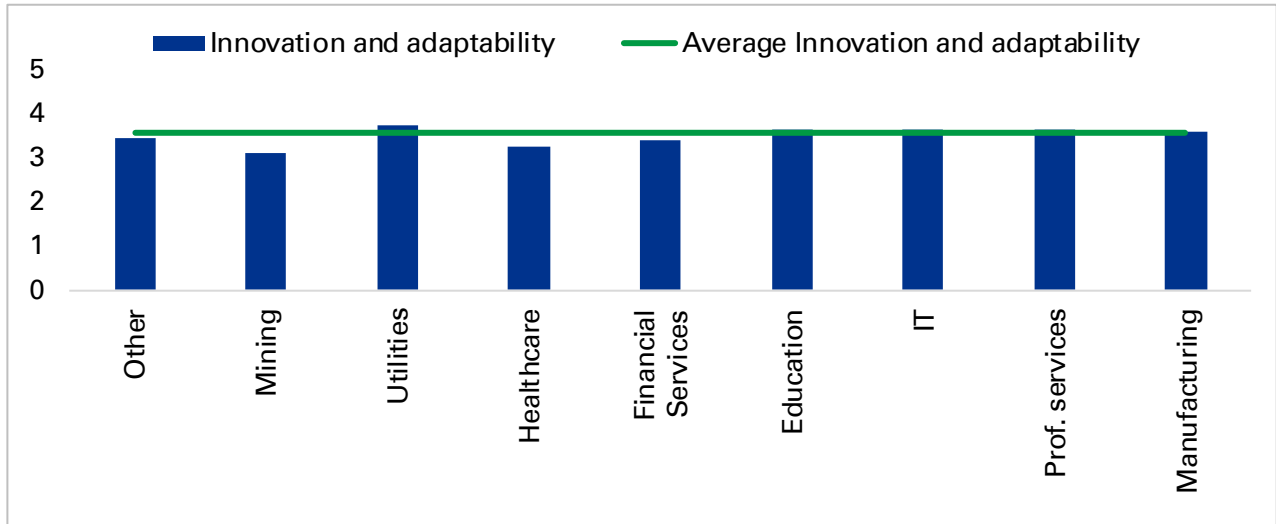Global Education
Services Pvt Ltd

Key Findings

3.77

3.68

3.37

3.69
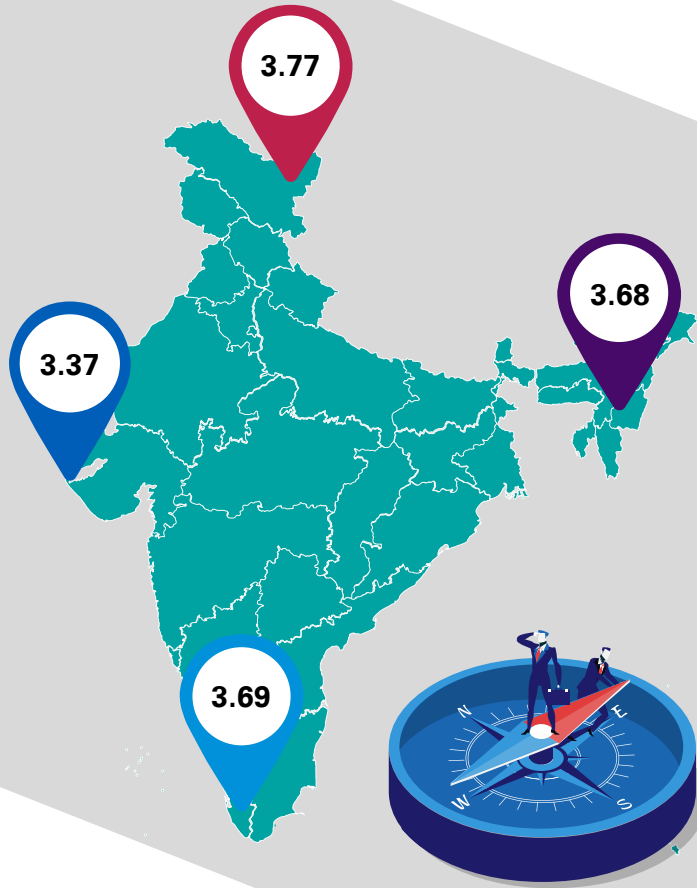
Organisation's ability to foster a culture of innovation is an important factor in ensuring organisations not just survive but thrive in these ever-changing times. The overall MCDI score for this dimension was pegged at 71.6 (moderate).

Utilities, Education and Professional Services organisations were most confident in their capabilities while Mining organisations believe they have a large scope of improvement in this dimension.
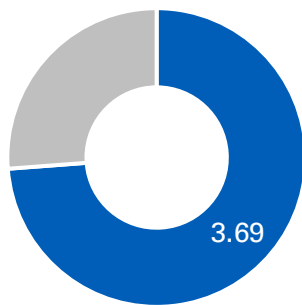
Organisations believed that there is a large scope of improvement for their management to effectively find ways to commercialise ideas with regard to innovation.

While the score for innovation and adaptability improved over the previous survey, it was still lower than the 2016 survey score. Innovation and adaptability was among the lowest scored dimensions in this year's survey. Participants believed that organisations recognise innovation as an important aspect of business. They reported that organisations frequently incorporate feedback received from customers. However, organisations need to identify effective ways of commercialising innovative ideas.

Employees	Innovation and adaptability
2,001 or more	3.62
1,001–2,000	3.23
501–1,000	3.50
201–500	3.76
101–200	4.55
51–100	3.30
21–50	4.02
6–20	3.25
1–5	3.50

■ Innovation and adaptability

Revenue	Innovation and adaptability
More than INR 600 crore	3.60
INR 300 crore–INR 600 crore	3.42
INR 120 crore–INR 300 crore	3.13
INR 60 crore–INR 120 crore	3.87
INR 30 crore–INR 60 crore	4.08
INR 6 crore–INR 30 crore	3.76
Less than INR 6 crore	3.24

■ Innovation and adaptability

Results for Key Aspects Analysed
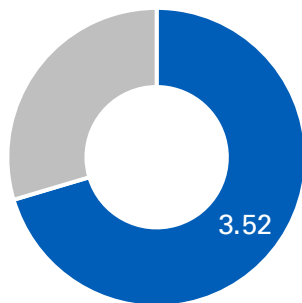

3.69

Management and employees recognize innovation as an important aspect of business. Innovation is part of the organisation's culture
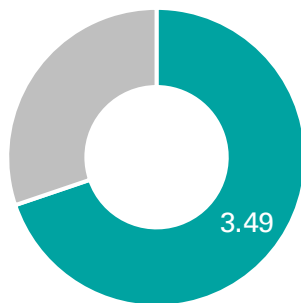

3.63

Management frequently incorporates customers' views and priorities into the innovation process

3.61
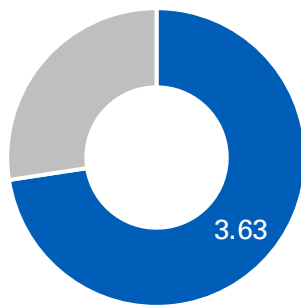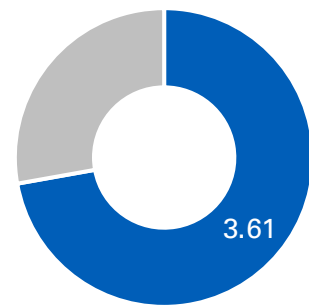
Management and employees create the climate to encourage continuous innovation in products and services

3.52

Management and employees support each other in risk taking in innovation

3.49

Management is effective at finding ways to commercialise ideas with regard to innovation

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■ 3.01 – 3.5

Focus on getting results

> The idea is to achieve results by setting SMART goals while also keeping the means to achieve these goals ethical, and within the purview of local rules and regulations.

The constantly evolving business environment with changing tax regimes, global trade pacts and natural occurrences like a pandemic have significantly altered the focus of organisations to alternate objectives and results in the coming years. The shift has enabled an objective based management of the organisation by its leaders. Top and bottom-line growth, customer acquisition, increasing presence or even employing a diverse workforce are becoming measurable results for an organisation's performance. Increasing competition within most of the industries globally has led to the evolution of management styles to achieve the result-oriented organisation performance.

Pre-determined targets and results can shape an organisation's short and long-term strategy, action plans and leadership responsibilities. It is important to lay emphasis on efficiency gains in processes, technology enabled functioning and development of individuals, to achieve results and maintain competitiveness. Result-oriented leadership can ensure a sense of accomplishment in the organisation upon achievement of the targets and also provide learnings and feedback for improving focus. However, the focus on achieving results can sometimes lead to increase in bureaucratic procedures and hierarchical operational delays by linking performance to objective results. The leaders need to fix their attention on achieving results for their functions or organisation by leveraging resources, maintaining an agile focus on the target and creating a culture of achieving the same with a sustainable approach. This will help in optimizing the efforts of workforce in a well-defined strategic direction.

An organisation needs to maintain mindfulness while building result orientation in the workforce by ensuring that attainable and realistic targets are set for their function. Quantitative targets that are challenging yet attainable, can drive motivation and performance in the workforce while achieving organisational goals. The focus however also needs to be on a macroscopic view of the organisation's

performance instead of short-term results. In addition, the organisation should also focus on personnel development and learning, while building risk management practices to create a sustainable and high performing organisation. Driving an organisation solely on result focus can in some cases lead to business malpractices, overturning risk management procedures or even lead to unethical practices. These challenges call for a balanced view of result orientation with a macro perspective of the organisation's long-term strategic intent. The idea is to achieve results by setting SMART goals while also keeping the means to achieve these goals ethical, and within the purview of local rules and regulations.

Leaders play a key role in building the result focus of the organisation by shaping policies, inculcating a result driven culture and establishing strong management practices with a view of attaining predetermined targets. They need to enable a result-oriented approach and build mechanisms to incorporate the evolving real-time results with the targets of the organisation.

A result-oriented focus enables leaders to drive performance of the workforce to attain timeline based quantitative organisational results, but it also calls for a balanced and long-term view of sustainable management practices that also bolsters qualitative development of the workforce which will in turn benefit both the organisation and its employees.

Nikhil Sawhney
Vice Chairman and MD,
Triveni Turbine Limited

Key Findings

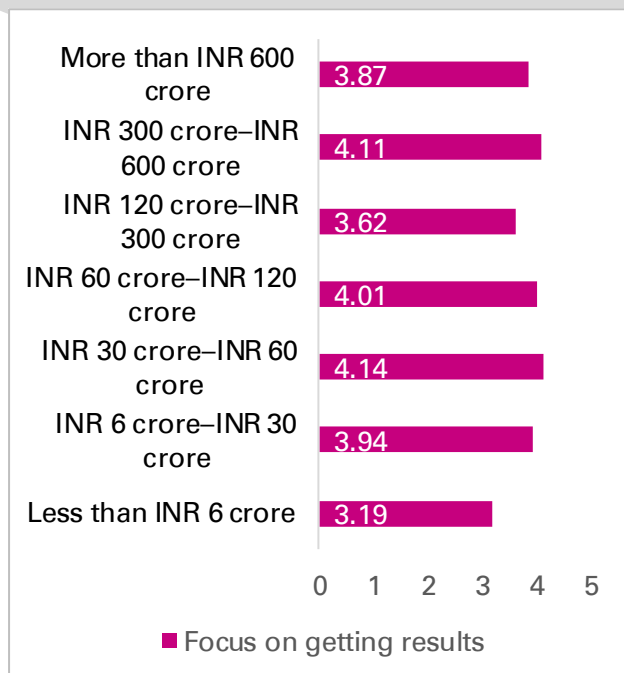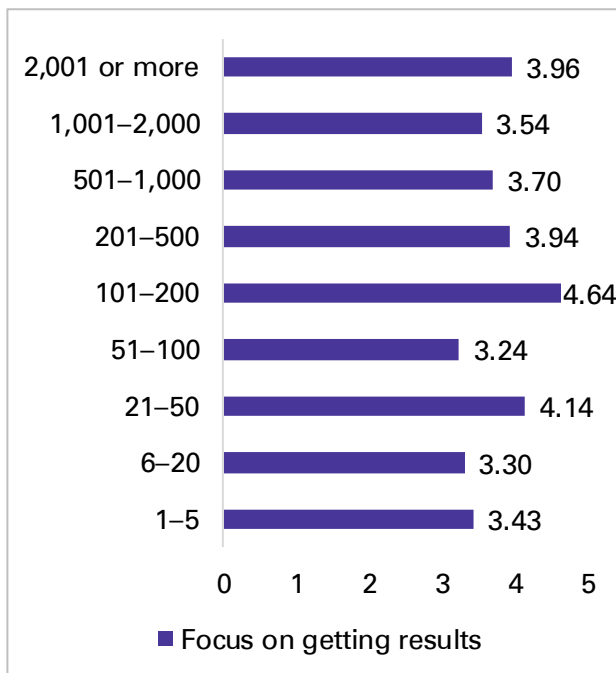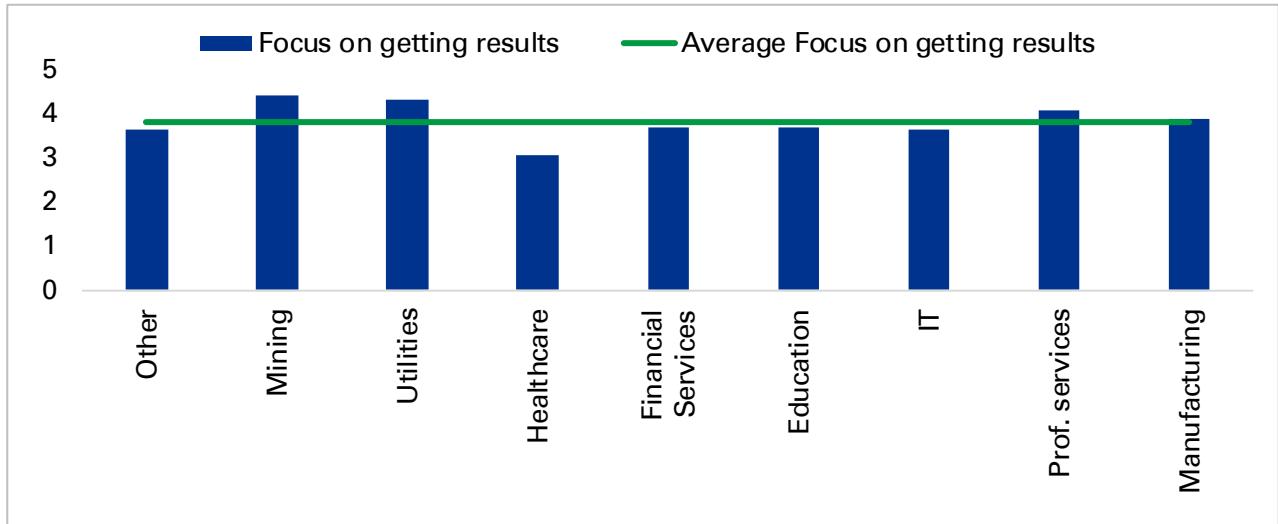**4.04**

3.29

3.65

3.90
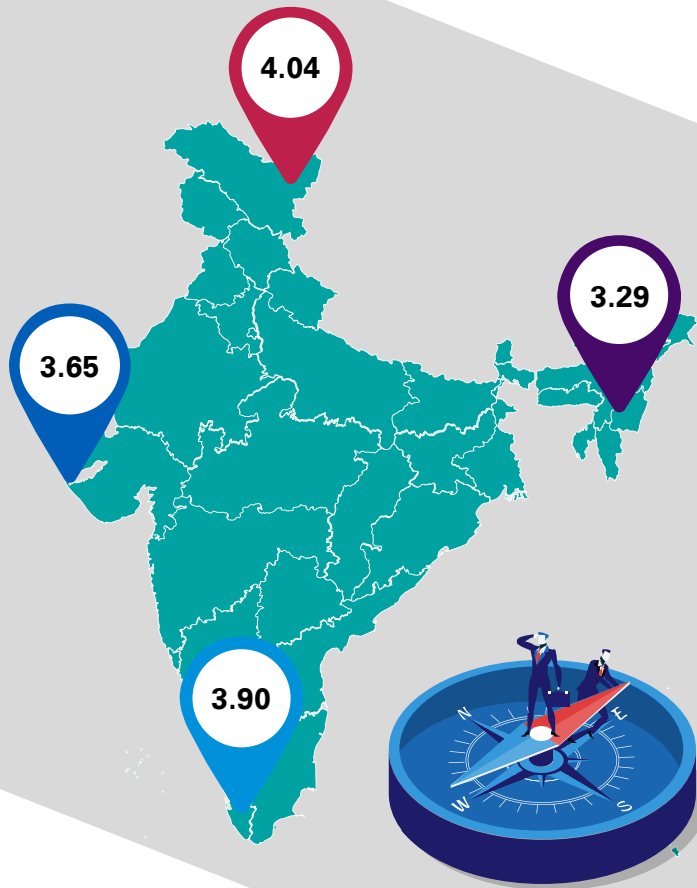
A strong focus on getting results when counterbalanced with ensuring results and, when the means used to attain the results are ethical and sustainable will build the foundations of organisations to be valuable and successful in the long term.

The overall MCDI score for this dimension was pegged at 76 (high). Organisations from North India rated themselves high, while those in East were least confident of their ability in this dimension.
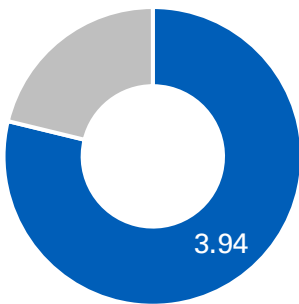
Despite seeing a rise in the MCDI score over the previous survey, respondents' score on focus of getting results did not cross the 2016 score.

Respondents believe that their organisations are able to build upon previous successes and lessons. While their management is able to establish desired results clearly, respondents believe that there needs to be improvement in defining clear strategies and activities to achieve these results. Participants also believed that providing and receiving frequent feedback is an area that organisations must work upon.

	Focus on getting results
2,001 or more	3.96
1,001–2,000	3.54
501–1,000	3.70
201–500	3.94
101–200	4.64
51–100	3.24
21–50	4.14
6–20	3.30
1–5	3.43

■ Focus on getting results

	Focus on getting results
More than INR 600 crore	3.87
INR 300 crore–INR 600 crore	4.11
INR 120 crore–INR 300 crore	3.62
INR 60 crore–INR 120 crore	4.01
INR 30 crore–INR 60 crore	4.14
INR 6 crore–INR 30 crore	3.94
Less than INR 6 crore	3.19

■ Focus on getting results

Legend: Focus on getting results — Average Focus on getting results

Categories: Other, Mining, Utilities, Healthcare, Financial Services, Education, IT, Prof. services, Manufacturing
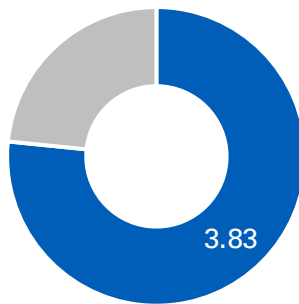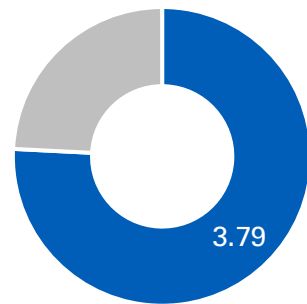
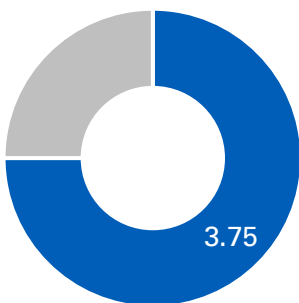# Results for Key Aspects Analysed

3.94

Management builds on previous successes and lessons

3.83
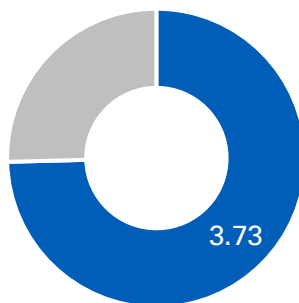
Management establishes the desired results clearly

3.79

Management has appropriate and effective metrics to measure desired results

3.75
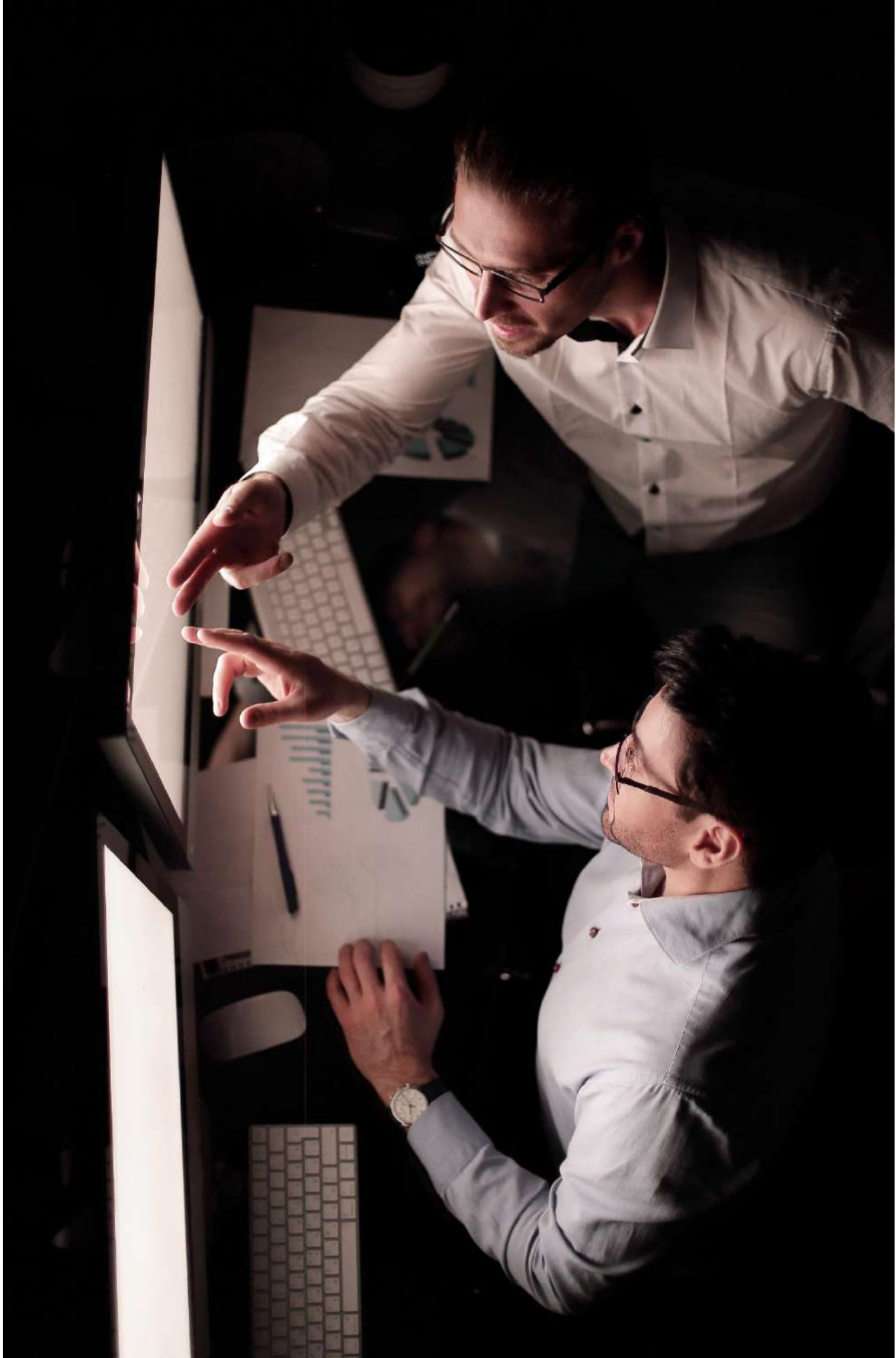
Management has a clear strategy and activities to achieve desired results

3.73

Management provides frequent feedback to teams

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■ 3.01 – 3.5

5

Impact of COVID-19 on Organisations

> Innovation and adaptability have a symbiotic relationship, and the difference between businesses thriving or struggling to stay relevant is now dependent on whether adapting to change is proactive or reactive

COVID-19 was an unprecedent event that changed the way companies operated overnight. Remote work setting, digital collaboration tools, employee reskilling, among others, transformed from just buzzwords to reality. Organisations were catapulted to realign their operating models, undertake transformation of systems and processes to cut operating expenses, impart digital skills to employees at a massive scale and explore the role of gig workforce.

Organisations are now discovering the benefits of this forced reality and are considering 'The Great Reset' to be a blueprint for the long term to safeguard from other potential setbacks. To realise this in a sustainable manner, organisations should continue to build an employee centered working ecosystem by focusing on the following broad areas.

1. Employee wellbeing: Diagnose and understand the short term and long-term risks to employees' health. Organisations must curate personalised employee assistance policies that cover regular health consultations and insurance plans, and also ensure better work life balance, mandatory time offs, mental health wellbeing programmes, medical services, and the like

2. Financial support: In addition to physical and mental wellbeing, organisations should accept their expanded role as a social safety net. For employees, financial insecurity is being viewed as one of the biggest concerns and this has been further aggravated due to crisis led business downsizing causing job losses. Organisations can address these financial vulnerabilities by offering enhanced/ extended paid sick leaves, increased financial assistance, better job security etc.

3. Adopting a hybrid model: The inherent nature of work varies across industries. While complete remote working is possible in some technology-based industries, other industries like Professional Advisory Services, Education and Training, Banking etc. require regular human interface. Hence, organisations in these industries should adopt hybrid working models to realise maximum employee productivity while maintaining the critical success factors of businesses.
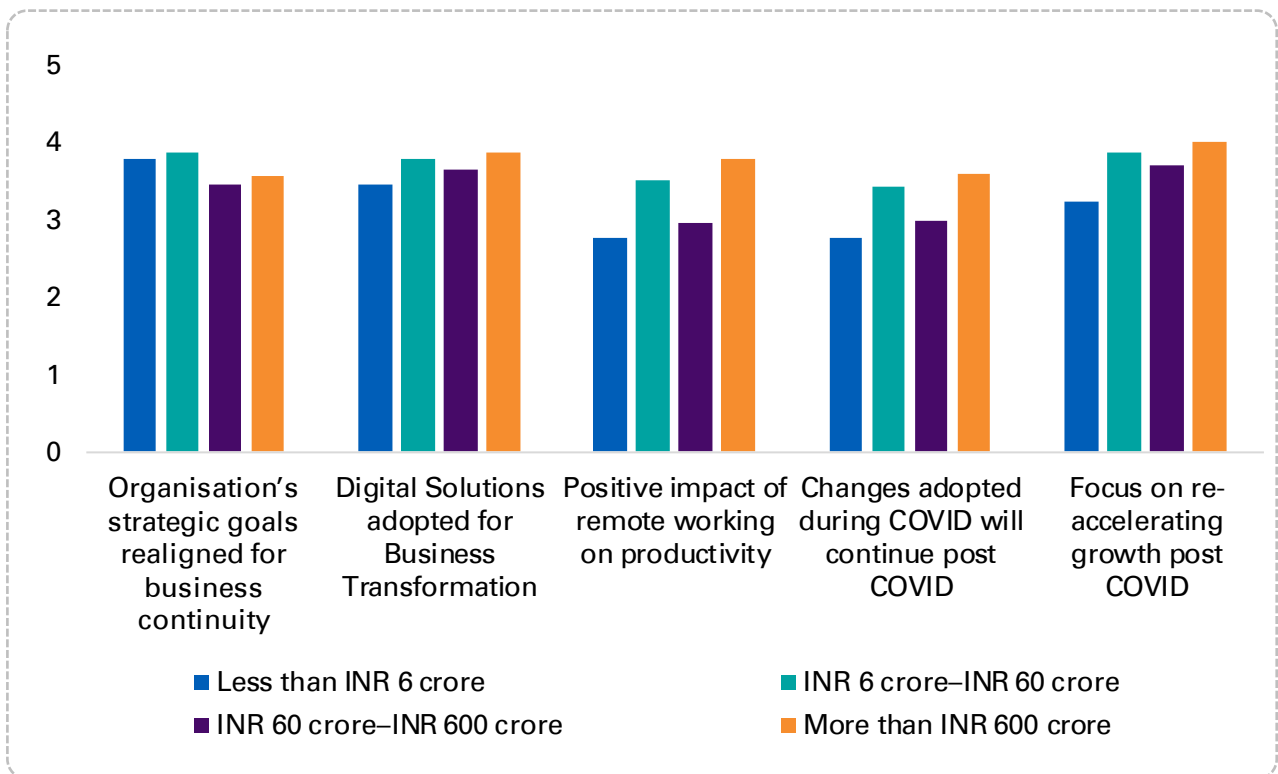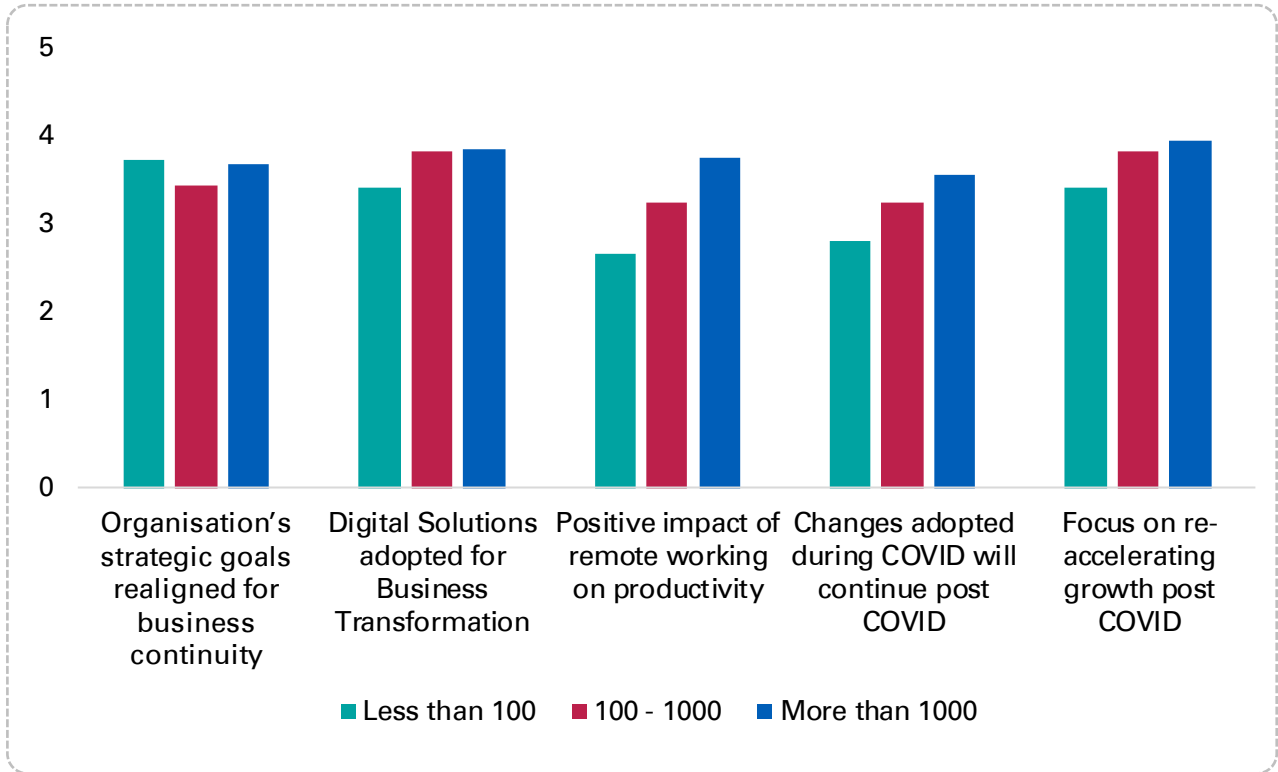
4. Gig and liquid workforce expansion: As a cost saving measure that also enhances workforce management flexibility, organisations may pivot to adopting gig workforce strategy. This is especially critical for industries which are seasonal by nature and are prone to be disrupted by crisis. Thus, organisations may look to responsibly engage gig workforce to fill critical vacancies and technical expertise gaps. Another area which is going to gain ever more significance is liquid workforce. As companies get to grooming role holders to don different hats at different times, companies should keep an eye on remodeling performance management mechanisms that are compatible with the evolving ways of working.

5. Workforce protection: The tenet of any employee centered workplace system is to protect the livelihood of employees against any external pressures. Organisations can look to achieve that by reimagining layoffs and implementing alternate measures, some of which could be giving mandatory personal time off, resorting to unpaid leaves or redeploying employees to other roles within organisation or across industries through reskilling.

As we progress through the pandemic and organisations make grand pivots in business; the human capital at play is going to make a stark difference in the long run. Organisations that keep their employees and their capability development on the closest ring in the radar are more likely to go a long way.

Shrinivas Dempo
Chairman,
Dempo Group of Companies

Observations

Less than 100   100 - 1000   More than 1000

Less than INR 6 crore   INR 6 crore–INR 60 crore
INR 60 crore–INR 600 crore   More than INR 600 crore

COVID-19 disrupted the business plans of most organisations and forced everyone to relook at their priorities and strategies.
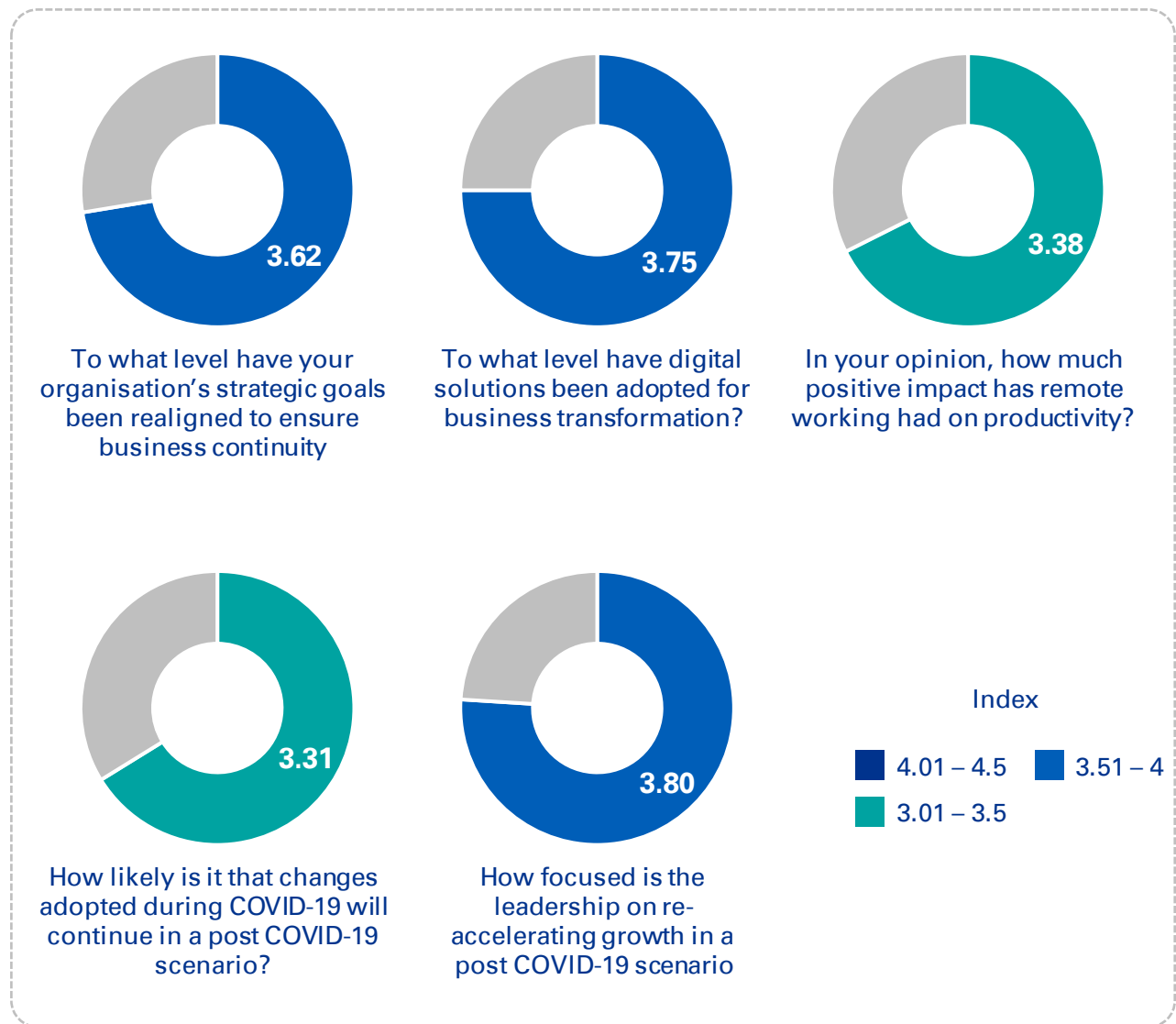
Organisations with revenues less than INR 60 Cr. reported significantly changing focus to business continuity as opposed to organisations with revenues greater than INR 60Cr.
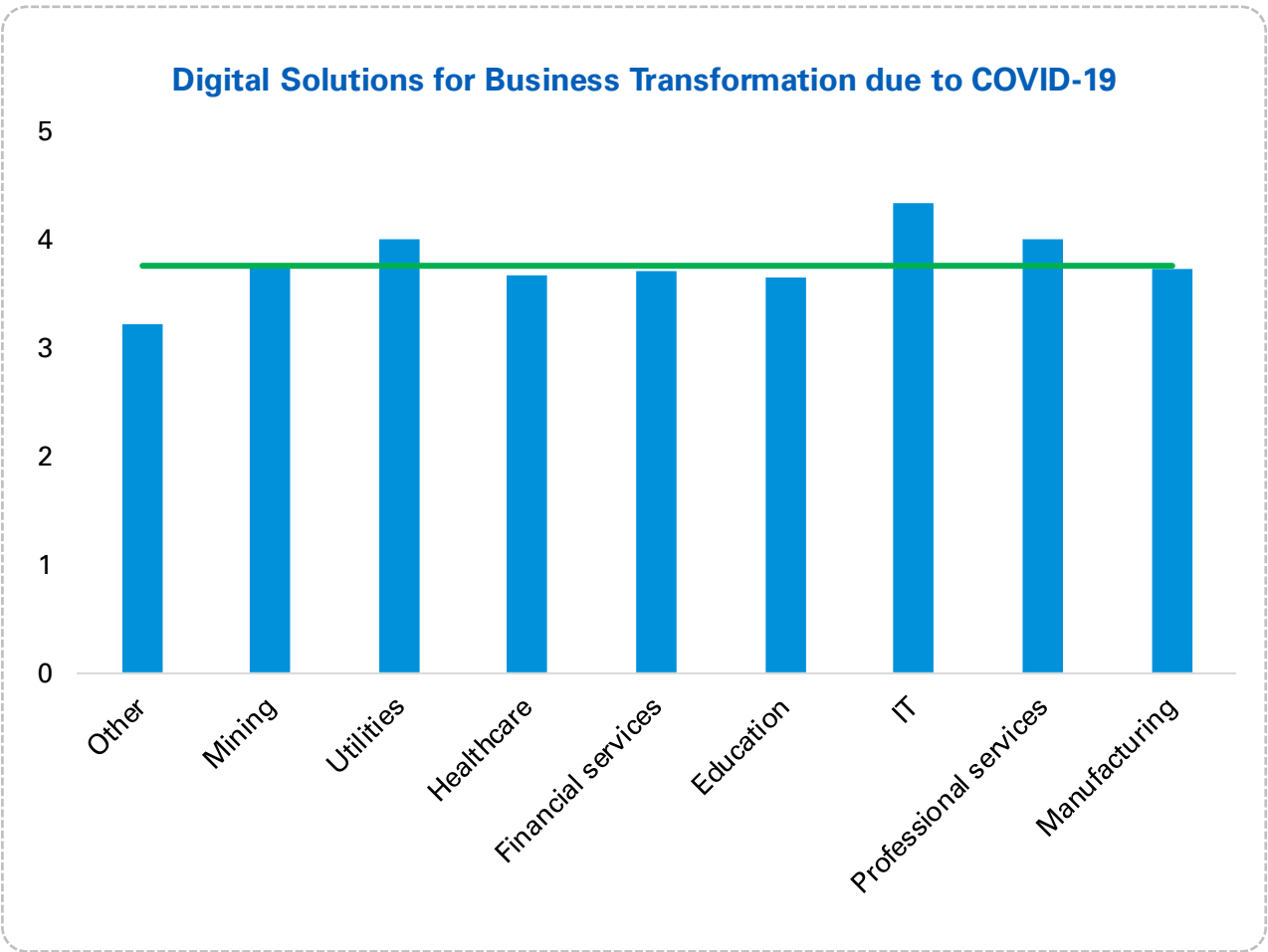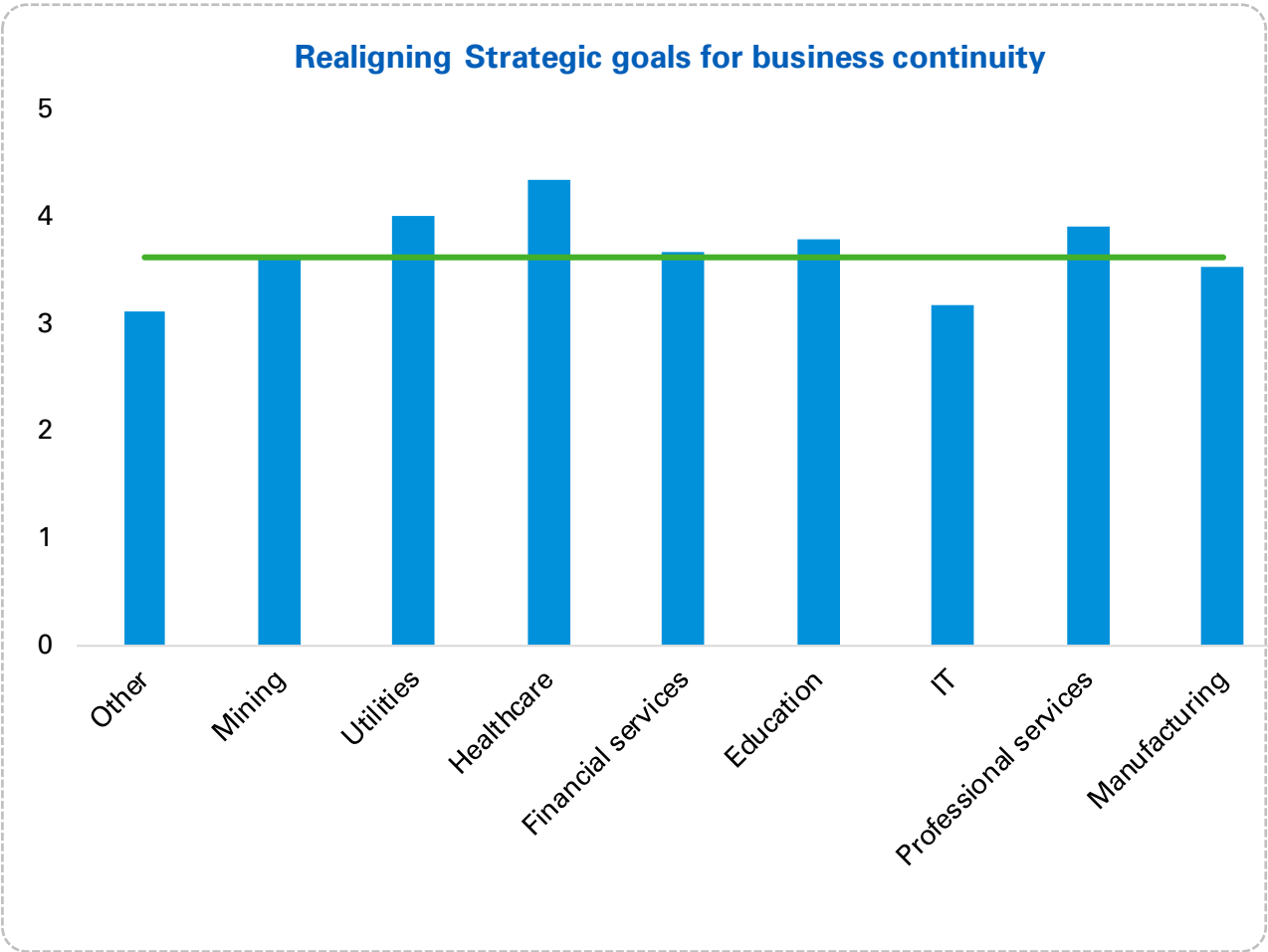
Large organisations (>1000 employees) reported seeing a higher positive impact of remote working on productivity, as opposed to small organisations (<100 employees). As a result, fewer small organisations reported to continue with the changes adopted due to COVID-19 in the post-Covid work environment.

Unsurprisingly, the strategic goals for healthcare sector were realigned the most due to the pandemic. Thanks to the push towards digitisation in the pandemic, the IT sector did not need to realign their priorities for survival. The IT sector also pushed for the most digital transformation for Business transformation due to COVID-19. While it is understandable for healthcare sector to not adopt digitisation as comprehensively as other sectors, it is

surprising to see the education sector with a low score for the digital solutions. Perhaps, this may indicate that the participants believe that there remains further scope of doing more in this sector, or perhaps, there are better digital solutions that can be implemented.

Respondents from the IT sector saw the highest positive impact of the work from home arrangement. Thus, unsurprisingly, this sector seems to be the most likely to continue with the changes implemented even in a post COVID-19 scenario. On the other hand, despite seeing a positive impact of remote working, respondents from financial services seemed unlikely to continue with the changes implemented during the COVID-19 pandemic.

3.62

To what level have your organisation's strategic goals been realigned to ensure business continuity

3.75

To what level have digital solutions been adopted for business transformation?

3.38

In your opinion, how much positive impact has remote working had on productivity?

3.31

How likely is it that changes adopted during COVID-19 will continue in a post COVID-19 scenario?

3.80

How focused is the leadership on re-accelerating growth in a post COVID-19 scenario

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Realigning Strategic goals for business continuity

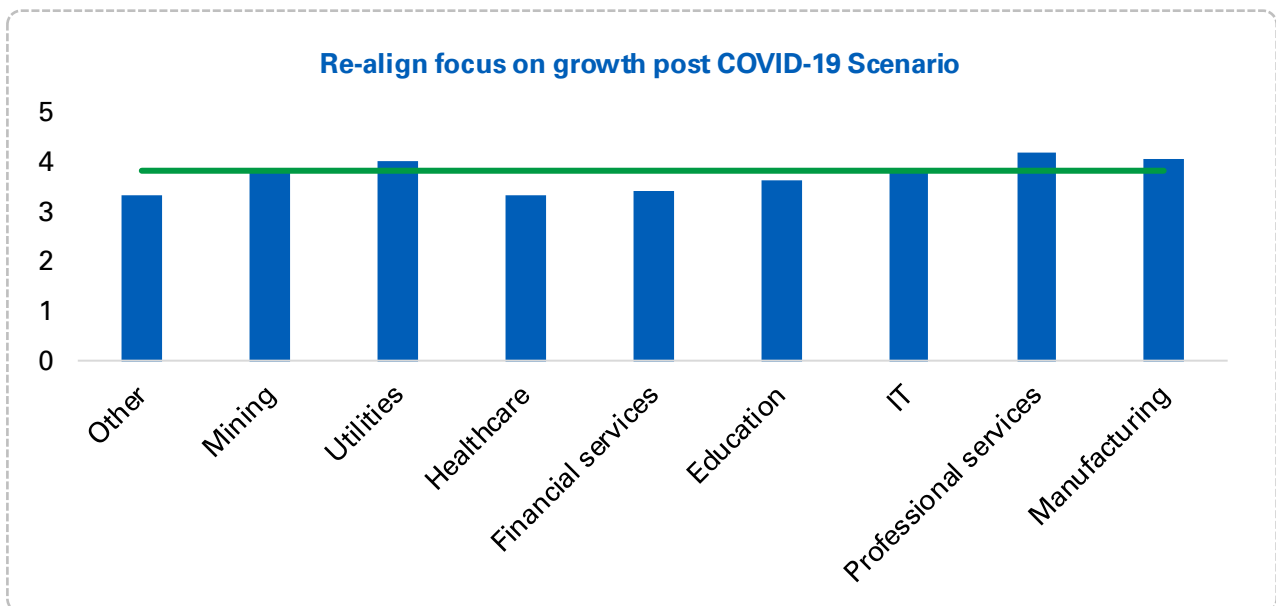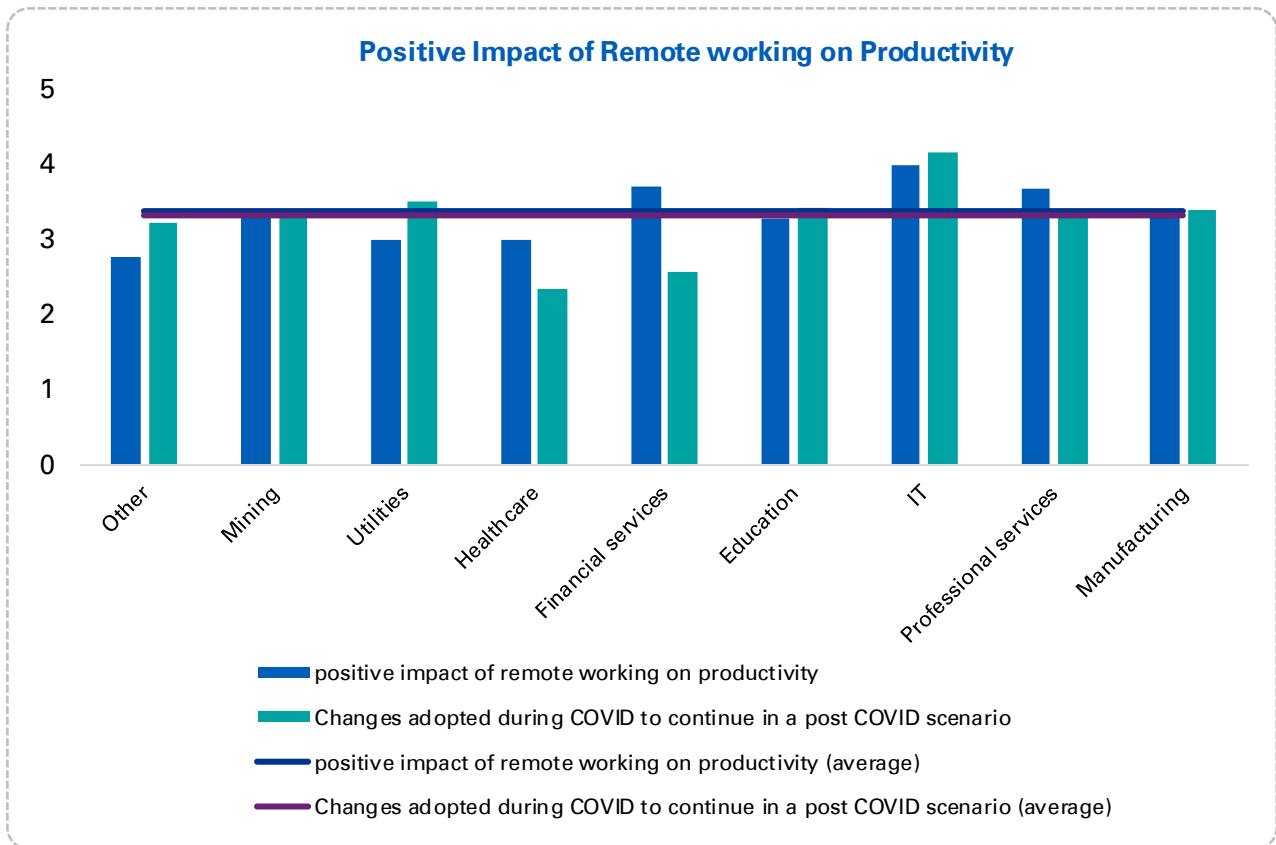## Digital Solutions for Business Transformation due to COVID-19

Manufacturing and Professional services organisations seem most likely to re-align focus to growth in a post COVID-19 scenario. This could be indicative of the nature of work, where remote working was not very conducive to induce growth in these industries. Professional services rely on maintaining relations and stakeholder management which is more efficient in a face-to-face manner. Manufacturing on the other hand needs talent on the ground to produce goods. Healthcare sector respondents believed their sector is least likely to focus on growth post COVID-19. This

could be due to the incredible strain felt by the sector in these times.

The impact of COVID-19 was different for different sectors, it was definitely felt by all sectors. The resilience shown by the organisations and employees to these unprecedented times has definitely stood out. The vast majority of organisations have really stepped up and displayed empathy and exemplary values during these times. This is definitely one of the few positives to have come out of these dark and difficult times.

Positive Impact of Remote working on Productivity

- positive impact of remote working on productivity
- Changes adopted during COVID to continue in a post COVID scenario
- positive impact of remote working on productivity (average)
- Changes adopted during COVID to continue in a post COVID scenario (average)

Re-align focus on growth post COVID-19 Scenario

6 Overview of all Dimensions

The MCDI report is an amalgamation of insights drawn from standalone as well as the correlation among these 10 parameters. Any organisation is like a chariot and its management is the carter that drives it around the corporate world. A synergy between all the horses is required for a smooth journey. If the leadership of an organisation takes effort to improve upon all the 10 pillars of management capability, it should strengthen its core leadership capabilities and is expected to display positive results in long term.

Performance leadership, People leadership and self-development, Financial leadership, Innovation and adaptability, and Focus on getting results are the 5 parameters that follow the same trend as of overall MCDI score. The scores follow a dip and then a high after every alternate year. Also, apart from Financial leadership and Focus on getting results, the other 3 parameters even share their high in the same year as overall MCDI score.

Integrity and Corporate governance and Financial leadership have been the two highest rated pillars by the employees since the inception of this survey. Integrity and Corporate governance has also topped the chart in 4 out of 5 editions of this report showing that respondents perceive their management as ethical and follow all rules & regulations while taking any decision. Corporate governance has

been gaining importance globally and in India too. Since most of the respondents of the survey are in leadership positions, the above results exhibit the increasing leadership focus on Integrity and Corporate governance. Financial leadership is also identified as one of the parameters in which the score fluctuation year on year has been the highest.

Organisation Capability and People leadership and self-development are the two lowest rated pillars over the years. Organisation Capability and People leadership and self-development, both of these were least rated in 2 out of 5 editions of the report. This is an area of serious concern for organisations. If the leadership has doubts on Organisation capability, the same will get translated in their conservative action as well as in the results. It also alarms the organisations to increase their focus on developing People leadership and motivating employees on self-development.

One of the positives to take from the report is that the scores in all the 10 pillars of MCDI have increased this year as compared to that of in 2018. Taking the effect of COVID-19 pandemic into account, it is evident that the organisations have been pushing themselves to promote a healthy leadership style. They have invested in grooming several aspects of the leaders, and the survey results are a testimonial of the same.

7

Way Forward

With the ever-changing environment and market conditions, senior leaders must proactively own and champion change management initiatives to ensure complete buy-in from all stakeholders.

Organisations must work on creating a strong feedback mechanism for quick turnaround: to reduce the time to identify issues and take corrective action for business activities.

Organisations must look at offering fulfilling carriers instead of jobs to fill vacancies. People leadership will be vital for attraction and retention of talent and getting the best possible outcomes from the team.
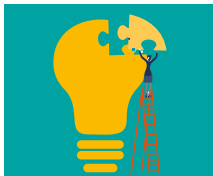
The rate and frequency of innovation in the market has grown substantially in the past few years. Organisations can instill a culture of continuous innovation by converting an innovative product or idea into a profitable business that will change the way of doing business altogether.

Senior leaders must lead by example by developing and committing to plans and goals that support sound, sustainable growth, and continuous performance improvement

While organisations have understood that having an effective talent pool can be a significant differentiator, leaders need to demonstrate strong commitment to continuous learning for both individuals and the organisation.

Networking with external stakeholders. Creating an environment of continuous/frequent interaction with stakeholders enables to build rapport and influence them. Also, it helps exposing the workforce in turn improving their learning curve.

Leaders should build a culture of taking calculated risks where necessary by balancing risks with achievements.

Improving learning platforms with the help of technology and updating the learning content to keep up with the market, both should go hand in hand. The first will improve the employee experience and the latter will upskill them, ultimately optimising the manhours for a company.

Having open lines of communication with reasonable transparency in management actions can improve the perception of procedural and interactional justice for all employees in the organisation.

8

MCDI Survey Questionnaire

The AIMA-KPMG MCDI survey 2022 included a set of 78 questions spread across 10 dimensions. In addition to this, the survey also included a new section about the impact of COVID-19 on organisations. The respondents were asked to rate these statements on a 6-point Likert scale. We received more than 550 responses out of which 507 responses formed the basis of the findings in this report. Respondents answered each question on a scale of 0 – 5 which was consolidated for each dimension and converted to a 100 percent index. Following tables summarised the scores for all 78 questions across all 10 dimensions.

Visionary and strategic leadership

1. Management articulates a clear and inspiring vision that is well understood	3.8
2. Management actively fosters and encourages ownership of the vision by the staff	3.5
3. The vision and supporting goals underpin and guide management decisions and behaviours	3.6
4. Management plans with a view to grow the business while meeting the needs of shareholders/owners, taking into account employee, supplier, customer, and other stakeholder interests	3.7
5. Management demonstrates an international perspective, and has a good understanding of global markets and global thinking	3.7
6. Management establishes stretch goals for itself and the organisation	3.7
7. Management demonstrates professional and technical expertise	3.7
8. Management demonstrates business acumen	3.8
9. Management champions change	3.5

Performance leadership

1. Management ensures the organisation is goal, performance, and achievement-focused	3.8
2. Management demonstrates the ability and attitude to lead and champion the achievement of challenging goals and change	3.8
3. Management balances risk with achievement, not risk avoidance (management is not risk averse)	3.7
4. Management consistently meets the organisation's performance goals, and has a performance track record of growth and continually improving performance	3.8
5. Management enables the organisation to perform consistently better than its competitors or other comparable organisations	3.7
6. Management analyses issues, anticipates and solves problems	3.7
7. Management is organised and effective at performance planning	3.7
8. Management pursues excellence in performance leadership	3.7
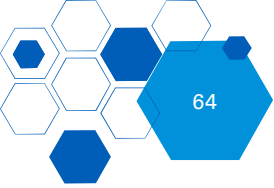
People leadership and self-development

1. Management attracts, retains, develops, motivates, inspires and leads an effective team capable of achieving organisational objectives	3.5
2. Human resource planning is an integral part of the annual business planning process	3.5
3. Management provides enhanced leadership, acts as a role model, is committed to developing and leading people	3.5
4. Management empowers and allows people to grow, and their range of skills	3.6
5. Management respects and maintains a culture, supportive and inclusive of employees, their values and their diversity, and is not stifled by structure and hierarchy	3.7
6. Management collaborates and fosters teamwork	3.7
7. Management communicates powerfully and broadly to people in the organisation	3.9
8. Management provides effective feedback for development of others	3.6
9. Management provides rewards and recognition for loyalty and performance	3.7
10. Management acts in the team's best interest	3.7
11. Management creates a high-performance team	3.7
12. Management involves others when making decisions	3.6
13. Management efforts generally get employee support	3.7
14. Management efforts generally get other managers' support	3.8
15. Management is motivated by the success of the people	3.7
16. Management practices critical reflection and self-development	3.6

Financial leadership

1. Management develops and commits to plans and goals that support sound growth and continuous performance improvement	3.8
2. Management leads and manages the organisation to consistently achieve or exceed these goals	3.6
3. Management ensures effective financial planning, accounting, cashflow management, investment, financial reporting; and liaisons with financial institutions	3.8
4. Management hires experienced accounting and financial personnel for its financial management	3.7
5. Management implements sound and effective internal control systems through supervision and internal audit and hierarchy	3.8

Organisational capability

1. Management builds organisation capability, a culture of innovation, and a dedication to continuous improvement	3.6
2. Management brings about and maintains an organisation that encourages collaboration between departments, and does not rely solely on hierarchy to achieve its goals	3.6
3. Management effectively balances strong effective teams with autonomous individuals	3.6
4. Management has a sound understanding of best management practices to achieve organisational goals and objectives	3.6
5. Management demonstrates strong commitment to continuous learning for both individuals and the organisation	3.5

Application of technology and knowledge

1. Management leverages information technology to bring about a knowledge-driven organisation	3.7
2. Management understands the impact of technology on organisations and on processes	3.8
3. Management understands the value and application of technical knowledge and expertise in organisations	3.8
4. Management applies effective knowledge and information management	3.5
5. Management practices knowledge management and promotes a learning organisational culture	3.6
6. Management understands the need to actively protect information/data in the organisation	3.8

External relationships

1. Management develops networks and spheres of influence with stakeholders	3.8
2. Management maintains networks and spheres of influence with stakeholders	3.8
3. Management ensures the organisation has a positive external image through building of effective relationships with all stakeholders including customers and suppliers	3.9
4. Management ensures the organisation has a positive external image through the fulfilment of community and social obligations	3.8
5. Management practices effective corporate social responsibility	3.8
6. Management encourages employees to engage with external stakeholders	3.5

Integrity and Corporate Governance

1. Management and employees understand ethical principles when making decisions with reference to the organisation's affairs	4.0
2. Management and employees follow ethical rules and procedures for making decisions	4.0
3. Management and employees adhere to legislation, regulations and guidelines in administering the business of the organisation	4.0
4. The organisation promotes an established standard of ethical behaviour for directors, management and employees based on a code of conduct	4.0
5. The organisation practices integrity, honesty and ethical behaviour as is necessary for sustained success	4.1
6. Management is trustworthy, and utilises honesty and integrity	4.0

Innovation and adaptability

1. Management and employees create a climate to encourage continuous innovation in products and services	3.6
2. Management and employees recognise innovation as an important aspect of business. Innovation is part of the organisation's culture	3.7
3. Management and employees recognise that innovation leads the business to new dimensions of performance	3.6
4. Management and employees practice innovation to create new values for business customers and shareholders	3.5
5. Management and employees practice innovation to expand the market and increase market share	3.5
6. Management and employees support each other in risk taking in innovation	3.5
7. Management frequently incorporates customers' views and priorities into the innovation process	3.6
8. Management seeks ideas from the external market as part of an innovation process	3.6
9. Management is effective at finding ways to commercialise ideas with regard to innovation	3.5
10. Management quickly responds to innovation opportunities	3.6

Focus on getting results

1. Management establishes the desired results clearly	3.8
2. Management has a clear strategy and activities to achieve desired results	3.8
3. Management builds on previous successes and lessons	3.9
4. Management provides frequent feedback to teams	3.7
5. Management monitors progress and makes adjustments when needed	3.8
6. Management has appropriate and effective metrics to measure desired results	3.8
7. Management encourages others in the organisation to see desired results clearly	3.8

About AIMA

The All India Management Association (AIMA) is the national apex body of the management profession in India. AIMA is a **not for profit, non-lobbying organisation**, working closely with Industry, Government, Academia and students to further the cause of the management profession in India.

AIMA has a membership base of over **38000 members** and close to **6000 corporate /institutional members**, through **67 Local Management Associations** affiliated to AIMA; and is represented on a number of policy making bodies of the Government of India and national associations.

Established in 1957, AIMA has contributed immensely to the enhancement of management capability in the country over the years. AIMA offers various services in the areas of testing, distance education, skill development & training, research, publications, executive education and management development programmes.

Over the past six decades, AIMA has evolved as times have changed and catered to the growing needs of today's management community. Apart from its flagship Post Graduate Diploma in management, AIMA offers topical and industry-oriented programmes and initiatives to help management professionals and students keep in step with the times, while offering state

of the art business solutions for organisations and institutions.

As the pioneer of Distance Education, AIMA has always been an early starter, even in the digital space. AIMA was amongst the first mover organisations to offer Internet Based Remote Proctored Tests on a national level; and among the first to shift its service offerings online. AIMA quickly built digital expertise and now has the capability to offer its management programmes and business solutions in the physical, virtual and hybrid mode, as per industry requirements.

AIMA also brings to the Indian managers, the best management practices and techniques through numerous foreign collaborations with professional bodies and institutions. AIMA is an important and long-time member of the Asian Association of Management Organisations (AAMO), which promotes professional management in the Asia Pacific region. India (AIMA) took over the Presidency of AAMO in 2019 and will hold the AAMO Secretariat for the next three years. In addition, AIMA has developed close associations with several leading international Universities and Institutions including University of Berkeley - California, UC Santa Cruz – California, St Gallen Symposium, Horasis, The World Bank to name a few.

About AAMO

AAMO is a partnership of National Management Organisations (NMO) in the Asian Region whose purpose is to share and actively leverage resources to enhance the achievement of their respective missions. AAMO is an independent, non-political and not-for-profit Association of NMOs, which promotes, facilitates and supports the development of professional management in the Asia Pacific Region.

The activities of AAMO are aimed at but not limited to establishing and maintaining active links between NMOs, providing a framework for

facilitating the widest range of bilateral initiatives and networking across NMOs in the region and beyond. It facilitates sharing of resources, knowledge and regional information in support of today's interconnected management world and the demand for ready access to up-to-date management information, thinking and views. It organises and conducts specific (non-competitive) management programmes, supported by the NMOs. With its presence, AAMO adds an international dimension to activities and image of NMOs.

About KPMG in India

KPMG in India, a professional services firm, is the Indian member firm affiliated with KPMG International and was established in September 1993. Our professionals leverage the global network of firms, providing detailed knowledge of local laws, regulations, markets and competition. KPMG has offices across India in Ahmedabad, Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Jaipur, Kochi, Kolkata, Mumbai, Noida, Pune, Vadodara and Vijayawada.

KPMG in India offers services to national and international clients in India across sectors. We strive to provide rapid, performance-based, industry-focused and technology- enabled services, which reflect a shared knowledge of global and local industries and our experience of the Indian business environment.
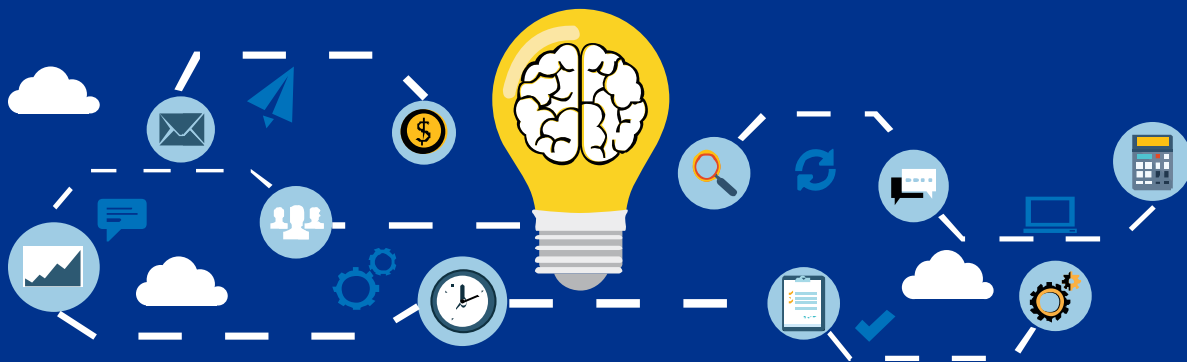
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- Pratik Kundu

KPMG *josh* **IT SHOWS**

IN OUR ABILITY TO TRIUMPH OVER
ANYTHING IN OUR SPIRIT OF
UNDYING ENTHUSIASM OUR DRIVE
TO ACHIEVE THE EXTRAORDINARY
UNMOVED BY FEAR OR CONSTRAINT
WE'RE DRIVEN BY JOSH AND IT SHOWS

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