

**STRATEGIC LEADERSHIP  
MODELS AND THEORIES:  
INDIAN PERSPECTIVES**

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# **STRATEGIC LEADERSHIP MODELS AND THEORIES: INDIAN PERSPECTIVES**

BY

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INVESTOR IN PEOPLE

To  
Late Meenakshi Jha, Mother of Sumi Jha  
and  
Late Bibhuti Bhusan Bhattacharyya, Father of  
Som Sekhar Bhattacharyya

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## Preface

Leadership as a concept has been well researched. A metaphor from Koontz's (1961) 'The management theory jungle', establishes that even in leadership theories a jungle has been created. The point of concern though is that the leadership theories' jungle has been predominantly created by Western minds. With the growth of emerging economies such as that of India, a compelling argument can be put forth stating that an India-centric leadership theory be created. Leadership theories in the business context, thus lack contextual grounding in emerging economies like India.

India requires a special treatment in strategic leadership studies. It is important to understand why a separate leadership study context in India deserves merit. In global cultural studies, India has always been treated as distinct, culturally (House, Javidan, Hanges, & Dorfman, 2002; Huntington, 1993; Ronen & Shenker, 1985). Therefore, leadership practices in India from a cultural point of view requires special treatment. Emerging economy countries carry institutional voids (Khanna & Palepu, 2005). Institutional voids manifest in business practices. Thus, leadership theories in emerging economic context like India require reexamination. Emerging economy countries' dominant business models vary from those of the developed countries (Arnold & Quelch, 1998; Bhattacharyya, 2011; Dhanaraj & Khanna, 2011; Khanna, Palepu, & Sinha, 2005). Business leaders practising leadership are grounded in these business models. This difference also qualifies for a re-look at leadership theories based on the leadership practices in emerging economies. Technology is altering the way leaders' social interaction and business operations are being driven. Leadership practices are getting altered because of the presence of ubiquitous, connected information technology platform in mobile devices (Avolio & Kahai, 2003; Avolio, Kahai, & Dodge, 2001; Cascio & Shurygailo, 2003). The presence of technology thus requires a need for reexamination of leadership theories studied.

Indian business like that of other emerging economies has been expanding globally. Indian leaders and Indian leadership will matter more in the

future of global business landscape. There have been studies on leadership in India, but these studies have focussed on highlighting facts on Indian leadership practices. In other words, there have been very few attempts towards theoretically analysing Indian leadership practices. This book is unique because it has been based on empirical research (in-depth personal interviews with Indian business leaders) on theories, on both leadership and models on strategic leadership. The authors have analysed the prominent leadership theories. The purpose of this study was to decipher the changing relevance of these theories in the present-day Indian context in terms of primarily locating the divergence of Indian leadership practices with existing leadership theories. Therefore, the objective of the study has been to conduct a thematic analysis of relevance on converging and diverging leadership theories in India from that of the West. This has helped in comprehending aspects in which Indian business leadership theories and models converge or diverge with respect to Western views on leadership.

In the Indian context, for strategic leadership models there have been very limited studies regarding present requirements of leadership characteristics. Furthermore, there have been very few studies in India deliberating the foundations of leadership models at different stages; namely, individual, interpersonal, inter-functional, inter-business and at the industry level. There is also a paucity of research on the process of strategic leadership development in India. The impact of technology on Indian business leadership has also been rarely studied. Finally, strategic leaders' decision-making process model studies are also limited in the Indian context. Thus, the research objectives of this study were to fill these researchable gaps like on mapping the dynamic characteristics of strategic leaders, studying strategic leadership development stages and comprehension of strategic leadership processes.

The authors undertook a qualitative exploratory research to study 21 leadership theories based on the input of 26 top-level Indian business leaders. The inputs from these leaders were used to prune and expand extant Western leadership theories. Content analysis was used for data analysis. This study further aimed at analysing different strategic leadership models with perspectives from India. The study focussed on the following:

- To outline the dynamic strategic leaders' characteristics and its evolution from the past to the future.
- To develop foundational pillars of leadership at multiple levels; namely, individual, interpersonal, inter-functional, inter-business and industry level.

- Different strategic leadership stages were mapped from the Indian context.
- The web of belief of strategic leadership development was explored.
- Different web-based technologies and their impact were captured.
- Transcendent strategic leadership was studied.
- Leadership decision-making consisting of paradoxes, trade-offs and compromises were reported.
- Strategic leadership skill evaluation parameters were outlined.

The authors found that India-centric leaders stress mobility, drive for innovation, technology savviness, intense learning focus, boundary less leadership practice, participation and inclusiveness.

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## Chapter 1

# Introduction to Leadership Theory and Strategic Leadership

### 1.1. Introduction to Leadership Theories

The act of leadership is as old as human civilization. One of the pillars for the progress of human civilization has been humankind's capability for working collaboratively in teams. History abounds with examples of teams with better leaders excelling. In the past, human organization and leadership were best represented by political emperors and military empires. In the present-day context, business organization and its leadership occupies a central position in society. Leadership has always been an interesting topic of investigation since ancient times. In modern times, the first leadership theory was the trait theory (Stogdill, 1948). Several other theories such as behavioural (Blake & Mouton, 1985), contingency (Fiedler, 1964), social exchange relational (Graen & Uhl-bien, 1995), neo-charismatic (Judge & Piccolo, 2004), power and influence (Vecchio, 2007), follower-centric (Baker, 2007), team leadership (Taggar, Hackew, & Saha, 1999), strategic leadership (Boal & Hooijberg, 2001; Finkelstein & Hambrick, 1996; Ireland & Hitt, 1999; Vera & Crossan, 2004), ethical leadership (Avolio & Gardner, 2005), leadership development (Bass & Avolio, 1997; Day, 2001), social network approaches to leadership (Balkundi & Kilduff, 2006; Mehra, Dixon, Brass, & Robertson, 2006; Pastor & Mayo, 2002), innovation and leadership (Amabile, 1988; Jaussi & Dionne, 2003; Mumford & Licuanan, 2004), pygmalion effect (Eden, 1990, 1993; Eden & Ravid, 1982; White & Locke, 2000), entrepreneurial leadership (Gupta, MacMillan, & Surie, 2004; Kuratko, 2007; Prabhu, 1999), e-leadership (Avolio & Kahai, 2003; Avolio, Kahai, & Dodge, 2001; Cascio & Shurygailo, 2003), destructive leadership (Aasland, Skogstad, Notelaers,

Nielsen, & Einarsen, 2010; Einarsen, Aasland, & Skogstad, 2007; Ferris, Zinko, Brouer, Buckley, & Harvey, 2007; Krasikova, Green, & LeBreton, 2013; Schyns & Schilling, 2013) and outstanding leadership (Holmberg & Åkerblom, 2001; Ligon, Hunter, & Mumford, 2008; Tamkin, Pearson, Hirsh, & Constable, 2010) were studied. In this study, the authors interacted with Indian business leaders to document the significance and relevance of the various predominant leadership theories. The authors primarily explored the divergence of Indian leadership practices with respect to the well-established extant leadership theories. The authors have also acknowledged the points of convergence. Attempts have been made to bring new practical insights and make a theoretical contribution to the extant leadership theory conversation.

## **1.2. Introduction to Strategic Leadership**

Strategic leadership evolved over a period of time in different contexts. It has become modified as the leadership context continuously evolved in emerging economies. The context of business landscape within which a strategic leader acts involves the following:

- Market dynamics.
- Regulatory frameworks.
- Technology.
- Globalization.
- Cultural adaptability.

The functional dimensions of strategic leadership have also expanded over a period of time. This is because of the competitive and sophisticated market dynamics, advent of interactive web-cum-mobile technologies, stringent regulatory norms, rapid internationalization, adaptive and agile innovative organizational culture. Strategic leaders in the present context have to carry out a larger set of activities to fulfil the strategic leadership role.

Indian business has, over the years, changed significantly. In the years between 1947 (India's political independence) and 1991 (government change of economic policy towards liberalization, privatization, globalization and LPG), Indian businesses operated in a protected era (Rajendran & Natarajan, 2010). This era was characterized by government policies for import substitution, Indian domestic industry protection, business policies for import substitution and a relatively lower level of domestic market traction (Athreye & Kapur, 2009). During this era, both the supply and

demand side of businesses were restricted. Though private businesses were present, their production and product range were controlled by the Licence Raj (Arnold, Javorcik, Lipscomb, & Mattoo, 2012; Ghemawat & Khanna, 1998). Often the Indian market segments for these players were static and well defined. Business leadership in this era was thus well attuned to the business requirements of the era post-Independence (1947–1991) (Baldwin, Danielson, & Wiggenhorn, 1997). Strategic leadership practice in India was mostly directive. Strategic leaders had a cushion of doing long-term planning because anticipation of the future was easier as there was more stability (Govindarajan, 2016). Indian leaders could draw power predominantly from referent and positional power bases, especially in Indian family businesses. Indian family businesses which had originated in the British era had substantial footprints in Indian businesses until the 1990s (Parida & Acharya, 2017; Robins, 2017). Strategic leaders' decision-making was sluggish. From 1991, Indian government eased business restrictions and promoted export orientation. The Government of India (GoI) also eased the norms for setting up new private businesses. The Government of India removed the Licence Raj, which freed Indian businesses to plan their production capacities (Arnold et al., 2012; Ghemawat & Khanna, 1998). Owing to the changes in policies, participation and entry of foreign players into the Indian domestic market were permitted. In a nutshell, Indian business landscape and its organizations changed. Indian business leaders also had to adapt to these new realities and alter their strategic leadership decision-making and strategic leadership process (Banerjee, Ceri, & Leonardi, 2016). These changes were required to make strategic leadership more relevant and effective in the new era. These new realities have been driving businesses since then.

Strategic leadership involves the phenomenon of influencing organizational followers to achieve set firm-level goals. Leadership is omnipresent across all spheres of human involvement. In classical times, political, military and religious leadership bore tremendous influence on society (Ghoshal & Bartlett, 1995), which is also reflected in classical literature (Gunther & Diamond, 2003; Rost, 1993; Wald, Silverman, & Fridy, 2005). From the 17th century onwards, two factors influenced society: technology (industrial revolution to information technology and beyond) and the growth of partnership and public limited companies. The East India Company, formed in 1600 AD, was the first listed company. Since then, a fourth major context of leadership evolved, which is business leadership (Bowen, 2005). Leadership in business organization represents different levels of leadership, such as self-leadership (Im, Sung, & Jung, 2017; Manz, 1986;

Neck & Manz, 2010), team (Ellis & Kisling, 2017; Zaccaro, Rittman, & Marks, 2002), functional (Lord, 1977), organizational (House, Wright, & Aditya, 1997) and industry (Gawer & Cusumano, 2002; Hohmeier, McDonough, & Wang, 2016). The concept of self-leadership implies that the individual sets his priorities, has self-control, domain expertise and sets examples for others (Im et al., 2017; Manz, 1986; Neck & Manz, 2010). Team leadership explains leadership practices in which a set of followers is led by either assigned or emergent leader for defined goals (Ellis & Kisling, 2017; Zaccaro et al., 2002). Generally, team leadership is restricted to a particular team. Functional leadership (marketing, finance, HR, operations and so forth) is similar to team leadership wherein members of a team belong to one function and the team leader is also from the same function. Functional team members get together to solve functional problems (Lord, 1977). As the business environment became more dynamic and complex over the years, organizations found it very challenging to survive and thrive in the marketplace (Ma & Seidl, 2016). A need was felt for strategic leadership to manage the entire organization with a holistic approach. Strategic leaders comprised owners of various business organizations or the top-most executives of the organization (House et al., 1997). Strategic leaders were expected to set long-term goals for the organization through mission- and vision-building exercises (Ma & Seidl, 2016). They were also expected to acquire, develop and nurture resources and capabilities that would provide the firm with a sustainable competitive advantage (House, Dorfman, Javidan, Hanges, & de Luque, 2013; Neumann & Neumann, 2013; Rothaermel, 2015). Some strategic leaders, owing to their rich experience, vast domain knowledge and respect across various stakeholders over a period of time, commanded leadership position not only in their organizations but also at the industry level. These sets of strategic leaders provided direction to the industry, voiced the concerns of the industry and, in critical situations, could guide firm management in crisis (Schoemaker, Krupp, & Howland, 2013). As per the extant literature, firm-level top-most management and industry leaders are considered as strategic leaders (House et al., 2013; Neumann & Neumann, 2013; Rothaermel, 2015). The authors in this study considered firm- and industry-level leaders as strategic-level leaders.

Given this background of changing contexts and expanding leadership functions, the authors realized that there is a need to review leadership models which address contextual and functional aspects of strategic leadership. This work has captured extant and potential strategic leadership models in the changing situations in India. There is extant work

on models of strategic leadership. There are also several models which are distinct from each other keeping in mind the growth of various concepts on strategic leadership. These are strategic leadership behavioural patterns (Northouse, 2015), growth stages of development of strategic leaders from self to industry (Hitt & Ireland, 2002), belief system of strategic leaders (Northouse, 2015), constituent dimensions of strategic leadership (Antonakis & House, 2014), a model of strategic leadership decision-making (Smith, 2014), strategic leadership characteristics (Dinh et al., 2014), strategic leadership process (Day, Fleenor, Atwater, Sturm, & McKee, 2014), integrated strategic leadership model (Meng & Berger, 2013) and technology and strategic leadership (Chen, Tang, Jin, Xie, & Li, 2014). There are very few empirical studies in India which have studied extant strategic leadership models in the Indian context. This research is an attempt to fill contextual and theoretical gaps in strategic leadership models. The next two chapters discuss the literature reviews.