



Management Capability Development Index (MCDI) India 2024 report

Executive Summary



April 2025

home.kpmg/in

Introduction

AIMA, in collaboration with KPMG in India presents the 2024 edition of the Management Capability Development Index (MCDI) survey in India. The survey measures perspectives from CEOs, CXOs, and senior leaders on ten dimensions of management capability. The survey allows participants to reflect on how mature their organisations are with respect to these ten dimensions. In addition, each of these ten dimensions have sub-elements for participants to reflect on. The survey captures

both the relative weightage and urgency of each dimension based on responses from participants.

The scale to understand participant perspective is captured below:

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

Each of the MCDI survey’s ten dimensions has a weightage, which is used to calculate the overall MCDI score. This is further analysed

basis the demography of the responding organisations and their participants

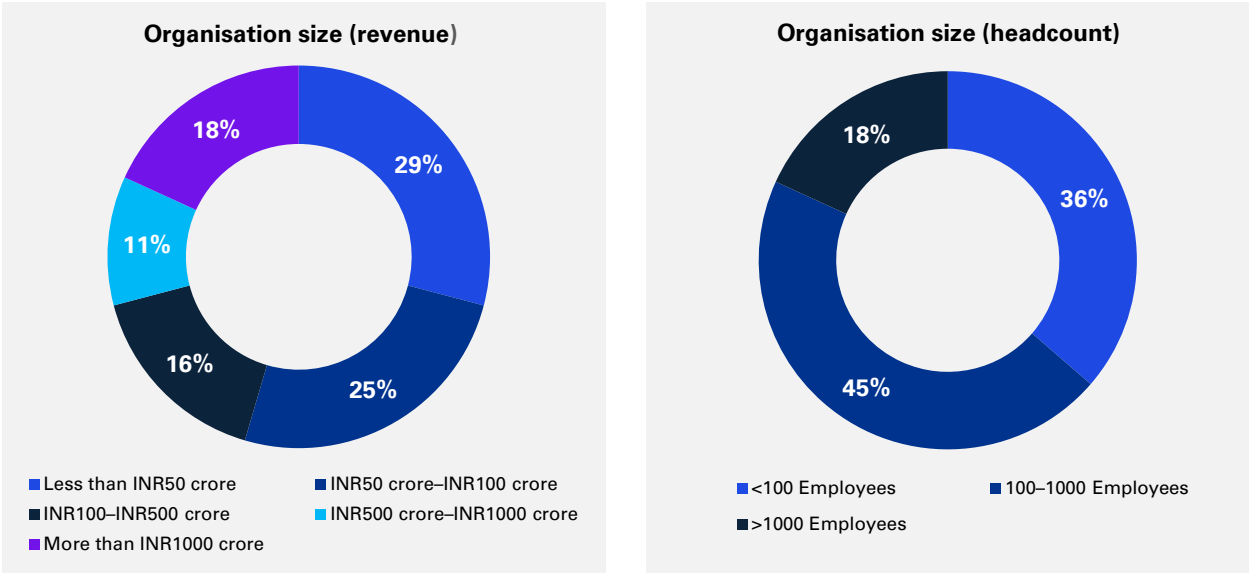
Dimension	Weightage
Visionary and strategic leadership	15%
Performance leadership	10%
People leadership and self-development	10%
Financial leadership	10%
Organisation capability	5%
Application of technology and knowledge	5%
External relationships	5%
Integrity and corporate governance	5%
Innovation and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

Definitions

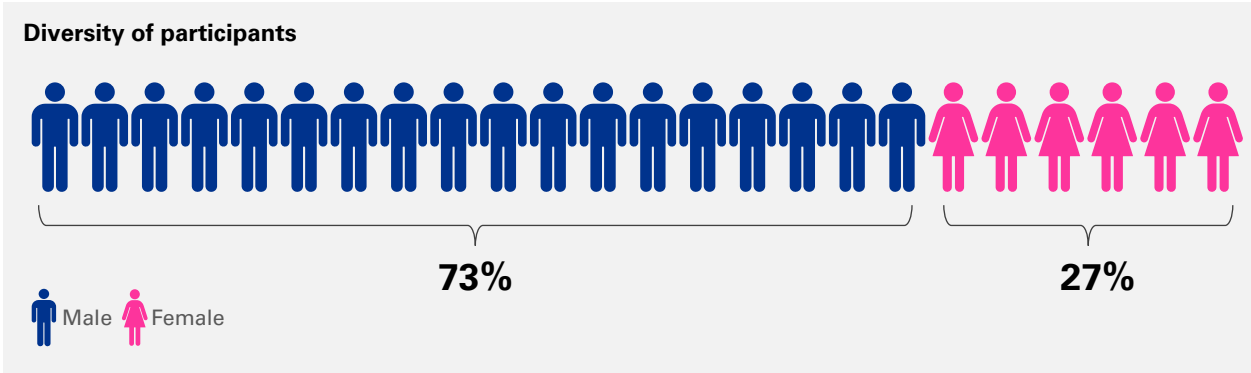
Dimensions	Definitions
Visionary and strategic leadership	Demonstrates a strong and stimulating vision for the organisation and team which helps to channel and structure the organisation's vision, mission, objectives, and goals, while simultaneously considering stakeholder requirements. Exhibits a global 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. Focuses 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 to accomplish the objectives of the organisation. Leads and manages the organisation's funds 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 the 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 with 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. Recognises and makes the team aware that performance results are the most crucial measures of management capability.

Participant Demographics

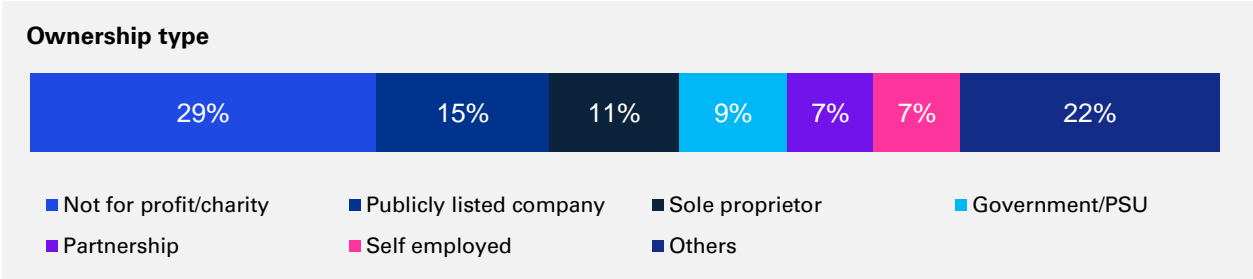
This report provides an insight as to how organisations in different stages of growth have fared with respect to the ten dimensions of management capability.



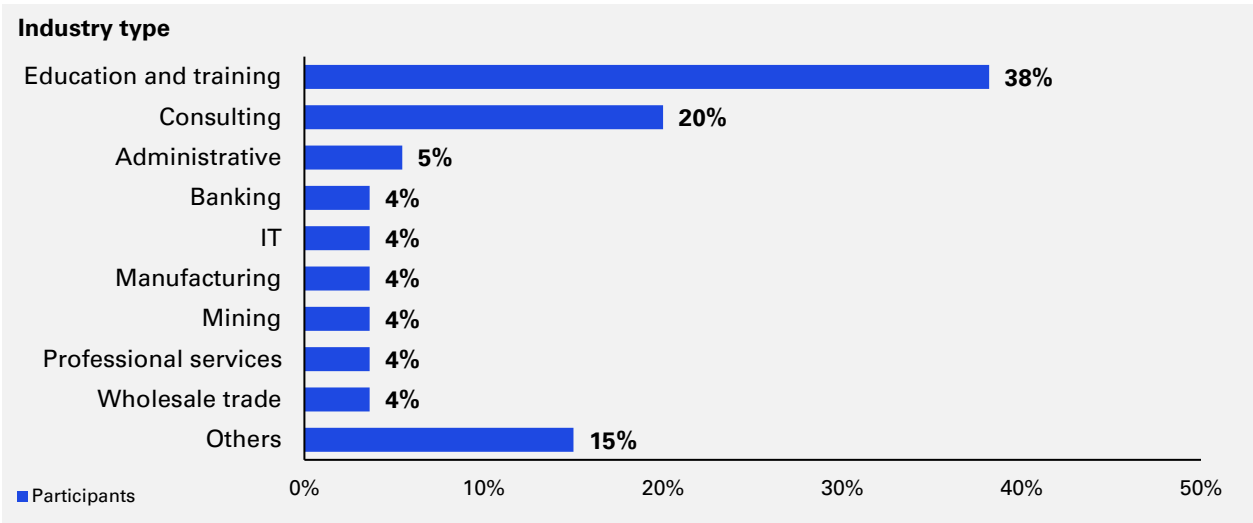
The diversity of participants also provides more insights from the survey results.



According to the ownership type, not-for-profit/charity organisations (29 per cent) and publicly listed companies (15 per cent) represent a majority of the respondents, while self-employed individuals (7 per cent) and partnership firms (7 per cent) are relatively less prevalent among respondents



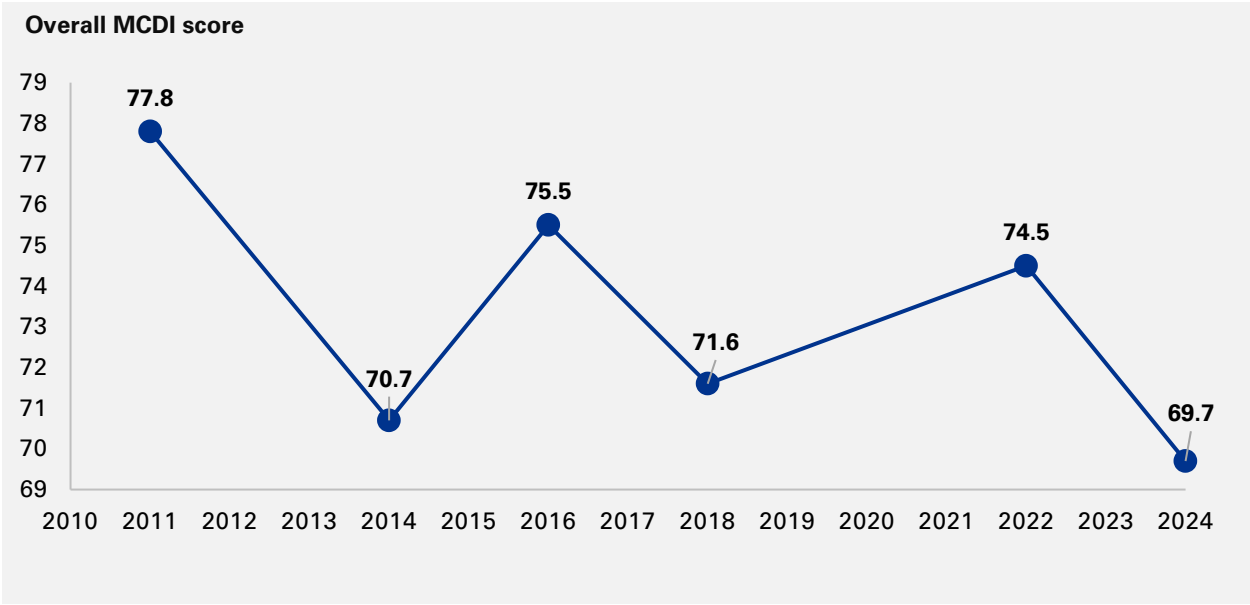
Across the sectors, the survey is dominated by participants from the Education and Training sector, followed by Consulting services.



Survey findings – Results vis-à-vis Previous Year

The overall MCDI score currently stands at 69.7 in 2024, which is relatively lower than the scores achieved in previous years. Further, the MCDI score has not surpassed the level

achieved in 2011, indicating an urgency felt by the organisations to improve management capabilities in response to the volatile and swiftly changing paradigm



Highest and lowest scores among ten dimensions of management capability:

	2011	2014	2016	2018	2022	2024
Highest	Integrity and corporate governance	Integrity and corporate governance	Focus on getting results	Integrity and corporate governance	Integrity and corporate governance	<ul style="list-style-type: none">Focus on getting resultsIntegrity and corporate governance
Lowest	People leadership and self-development	Focus on getting results	Organisation capability	People leadership and self-development	Organisation capability	Innovation and adaptability

Scores for each dimension over the last five editions of the report:

Dimensions	2011	2014	2016	2018	2022	2024
Visionary and strategic leadership	76.5	76.0	76.0	72.2	73.3	71.0
Performance leadership	77.1	73.4	74.9	70.7	74.4	69.9
People leadership and self-development	74.9	68.0	71.3	67.7	73.2	66.4
Financial leadership	76.7	74.4	78.6	71.2	75.2	67.5
Organisation capability	76.2	69.2	67.4	68.6	71.5	67.4
Application of technology and knowledge	75.9	67.2	71.4	72.1	74.0	68.1
External relationships	75.7	67.0	72.3	74.1	75.3	66.4
Integrity and corporate governance	80.1	80.0	76.4	76.8	80.4	73.2
Innovation and adaptability	77.6	70.2	74.1	70.3	71.6	65.8
Focus on getting results	77.6	66.4	79.3	72.9	76.0	73.2
Overall MCDI score	77.8	70.7	75.5	71.6	74.5	69.7



Survey findings : dimensions that are strong and dimensions that require urgent attention



Strongest dimensions: Integrity, trust and corporate governance along with financial leadership are dimensions where participants across organisations have established confidence in management capabilities..



Weakest dimensions: Innovation and adaptability and people leadership and self-development are dimensions where participants express the least confidence and thus require highest urgencies vis-à-vis other management capabilities.

Strongest management traits:

- **Integrity, trust, and corporate governance:**
 - The organisation promotes an established standard of ethical behaviour for all employees through a code of conduct.
 - The organisation practices integrity, honesty, and ethical behaviour for sustained success.
- **Financial leadership:**
 - Management develops plans that support growth and performance improvement.
 - Management ensures effective financial planning, accounting, cashflow management, investment, and financial reporting.

Management traits that need urgent attention:

- **Innovation and adaptability:**
 - Management effectively commercialises innovative ideas.
 - Management and employees support each other in risk-taking during innovation.
- **People leadership and self-development:**
 - Management communicates transparently and provides effective feedback for development.
 - Human resource planning is an integral part of the annual business planning process.

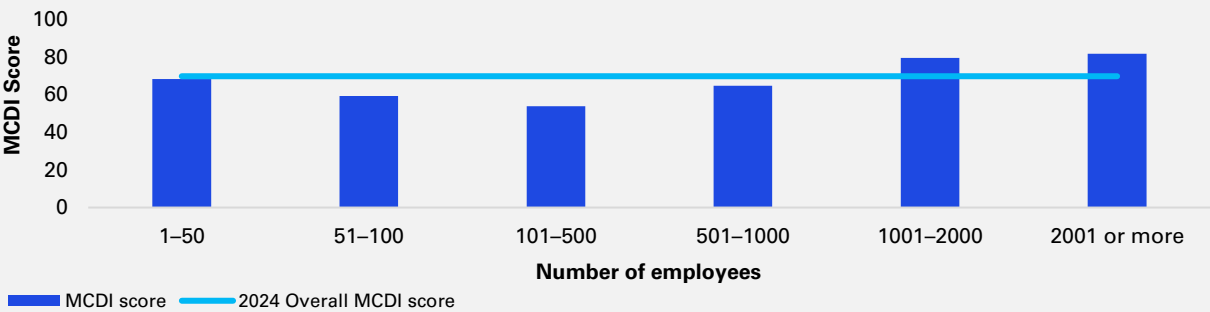


Survey findings for 2024 – Summary of Responses

Large organisations with employee headcounts of 2,000 or more rated their management capabilities the highest, followed by organisations with employee headcounts of 1,001–2,000. Organisations with employee headcount of 51 to 1,000 register relatively low

MCDI scores, indicating that larger organisations tend to exhibit stronger management capabilities, while the smaller to mid-sized organisations have room for improvement

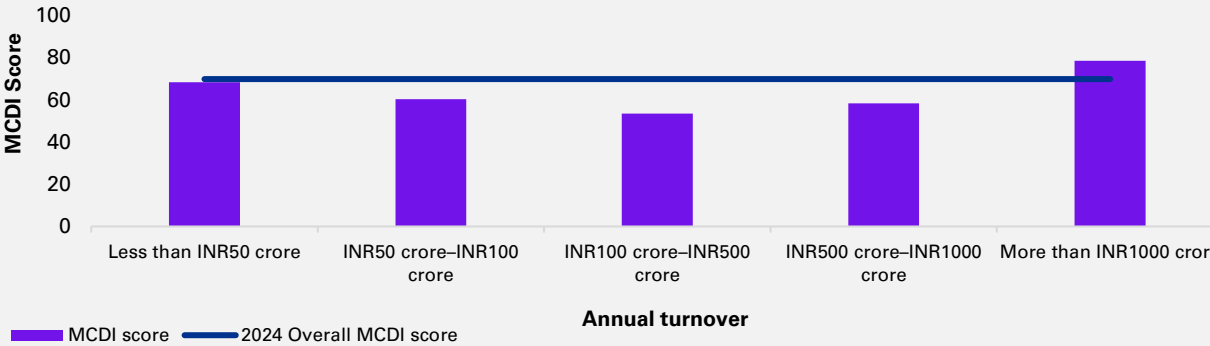
Performance by employee headcount



Small-sized organisations with a turnover of less than INR50 crores and large-sized organisations with a turnover more than INR1,000 crores exhibit the highest scores in the MCDI survey. Meanwhile, small-sized organisations with revenue between INR50 crore–INR100 crore and medium-sized

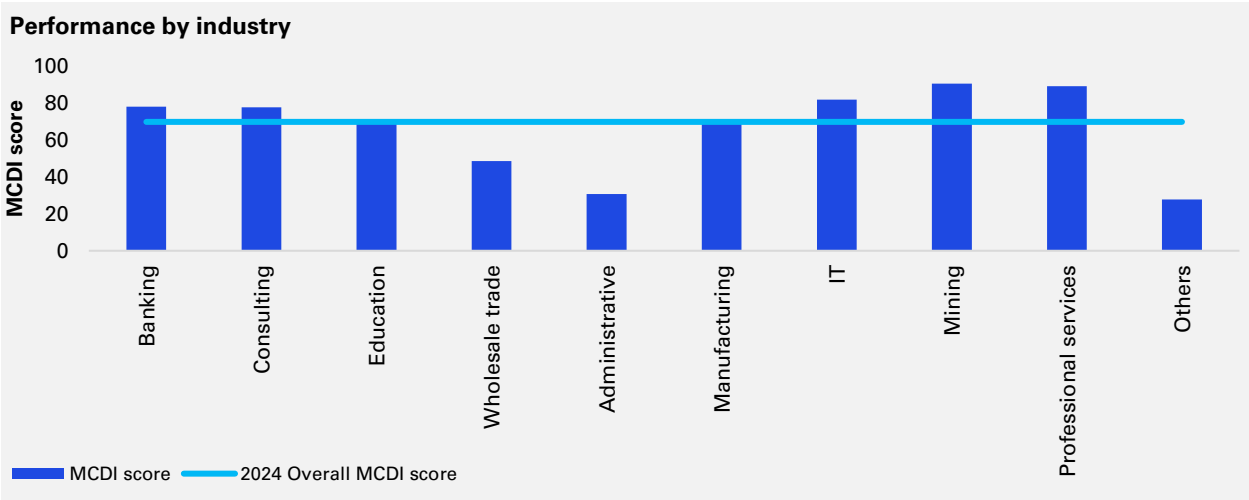
organisations with revenue between INR100–INR500 crores and INR500–INR1,000 crores display the lowest scores, emphasising the need to implement strategies to enhance management capabilities across these small-sized and medium-sized, diverse revenue brackets.

Performance by organisation's annual turnover

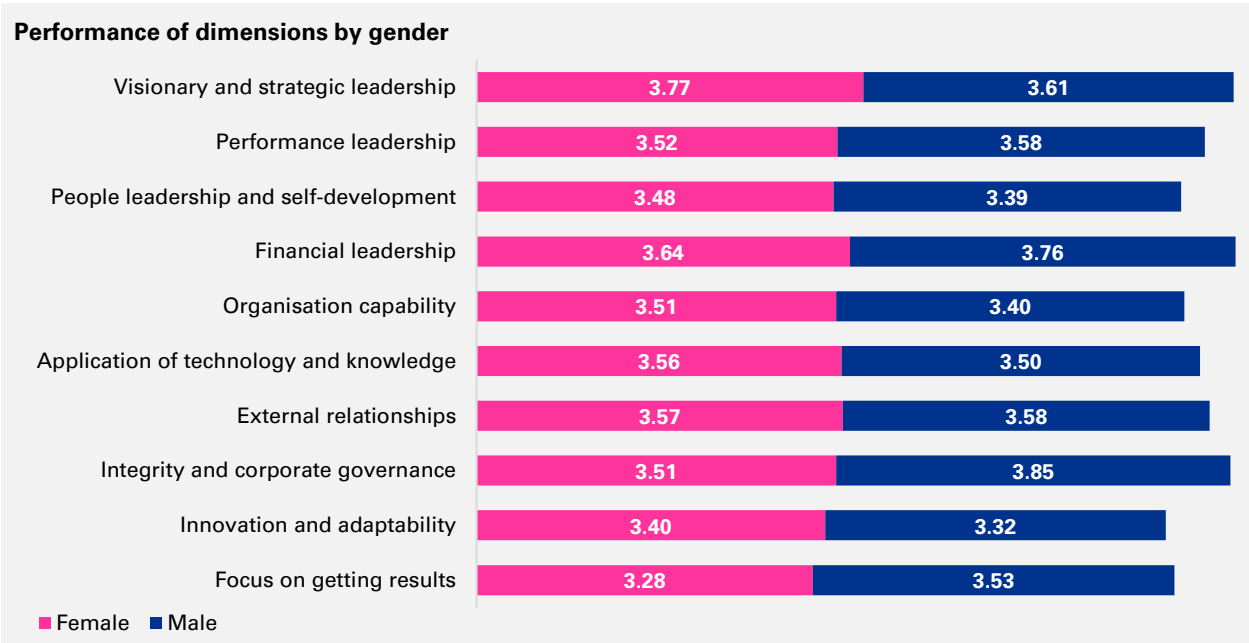


Organisations from the Mining, Professional services, Consulting, IT, and Banking sectors are most confident of their management capabilities. Administrative, Wholesale trade,

Education, and Manufacturing sectors have the highest scope for developing their management capabilities as an immediate priority.



Following are the scores for different dimensions as reported by men and women who were part of this survey



Way Forward

1. With advancements in technology, global challenges, and shifting workforce needs, senior leaders must champion digital transformation and innovation, and lead with ethics and sustainability, while prioritising talent development through continuous learning.
2. Aligning individual and team objectives with broader strategic priorities could boost productivity and drive meaningful impact. Data-driven insights and AI-powered tools can also be leveraged to provide feedback with a people-centric approach.
3. Leaders must prioritise human-centric leadership, where inclusivity, empathy, emotional intelligence, and a strong commitment to well-being serve as the foundation for effective people management.
4. Amid shifting workforce dynamics and the widespread adoption of in-office work models, leaders need to prioritise an enhanced employee value proposition to attract and retain top talent. By incentivising in-office work and cultivating a supportive atmosphere, organisations can harmonise employee satisfaction with long-term growth goals.
5. A key focus for finance leaders should be to align financial strategies with broader and impactful organisational goals to create sustainable value. It is essential to strengthen risk management frameworks to navigate economic uncertainties effectively, while maintaining regulatory compliance.
6. To foster a culture of innovation and continuous improvement, companies can promote agility and adaptability at all levels, encourage collaborative problem-solving, and empower employees to explore and experiment with a forward-thinking approach.
7. As a key driver for new product development and market growth, embracing generative AI could continue to enhance productivity and profitability for organisations by exploring untapped markets.
8. With rapid advancements in AI, IoT, and blockchain, cultivating a skilled and adaptable workforce is essential, requiring a focused strategy on employee reskilling and upskilling initiatives.
9. Strong relationships with external stakeholders can be achieved by focusing on sustainability, transparency, technology-driven collaboration, and prioritising ESG commitments. Using data and AI to meet stakeholder expectations could help drive co-creation and market growth.
10. The significantly rising corporate fraud cases highlight the criticality of conducting regular audits and risk assessments, investing in employee compliance training, implementing robust data governance and security frameworks, and leveraging technology/tools for effective compliance management and monitoring.

KPMG in India contacts:

Akhilesh Tuteja
Head – Clients & Markets
E: atuteja@kpmg.com

Sunit Sinha
Partner
Human Capital Advisory Solutions
E: sunitsinha@kpmg.com

kpmg.com/in

AIMA contact:

Smita Das
Director
Corporate Communications
E: sdas@aima.in

aima.in

Follow us on

kpmg.com/in/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The views and opinions expressed herein are those of the quoted third parties and do not necessarily represent the views and opinions of KPMG in India.

KPMG Assurance and Consulting Services LLP, Lodha Excelus, Apollo Mills Compound, NM Joshi Marg, Mahalaxmi, Mumbai – 400 011 Phone: +91 22 3989 6000, Fax: +91 22 3983 6000.

© 2025 KPMG Assurance and Consulting Services LLP, an Indian Limited Liability Partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Printed in India.