

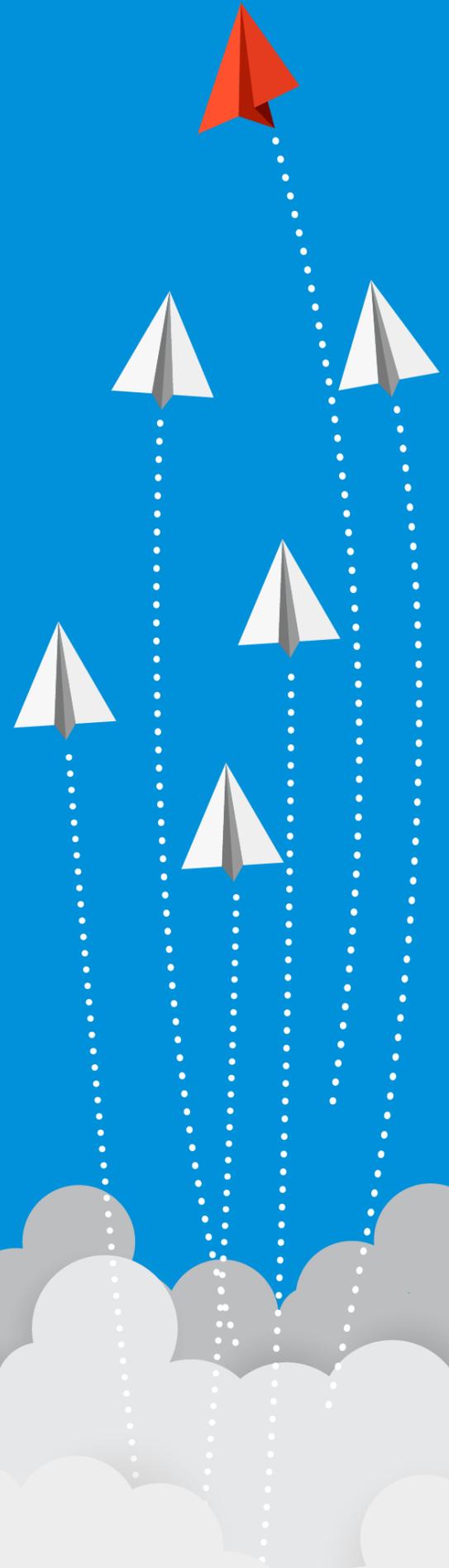


Management Capability Development Index India 2022 report

Executive Summary

April 2022

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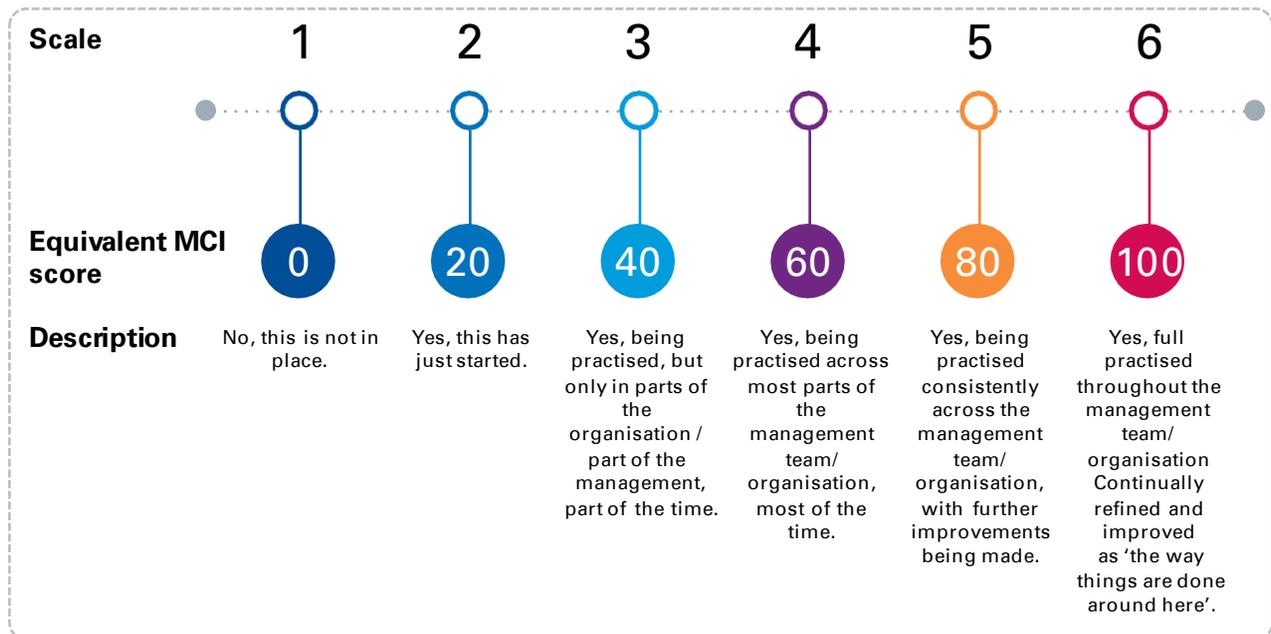




AIMA in collaboration with KPMG presents the sixth edition of the Management Capability Development Index (MCDI) survey in India. The survey measures perspectives from CEOs, CXOs and senior leadership on 10 dimensions of management capability. The survey allows participants to reflect on how mature their 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:



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



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. 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 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



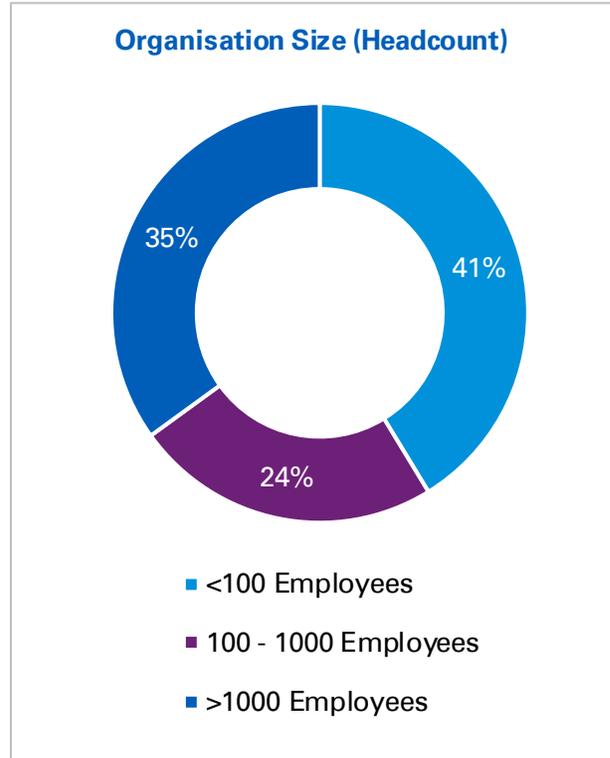
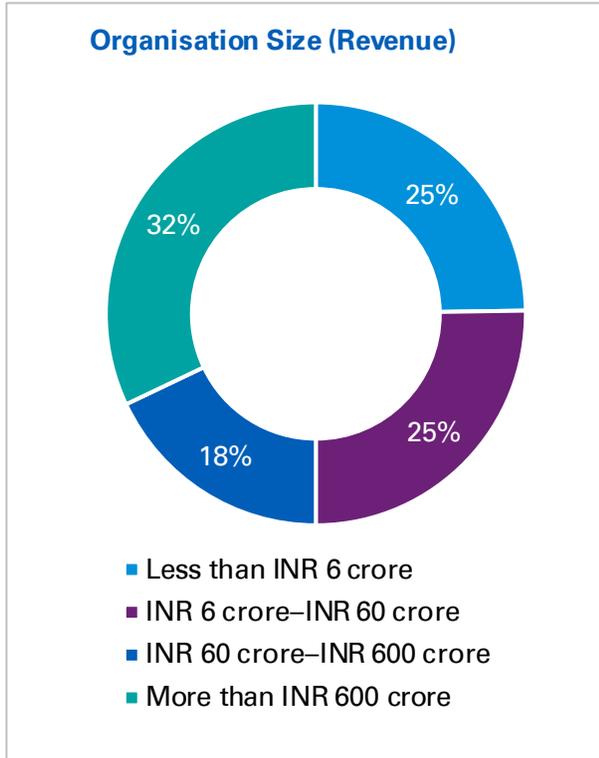
Encourages continuous innovation in products and services and creating new value for the organisation. High orientation towards investing in improvements for different business processes and products.

Focus on getting results

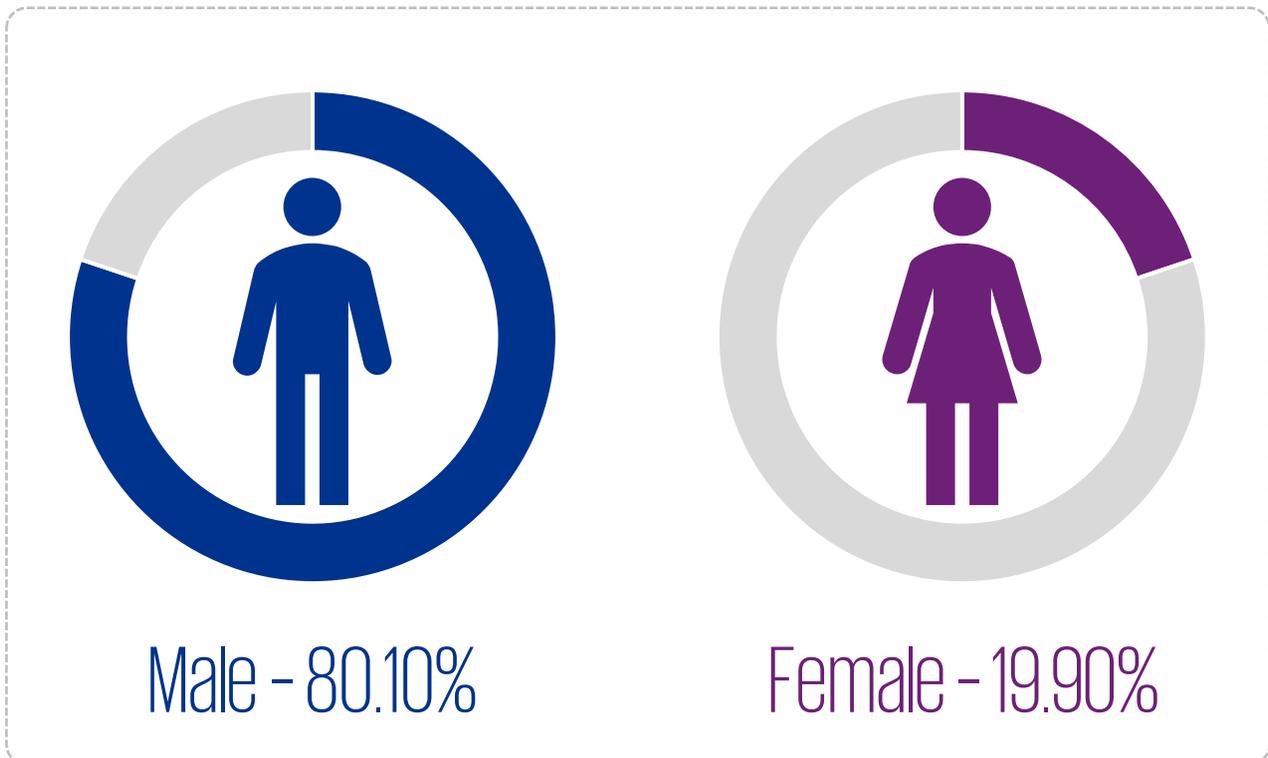


Consistently measures and monitors business performance as the key performance indicator and scorecard of the organisation. Recognise and makes the team aware that performance results are the most crucial measures of management capability.

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.



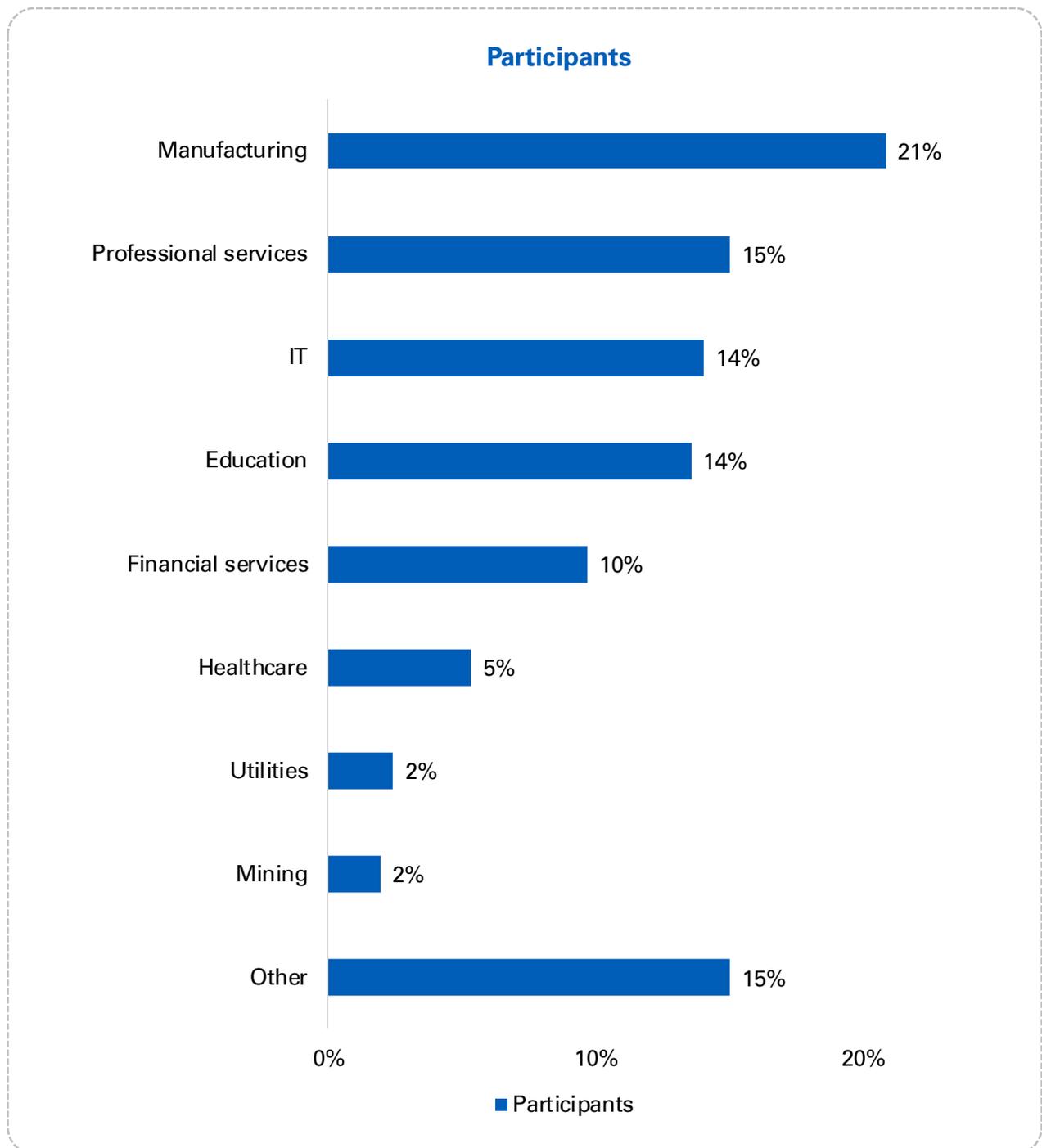
The diversity of participants also allows us to generate more insights from the survey.





- 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.

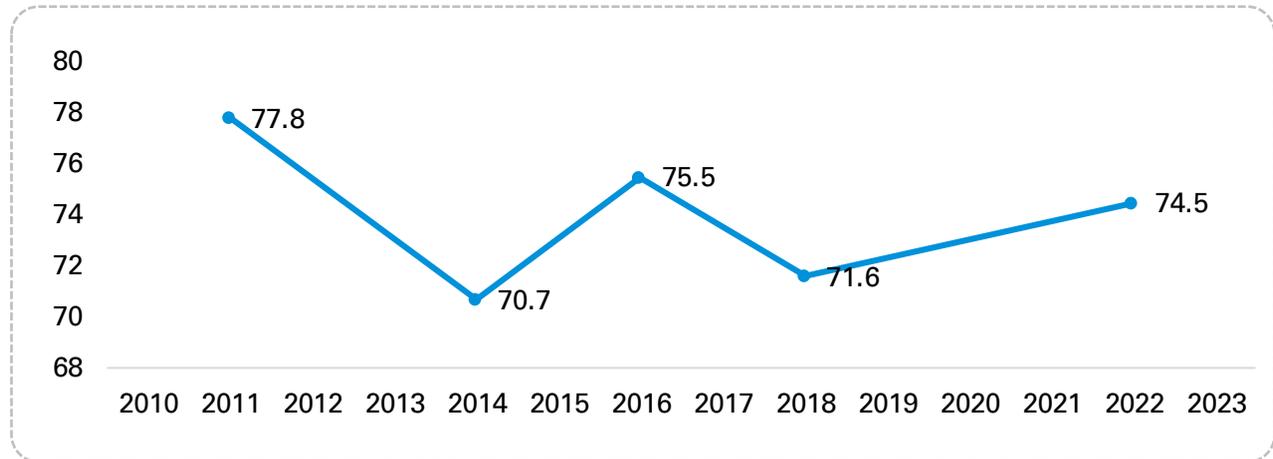




Survey Findings – Results vis-à-vis previous years

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



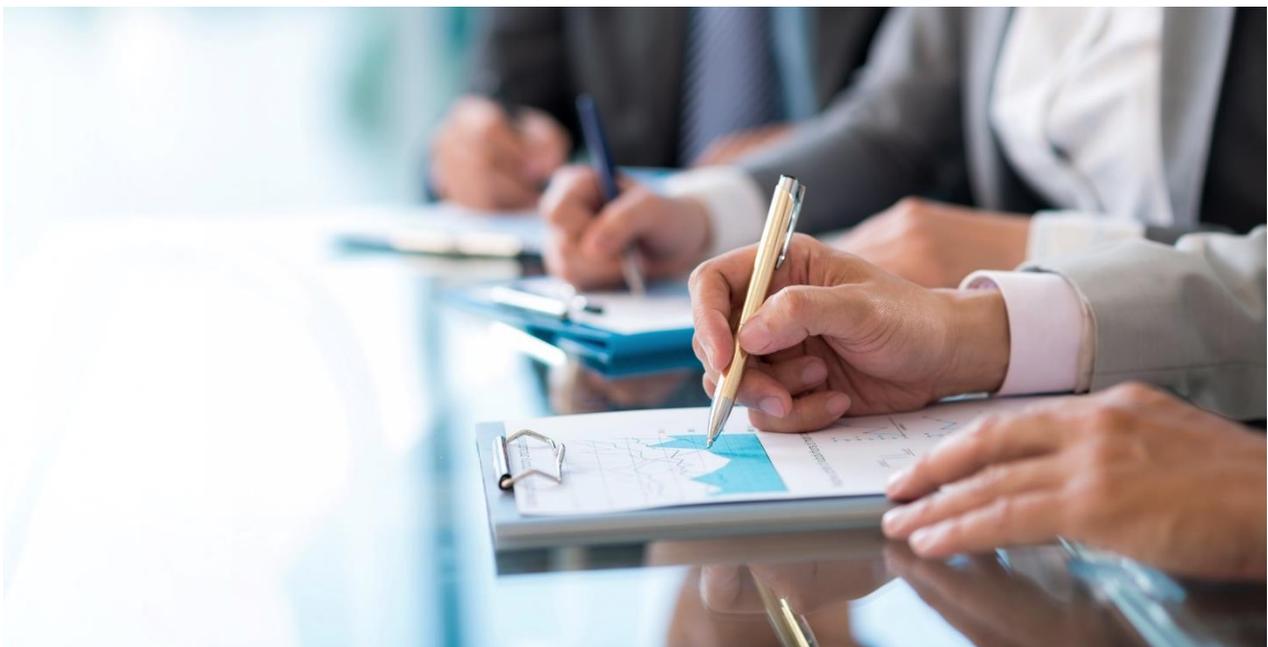
- Organisational capabilities along with innovation and adaptability are dimensions where participants have expressed least confidence and highest urgencies vis-à-vis management capabilities.

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:

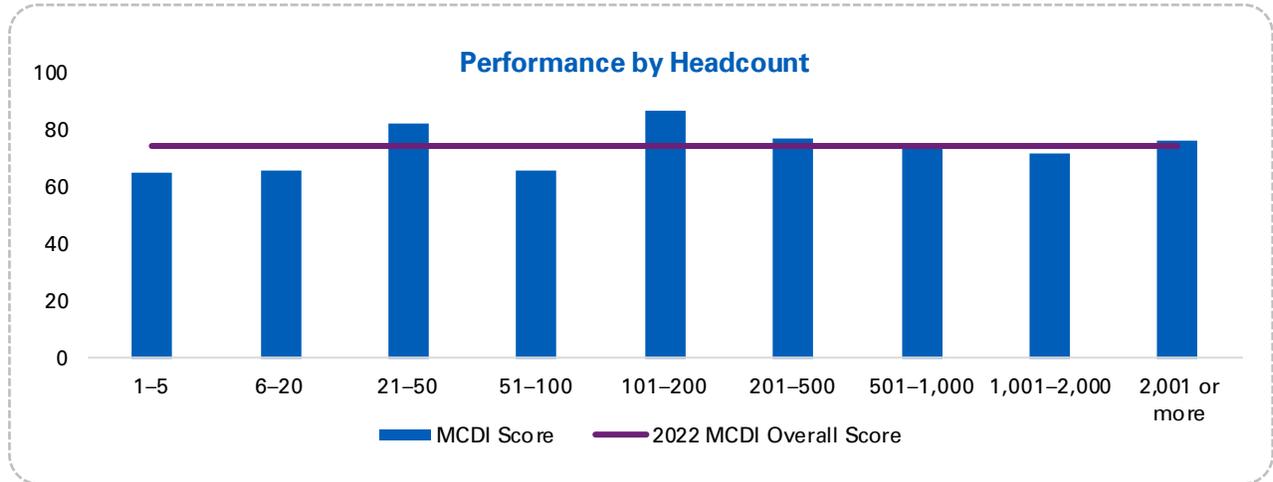
- Management encourages employees to engage with external stakeholders
- Management demonstrates strong commitment to continuous learning for both individuals and the organisation
- Management is effective at finding ways to commercialise ideas with regard to innovation
- Management champions change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



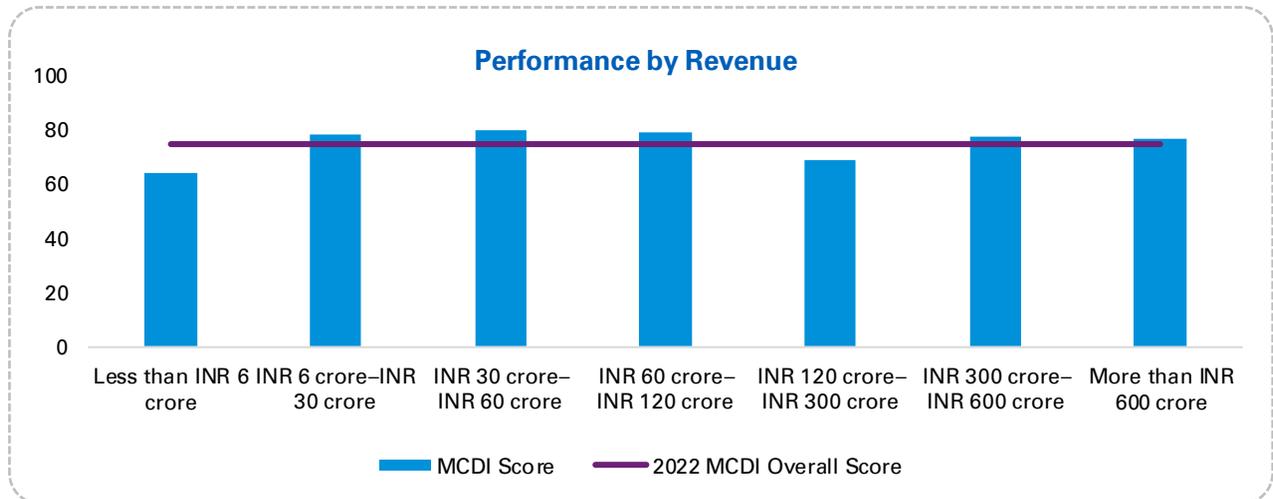


Survey findings – Summary of Responses

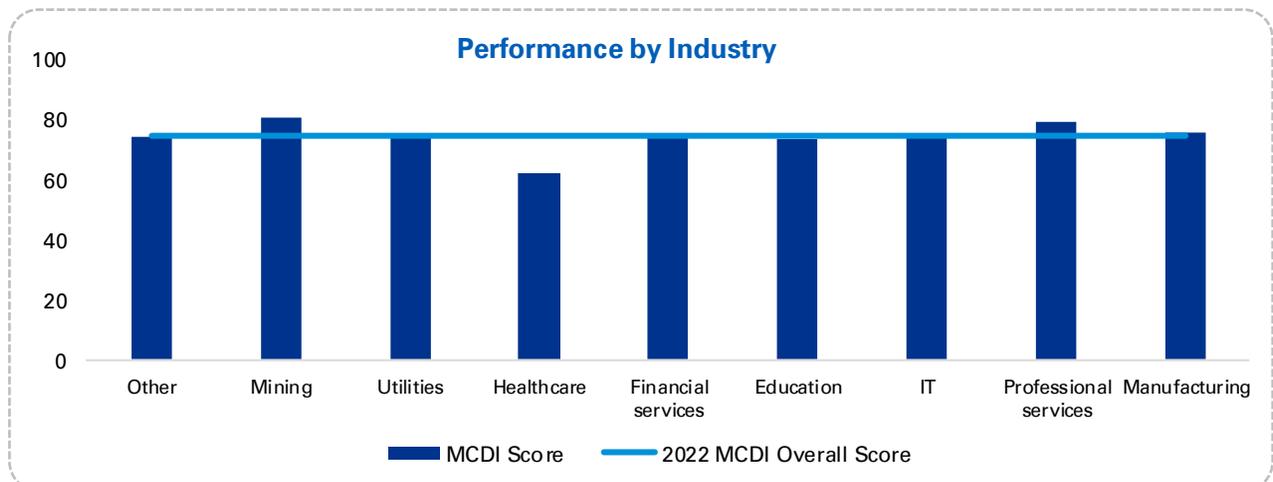
Mid-sized organisations (101-200) scored reported the highest MCDI scores. Small sized organisation scored relatively low with organisations having fewer than 20 employees reporting the lowest scores.



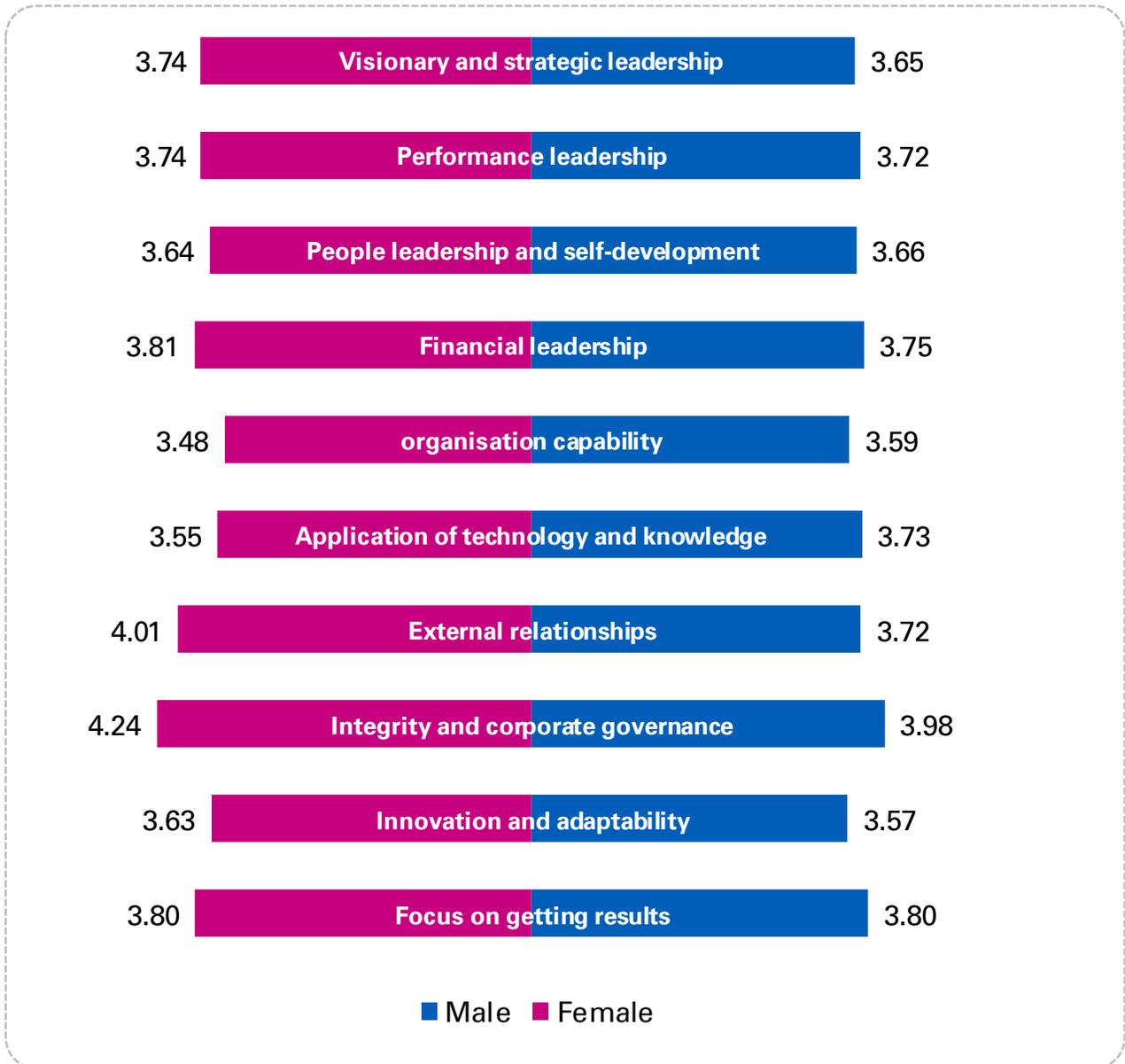
Organisations with revenue less than 6 Cr reported the lowest scores in the MCDI survey while mid-sized organisations reported the highest scores. Organisations with revenue between INR 30 Cr to INR 60 Cr scored the highest in the survey



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



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





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