Systemic Leadership Development: Impact on Organizational Effectiveness

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Systemic Leadership Development: Impact on Organizational Effectiveness
Abstract

Purpose: This study examines the impact of leadership development programs on organizational outcomes and organizational effectiveness.

Design/methodology/approach: Using a grounded theory approach, semi-structured interviews were conducted with 15 executive leaders from aviation firms in Brazil with employees participating in a leadership development program. NVivo12 was used for coding and managing the data. Thematic analysis was performed to determine themes and categories.

Findings: The leadership development program was found to influence organizational level outcomes identified as themes of internal impact, external impact, skill development, and capacity. The interviews also found that executive leaders perceived the leadership development program to impact organizational effectiveness. Connections to human capital, social capital, and collective leadership were found as outcomes of the leadership development program contributing to organizational effectiveness.

Research Limitations/Implications: The findings are dependent upon the executive leaders’ interviews and are limited sample size. The protocol of subjective inter-coder reliability was followed supporting the credibility and dependability of the findings; however, researcher bias may still be present in qualitative studies. Generalizability outside of the Brazilian aviation context is cautioned until further studies in additional contexts and industries are completed.

Practical Implications: The findings of this study support leadership development programs as impactful on organizational outcomes and effectiveness. Incorporating leadership development programs as part of human capital management strategies supports organizational effectiveness through increased collective leadership capacity, human capital development, and social capital.

Originality: A large amount is known regarding the outcomes for individuals as a result of leadership development programs with less examined on the contribution to organizational level outcomes and organizational effectiveness. This study aids in bridging this gap.

Keywords: Leadership development program, organizational effectiveness, collective leadership, social capital, human capital, aviation
Introduction

Organizations spend billions of dollars globally on leadership development to optimize human capital (Westfall, 2019). Results of such investments and the outcomes of leadership development programs on organizational effectiveness are lesser-known (Gurdjian et al., 2014). Minimal research exists that examines the contribution of leadership development to organizational effectiveness while much is researched on the outcomes of leadership development for individuals. The outcomes for the organization, as a result of leadership development, centered around organizational effectiveness remains largely unexplored (Richard, et al., 2014; Day et al., 2014).

Moving away from the well-known effects of LDPs on individuals, this study focuses on collective leadership which is the idea that many individuals within a system lead helping networks and organizations advance toward a shared goal. Collective leadership capacity is believed to be a factor in organizational effectiveness (Petrie, 2011; Van Velsor et al., 2010; Leskiw and Singh, 2007). Using a constructivist approach through in-depth interviews with executive leaders whose firms invested in a leadership development program (LDP) for employees, this study examines how the LDP promoted collective leadership capacity to impact organizational level outcomes and contribute to organizational effectiveness. Constructivism considers how people build reality using the sense given to experiences and how they learn from the experience rather than being passive recipients (Cobern, 1993). Members of the organization interpret what is happening around them and their experience, giving it meaning (Astley, 1985). For this reason, constructivism is used as the epistemological framework to direct the work in this study. Therefore, the research questions are formulated as follows:
RQ1: What are the organizational level outcomes from a leadership development program?

RQ2: To what extent do executive leaders perceive the leadership development program to have contributed to organizational effectiveness?

The uniqueness of this study is twofold: 1) it uses executive leaders’ perspectives of an LDP on organizational effectiveness; 2) the LDP analyzed was attended by employees from multiple organizations in the same industry which can aid generalizability as to how the LDP impacts organizational effectiveness.

Organizational Effectiveness

Organizational effectiveness and organizational performance have been used interchangeably as labels for organizational outcomes (Burke and Litwin, 1992; Sutton, 1999; Werther et al., 1995) while being divided into distinguishing constructs that attribute economic or market measures to performance while noneconomic or “stakeholder” measures are attributed to effectiveness (McCabe and Dutton, 1993). Organizational effectiveness (OE) is defined as the organization achieving its mission and goals. OE has not reached a universal theory (Andreadis, 2009; Thibodeaux and Favilla, 1996) and is not a well-developed concept as it is complex in terms of description and dimension rather than aggregated in measures or financial rations (Gold et al., 2001). No one single model of OE is fit for all organizations (Ashraf, 2012). Yukl (2008) noted an organization’s effectiveness is based on its ability to survive, deliver to its purpose, and remain fiscally viable, which the organization accomplishes through efficient and reliable processes, its human capital, and its ability to adapt to its external environment. OE is the concept of how effective an organization is in achieving its goals and objectives. OE is typically
a non-financial aspect of organizational performance that focuses on human capital and resource acquisition and maintenance (Davis and Pett, 2002; Kivipold and Vadi, 2013). OE is not always about the profitability of an organization. Financial aspects are a part of organizational effectiveness; human capital of the organization contribute to organizational effectiveness. The definition of OE for this study is the ability of the organization to reach goals through the effective use of resources while continuously adapting to the external environment.

Developing the leadership capability of an organization’s human capital to increase organizational performance and achieve effectiveness requires blending the individual leader development activities with strategic organization development activities, particularly those focused on visioning, strategic planning, and change management (Clarke, 2013). Van Velsor et al. (2010) supported the notion that leadership development contributes to OE when focused on the specific needs of the organization. Aligning goals and objectives to human capital management, an organization can achieve greater effectiveness (Marimuthu et al., 2009). Human capital development is integral to increasing OE; and, can be supported through leadership practices, employee engagement, knowledge accessibility, workforce optimization, and organizational learning capacity (Avolio et al., 2010; Bassi and McMueerrer, 2007; Hanson, 2013; Hernez-Broome and Hughes, 2004; Leskiw and Singh, 2007; O’Brien and Robertson, 2009; Packard and Jones, 2015). This core set of human capital development drivers aligns with LDP practices deployed to strengthen leadership capabilities (Glamuzina, 2015; Kark, 2011; Van Velsor et al., 2010). Tompson and Tompson (2013) identified gaps in the existing literature showing the influence of leadership development on OE while Day et al. (2014) recommended further exploration to discern how leadership development impacts the organization. While it is acknowledged that leadership development is perceived to impact OE, it has not been
sufficiently explored on how this occurs (Clarke, 2013; Galli and Muller-Stewens, 2012; Hannah et al., 2008; Packard and Jones, 2015). A systemic approach to leadership development supports how human capital development fosters OE and can be achieved through leadership development programs.

**Systemic Approach to Leadership Development**

Modern organizations are open systems facing various complexities that affect the organization’s effectiveness (Collier and Esteban, 2000; Scott, 1998). Leaders and leadership are necessary for organizations to adapt, evolve, and succeed amid internal and external fluctuations (O’Toole, 2001). Leadership development contributes to the organization’s capability and capacity necessary to adapt to threats, generate organizational opportunities, and leverage organizational renewal (Collier and Esteban, 2000); yet, more is needed to understand the relationship and outcomes of leadership development on the organization (Day et al., 2014).

Resource-based theory (RBT) (Barney, 2001; Barney et al., 2011) is used as the foundational theoretical framework potentially connecting leadership development to improved organizational functioning. The fundamental assumption of RBT is the acquisition and accumulated value of intangible resources such as human capital (e.g. employee competencies, capabilities, knowledge, skills, and attributes; Campbell et al., 2012) and social capital (personal relationships and networks within the organization; Adler and Kwon, 2002; Nahapiet and Ghoshal, 1998) will then support the organization in achieving goals and overall effectiveness (Barney et al., 2011; Shaw, et al., 2005). RBT demonstrates the attainment of human and social capital resources that are outcomes from an LDP can contribute to organizational effectiveness (Ndofor et al., 2011). Through the resource-based view, resources and capabilities of firms that contribute to competitive advantages are gained through collective tacit knowledge (Osterloh and
Frey, 2000). This knowledge becomes a strategic asset and a source for creating sustainable competitive advantages. Using RBT and the resource-based view, it suggests a firm’s resources (e.g. human capital, collective leadership capacity, and, social capital) determine the firm’s competitive advantage in a given market, thus impacting its effectiveness (Barney, 2001; Barney et al., 2011).

**Social Capital**

Social capital is a collection of social exchanges stimulating relational networks belonging to an individual or a social unit (Nahapiet and Ghoshal, 1998). Benefits from social capital include greater knowledge sharing, shared goals, and standard frames of reference (Salajegheh and Pirmoradi, 2013). Leadership development can foster the growth of social capital for all employees by enhancing the relational wealth through organizational social networks (Day, 2000; Day and Harrison, 2007). High-impact factors like improved knowledge sharing and network groups developed from social capital contributed to organizational affinity and effectiveness (Coff and Rousseau, 2000). Other high-impact factors of social capital in organizations are coherent employee actions flowing from shared understanding; stable organizational membership; and, maximum productivity increasing the organization’s performance (Cohen and Prusak, 2001; Hitt and Ireland, 2002; Ireland and Hitt, 1999; Nahapiet and Ghoshal, 1998).

**Human Capital Development**

The concept of human capital has received much attention recently as it is hypothesized that the human factors of combined intelligence, skills, and expertise provide distinctive organizational characteristics (Bontis et al., 1999). Human capital is the knowledge, skills, competencies, and attributes embodied in individuals that facilitate the creation of personal,
social, and economic well-being. Employee knowledge and skill are known as human capital and are the core of intellectual capital that drives organizational effectiveness (Crook et al., 2011).

Employee performance is multidimensional and significant for organizational success (Van Dyne et al., 2002) and effectiveness (Ohly and Fritz, 2010). Organizations focus strategies on human capital management to reach optimum people and organizational effectiveness.

Collective Leadership

It is necessary to differentiate leader and leadership development to understand the focus of this study. While leader development emphasizes increasing the skills and competencies of individuals, leadership development concentrates on the collective development of an organization’s total leader population as a unit (Van Velsor et al., 2010). Collective leadership capacity is described as leaders gathering to collectively generate positive actions throughout an organization and using their power and influence to ethically and equitably build inclusive social capital (Militello and Benham, 2010; Paunova, 2015; Van Velsor et al., 2010). Upskilling leadership development is thought to generate and mobilize human and social capital to contribute to the systemic growth of an organization (Espedal et al., 2013). Meta-analyses of LDPs have identified a limited focus on relating the process of leadership development to targeted organizational outcomes and performance (Van Velsor et al., 2010). With rapid changes and global fluctuations, collective leadership development may be the answer to an organization’s ability to adapt and evolve to maintain effectiveness and efficiency.

Organizations need effective collective leadership to survive and thrive. The emerging, rapidly changing, and tumultuous environments call for a collective leadership force consisting of individual leaders competent in organizational and people management. Leadership development previously viewed as a luxury is now a commodity necessary for organizational
sustainability. Further exploration is needed to model and measure how leadership development relates to organizational effectiveness to guide scholars and practitioners on developing best practices and processes that maximize leadership development outcomes for the organization (Clarke, 2013; Galli and Muller-Stewens, 2012; Hannah et al., 2008; Packard and Jones, 2015).

Few studies have assessed the influence of leadership development outcomes on OE (Santos et al., 2015) which is driving the exploration in this study of the perceived influence of an LDP on OE.

**Methodology**

Organizational effectiveness concepts within social and human capital guided the research. In-depth interviews were conducted from a theory-driven interview guide in a semi-structured format recommended for qualitative organizational research (Lee and Lee, 1999). This study approaches the research questions through a grounded theory method. Grounded theory suggests inherent meaning to data (Glaser & Strauss, 1967) with the assumption relationships exist objectively and are waiting to be discovered through the systematic investigation of data. Through the approach of systematic coding and categorizing the data to identify relationships, new understanding can emerge from the data rather than forcing extant theory onto it. This is supported by Glaser (2005), as a method of coding, as it adds explanatory power and assists with the theoretical integration (Birks and Mills, 2011).

Semi-structured interviews were conducted with 15 executive leaders from four firms that sponsored employees in the LDP and recorded for data collection purposes. In the interviews and subsequent analysis, the researchers more deeply probed around the core themes of human capital and social capital. Interview questions around organizational development and organizational effectiveness were specifically designed to allow open-ended conversation which
would morph to holistic natural responses to expand the understanding of the LDP’s impact on organizational effectiveness (see Appendix A).

**Context**

The LDP in this study consisted of employees from four aviation firms in Brazil. The sample population interviewed were executive leaders from the four aviation firms. The leaders interviewed were directly connected to the employees who participated in the LDP either as a direct report during the program or the employee became a direct report of the executive leader interviewed as a result of career advancement within the firm during or after completion of the LDP. The LDP was 14-months in length and specifically designed for the aviation industry with a focus on leadership development for employees. In total 86 employees from the aviation firms completed the LDP since October 2017. Appendix B provides an outline of the LDP training curriculum and outcomes. The interviews provided data on the executive leaders’ analysis of the accumulation and acquisition of human capital and social capital as a result of employee participation in the LDP.

**Data Analysis**

After each interview, the responses were documented and transcribed verbatim and imported into NVivo12 for data management and analysis following typical qualitative procedures (Glaser and Strauss, 1967; Strauss and Corbin, 1996). Thereafter, the transcriptions were analyzed using Braun and Clarke’s (2006) method of thematic analysis through an inductive thematic approach to generate common, interactive themes involving coding, categorizing, and conceptualizing. Each of the transcripts was read to understand the intentions behind the responses while connecting those to the key themes derived from the literature review. This allowed the development of themes and subthemes for the organization and
presentation of the findings. For credibility and dependability, Corbin and Strauss’s (1996) subjective inter-coder reliability method was used. The researchers coded the transcripts independently and began to formulate provisional codes and categories. The research team then created a mutual understanding of codes to refine the coding framework. Extracts of data were coded to as many themes/sub-themes as relevant. Themes were further refined and reduced by examining coherent patterns in the coded data. The findings were provided to the participants for confirmation of the conclusions drawn from the interviews.

Findings

From the data compiled and thematic analysis, the interviews yielded 220 different notions. Out of those, 57 concepts were distilled. These were further compiled into four distinct thematic categories: Internal Impact, External Impact, Capacity, and Skills. Using NVivo12 the coded interviews were able to be categorized and understood through the percentage of covered themes.

Interviews (n = 15) specifically identified the LDP as an integral component of the organization’s strategy that increased organizational effectiveness. Throughout the thematic categories: 93% (n = 14) discussed the intra-organizational or internal impact and inter-organizational or external impacts; 86% (n = 13) noted the impact of the skill development obtained through the LDP; and, 80% (n = 12) identified the LDP’s impact on the organizational capacity. These thematic categories are presented in Figure 1.

<Insert Figure 1 here>

Figure 1. Organizational impact from the LDP
A summary of the themes is presented in Table I with the categories, short descriptions for each, and exemplary quotes from the interviews; and, below the themes are discussed concerning the research questions.

<Insert Table I. here>

Organizational Level Outcomes

The internal impact theme distilled supports organizational level outcomes from the LDP with organizational effectiveness. Across the interviews outcomes of improved efficiency and meeting objectives were noted:

*We have to improve the efficiency of our company. This program improved them with information about how to reach this.* ~Senior Manager – Sales, Aviation Firm C

*Basically it helps get better results for the company.* ~Chief Information Officer, Aviation Firm D

Outcomes from the LDP were also found as an external impact through social capital resulting in improvements contributing to both organizational effectiveness and industry improvements:

*The relationships our employee formed are important as he stays in contact with those from the other airlines. He uses those connections to improve our operations through different ideas. This would not have happened without the networking he did in the program.* ~Service Manager, Aviation Firm A

*The unique feature is having folks from all of the airlines and having folks from different departments in the airlines. This is something needed but not often done at a large industry scale.* ~International Relations Director, Aviation Firm B
We implemented the project an employee worked on in the program that screened checked baggage. This results in financial improvements by avoiding costs of delays previously associated with baggage screening. It was also presented at the National Security Forum...it is likely a change of the regulation will happen to make this baggage screening mandatory. This will take security to another level in Brazil. ~Chief Security and Safety Officer, Aviation Firm A

The exemplary quotes referenced in Table 1 also indicate outcomes from the LDP related to improvements in operations management, processes, and procedures that improved savings, reduced costs, and improved employee performances found in the internal impact theme. Results of industry benefits from networking and increased knowledge in the aviation industry from the LDP from the quotes in Table 1 also support the findings of outcomes at the industry level.

The capacity theme was distilled from the interviews as to how the LDP contributed to human capital management strategies for the organizations resulting in increased OE. The LDP was noted as integral to developing human capital within the organizations:

We have found the employees that complete the program become leaders. This has helped us build our company in terms of leadership. We now have more people that can be leaders and step up to make suggestions and changes to improve. ~Senior HR Manager, Aviation Firm D

An example is acquiring software for the company. They brought it back to optimize their department and implement everything they learned back at the airline.

~Chief Information Officer, Aviation Firm D
This helps them build a strategic vision regarding the airline, which then helps the company. ~Sales Senior Manager, Aviation Firm C

The exemplary quotes specific to the capacity theme in Table 1 further connect the LDP to outcomes for the organizations around building human capital for increased OE. Outcomes such as increased efficiency, development of management and leadership skills, and greater employee expertise were brought back to the organizations from participation in the LDP, all of which support enhanced OE.

The final theme distilled was skill development identifying how the LDP contributed to building skills and advancement within the organization. From the LDP, it was noted how employees developed further skills and progressed in the organization leading to improvements to the organization and supporting the capability of the organization in human capital management strategies.

We are now able to better task and depend on those employees [who completed the LDP], we see a growth in time management, financial literacy, and dependability. ~Chief Information Officer, Aviation Firm B.

He has greater skills which I see in how he has contributed to improving security measures that have also helped the entire company. ~Safety and Security Manager, Aviation Firm C.

The leadership development program provides the necessary strategy to develop the human resources in our firm. We do not have the resources to provide our own program that can further employees, so we see this as our strategy for employees to develop and advance. ~Chief Information Officer, Aviation Firm B.
The exemplary quotes in Table 1 for the skill development theme are additional evidence from the interviews regarding how upskilling and advancement within the organization resulted in organizational outcomes that contributed to the strategy and increasing the management and leadership capabilities for the organization.

**Perception of LDP for Organizational Effectiveness**

The second research question guiding the study to explore how the executive leaders in the aviation firms perceived the LDP to contribute to organizational effectiveness. The findings for the first research question regarding the impact of the LDP on organizational outcomes were derived from the leaders’ interviews which are also their perceptions of the LDP on organizational effectiveness. Throughout all of the interviews, positive outcomes related to reaching organizational goals, objectives, and advancing the organization was found. The four themes distilled support how the LDP contributed to organizational effectiveness. The following quotes provide evidence regarding how the LDP was perceived to contribute to organizational effectiveness:

*The airlines see value in it, the airline associations see value in it, and the administration sees value in it.* ~International Distribution Director, Aviation Firm C.

*I think eventually we could go back and measure it to put a dollar figure on it.*

*They are optimizing the airline network and fleet in more efficient ways. Our targets are operational improvement and cost efficiencies, which I think is happening.* ~Logistics Director, Aviation Firm A.

The overall focus was the organizational level impact of the LDP by studying how executive leaders in the firms perceived the LDP to contribute to organizational effectiveness. The perceptions of the leaders were utilized to distill the themes of organizational level outcomes.
related to organizational effectiveness. The above quotes are evidence of how the leaders’
perceived the LDP with the organization’s ability to reach goals through the effective use of
resources while continuously adapting to the external environment. The stakeholders of the
organizations and industry were found to perceive value in the LDP. The targets of operational
improvement and increased efficiency were noted throughout the interviews indicating the
organizations’ reached goals and objectives which is the cornerstone of organizational
effectiveness.

Discussion

The perceived impact of LDP on organizational effectiveness was explored leading to
findings of the LDP supporting human capital management strategies, social capital
development, and collective leadership capability all of which contribute to organizational
effectiveness. Organizational effectiveness focuses on the ability of the organization to deliver
on goals, leverage resources, and continuously adapt (Kivipold and Vadi, 2013; Yukl, 2008).
Developing the leadership capability of an organization’s human capital contributes to
organizational effectiveness (Clarke, 2013; VanVelsor et al., 2010). Human capital, social
capital, and collective leadership capacity are believed to support organizational effectiveness
(Kivipold and Vadi, 2013; Leskiw and Singh, 2007; Petrie, 2011; Van Velsor et al., 2010), all of
which are evident in the data from the interviews. Participants perceived the LDP to build the
organization’s capabilities in human capital management, improve operations, and increase the
efficiency of the organization.

The LDP was the platform that fostered the development of human capital, social capital,
and collective leadership capacity which was found to contribute to the organization’s ability to
meet goals and objectives which is organizational effectiveness. Participants noted the
importance of the LDP as a means to support the organization’s goals, processes, and strategies integral to developing the human capital to meet outcomes and improve. Human capital development is a core driver of organizational performance that contributes to the organization’s overall effectiveness and is an essential strategy for an organization (Crook et al., 2011).

Human capital management strategy informs the direction of investment in people (Hossain and Roy, 2016). LDPs are integral components within the human capital management strategy focused on developing capabilities for the organization to achieve higher levels of effectiveness (Chatzkel, 2004). Human capital as an organization-level resource can be accumulated or depleted (Crook et al., 2011; Ployhart et al., 2014) with LDPs being a contributor to human capital accumulation. Leadership competencies in employees contribute to a higher stock of human capital (Subramony et al., 2018).

Increased levels of social capital contributing to organizational and industry effectiveness were evidenced in the findings. Using the definition of social capital as the knowledge embedded within, derived from, and available through social networks (Adler and Kwon, 2002; Nahapiet and Ghoshaal, 1998), the findings indicated an accumulation of social capital through the social networks stemming from participation in the LDP. Social capital is a valuable asset for inter-organizational relationships which increases the capacity for creating, sharing, and management of knowledge that generates sustainable competitive advantages (Salajegheh and Pirmoradi, 2013). LDPs are considered an effective means of building social capital which fosters the knowledge transfer between individuals and builds relationships enhancing organizations (Day and Harrison, 2007; Salajegheh and Pirmoradi, 2013). Relational wealth as an outcome of the LDP was found to build networks between the firms in improving knowledge creation and maximizing the value of competition and collaboration between the firms (Hitt and Ireland,
2002; Ireland and Hitt, 2005; Nahapiet and Ghoshal, 1998). The findings followed Ghaffari and Naderi’s (2013) findings on how social capital between organizations supported organizational effectiveness and connected to RBT.

Upskilling leadership competencies generate and mobilize human and social capital to contribute to the systemic growth of an organization (Espedal et al., 2013). Collective leadership capacity being the capacity of leaders in the organization to power and influence from interpersonal and intrapersonal leadership capabilities (Militello and Benham, 2010; Paunova, 2015; Subramony et al., 2018; Van Velsor et al., 2010), the findings support the relationship of the LDP on the organization’s collective leadership capacity.

The interviews identified how the LDP contributed to advanced skill development and career progression. The acquisition and accumulation of intangible resources such as organizationally-relevant knowledge, skills, and abilities were an outcome of the LDP. Stocks of such knowledge drive organizational effectiveness through individual skill development provide the organization with a competitive advantage (Chadwick, 2017). Participants identified how LDPs are an integral component of organizations’ strategy to develop human capital contributing to overall growth in collective leadership capacity. Collective leadership capacity enhances organizational effectiveness through advancing the competencies and behaviors of human resources in the organization (Espedal et al., 2013) with the LDP perceived to increase organizationally relevant knowledge and skill.

With organizational effectiveness being a non-financial aspect of organizational performance garnered through the acquisition and accumulation of intangible resources of human capital and social capital (Adler and Kwon, 2002; Campbell et al., 2012; Nahapiet and Ghoshal, 1998); the findings support how LDPs impact organizational outcomes as a strategy to
foster human capital, social capital, and collective leadership development, contributing to increased organizational effectiveness. Therefore, the proposed model depicted in Figure 2 shows how an organization’s human capital management strategy of employee participation in an LDP leads to human capital and social capital development creating greater collective leadership capacity to increase organizational effectiveness (Adler and Kwon, 2002; Bassi and McMurrer, 2007; Campbell et al., 2012; Espedal et al., 2013; Nahapiet and Ghoshal, 1998).

<Insert Figure 2 here>

Figure 2. Proposed Model for Leadership Development Program Impact on Organizational Effectiveness.

Implications for Theory and Practice

Findings in this study have implications for practitioners and academics regarding leadership development programs influencing organizational effectiveness. The study resulted in findings that recognized benefits not only for the individuals in the LDP, but also the firms’ organizational effectiveness influenced through collective leadership capacity, human capital, and social capital development.

Theoretical Implications

The role of LDPs as an organizational strategy focused on human capital management was found which connects to resource-based theory (RBT). The LDP supported the organizations’ acquisition and accumulation of intangible resources through human capital (Cambell et al., 2012) and social capital (Adler and Kwon, 2002; Nahapiet and Ghoshal, 1998) which then contributed to the organizations’ work towards achieving goals. RBT was demonstrated in the findings of this study as the firms’ accumulated human and social capital that contributed to organizational effectiveness (Ndofor et al., 2011). The individuals’ acquisition and accumulation of leadership capacity and skills are well known as outcomes of
LDPs and the findings from this study imply developing employee leadership capability can foster collective leadership capacity and human capital. The LDP supports employees in upskilling leadership capabilities supporting human capital development through employee knowledge and skill, core to intellectual capital that drives organizational effectiveness (Crook et al., 2011). The upskilling of leadership development also implies greater social capital development for the organization through the networks and relationships built from the LDP.

The partnerships and greater collaboration between the firms as a result of the LDP demonstrate a potential connection of building resilient industries and organizations through human and social capital development. Developing an organization’s capacity for resilience can be done by strategically managing human resources (Lengnick-Hall et al., 2011). By creating and developing core competencies at the organizational level, organizations can achieve the ability to respond in a resilient manner when faced with adversity or challenges. Strategic human capital management is integral to develop the requisite knowledge, skills, and abilities that invoke collective sensemaking in the organization and generate resilient outcomes (Lengnick-Hall et al., 2011). Social capital resources are believed to facilitate organizational resilience. The resilience activation within an organization involves social mechanisms such as awareness of others and working together through interpersonal networks enabling an organization to advance (Teo et al., 2017). The partnerships and collaborations noted in the findings imply a potential connection of LDPs in building social capital which can then contribute to building organizational resilience.

**Practical Implications**

Organizations are continually investing in leadership development programs to optimize human capital and talent (Westfall, 2019). Leadership development is a top human capital
priority for many organizations (Gurdijian et al., 2014) and this study provides implications for
the continuing support of LDPs as organizational strategy around human capital management to
build organizational effectiveness.

Human capital management strategies are vital to organizational success and
effectiveness (Avolio et al., 2010; Bassi and McMueerrer, 2007; Hanson, 2013; Hernez-Broome
and Hughes, 2004; Leskiw and Singh, 2007; O’Brien and Robertson, 2009; Packard and Jones,
2015). These strategies also require great resources which not every organization may have
access to. The LDP in this study was found as an integral component of the organizations’
strategy around human capital management and was a resource the organizations may not have
had access to if not for the LDP. This implies that an LDP built for a specific industry that brings
together employees from numerous organizations may be an effective human capital
management strategy for organizations. An organization that develops its own internal LDP may
not have the same outcomes in social capital and inter-organizational partnerships and
collaborations. This accumulation of social capital between the firms that participated in the LDP
highlights how the networks and relationships built in the LDP influenced innovation and
increased efficiency in functions for the firms. Overall, the practical implications of this study
support how LDPs can contribute to human capital and social capital in an organization and then
potentially drive organizational effectiveness.

A lack of empirical evidence of the relationship between LDPs and organizational
effectiveness is apparent in prior research (Richard et al., 2014); and while this study was an
exploration it still adds value to expanding the existing knowledge of LDP impacts on
organizational level outcomes. Organizational leaders are vital drivers of strategy and can utilize
the findings from this study to support the investment of LDPs not only for individual employee
development but also in support of the overall organization. The LDPs foster greater human
capital and social capital to optimize and develop talent aimed at increasing organizational
effectiveness. While an abundance is known regarding LDP outcomes for the individual (leader),
the understanding of collective leadership development through customized LDPs can assist
practitioners and scholars with modeling LDPs suitable to industry-wide interventions, renewal,
and profitability (Clarke, 2012; Davis, 2014; Galli and Muller-Stewens, 2012; Kark, 2011;
Paunova, 2015).

**Limitations**

This study has limitations as it is dependent upon the executive leaders’ interviews and
has a limited sample size. The protocol of subjective inter-coder reliability was followed
supporting the credibility and dependability of the findings; however, researcher bias may still be
present in qualitative studies. The generalizability of the study outside of the Brazilian aviation
context is cautioned until further studies in additional contexts and industries are completed.

Impression management may also be a limitation of this study. The executive leaders
interviewed for this study did have direct relationships with the employees participating in the
LDP. The effect of impression management on performance ratings may apply to this study
given the relationship between the executive leaders and the employees completing the LDP. The
perception of the effectiveness or performance of the LDP may have been subject to impression
management which could skew the executive leaders’ perceptions of the employee and the LDP's
influence on the organization. The researchers attempted to limit the potential influence of
impression management on the outcomes of the interviews concerning performance ratings, there
still may be inherent bias stemming from impression management in the qualitative study.
The organizations that partnered to create the LDP did not record expected outcomes or measures to determine the success or failure of the LDP. Thus, it is impossible to quantify the specific organizational benefits of the LDP. The current research has relied upon the executive leaders’ perceptions of outcomes as evidence of human and social capital development.

**Future Research**

Future studies should explore the contributions of LDPs implemented across a variety of industries and contexts. To balance the qualitative findings of this study, quantitative data on the specific financial impact of the LDP on the organization is recommended. While quantifying the specific impact and return on investment in an LDP for an organization is difficult, it will aid in appraising the investment in LDPs especially toward the valuation of organizational performance. Longitudinal studies are also recommended to further understand the human capital and social capital development as a result of the LDP. Specific to the LDP in this study, an analysis of the action learning projects completed in the LDP by the participants should be analyzed to expand the understanding of the outcomes from an LDP and the impact on organizational performance. Often these projects focus on improvements within the organization and can be measured to determine qualitative and quantitative reports on the impact. To expand the study of LDP's impact on inter-organizational partnerships and relational wealth, future research should also focus on the growth and impact on organizations as a result of the networking and collaborations with other organizations.

Along with relational wealth, relational energy exchanged between the executives who finance and support LDP and employee participation is an area of future research expanding implications on collective leadership development. The leaders or executives may be fostering relational energy for the participants to do well in the program which draws loyalty from the
participants to fully engage as a means of honoring the leaders’ support. Relational energy manifests through productivity, performance, loyalty, trust, and autonomy of power exchanged between leaders and followers, subordinates, or recipients of a leader’s action (Owens et al., 2016). Future research should test the parameters of relational energy within the dyadic exchange between the executives and participants before, during, and after the LDP to expand the body of knowledge in leader-member relational exchange.

Future research on an LDP using qualitative data from participants not selected by their leaders can be compared to the participants who were which may assist with measuring impact from two separate but related variables. Comparison data using variable samplings fits with validating qualitative exploration and discovery of any existing latent phenomena. The executives interviewed for this research selected the participants of the LDP and may have experienced bias in what was perceived to be the successful transformation of the participants of the LDP selected to attend. Though it is useful in qualitative studies to gain the viewpoints of research participants, further studying the LDP attendees’ experience along with any external touchpoint influences provides a clearer picture of the participant’s transformation.

**Conclusion**

Overall, the study findings contribute to expanding the study of leadership development linked to organizational effectiveness. Interviews with executive leaders indicated that employees who attended customized collective LDP demonstrated human and social capital development which in turn positively influenced organizational effectiveness. With large investments in leadership development, a deeper understanding of the outcomes related to organizational effectiveness would aid in advancing both the study and implementation of viable LDPs that are contextually connected to the organization. The contributions of leadership
development at an organizational level garnished increased social capital and strategic human capital management building collective leadership capacity; all of which were observed in the findings of this study. Gaps in leadership and organizational research facilitates a need for future studies emphasizing the influence leadership development has on organizational effectiveness.
References


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<thead>
<tr>
<th>Category</th>
<th>Short Description</th>
<th>Number of Mentions</th>
<th>Exemplary Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Impact</td>
<td>Outcomes of the LDP that impacted the individual organization’s effectiveness.</td>
<td>N = 63</td>
<td>“We are seeing a return on the program. We have not measured it financially, but the investment of sending employees to the program and seeing the benefits of it in our company.” ~Director of Continuous Improvement</td>
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<td>“Specifically there have been improvements in managing the fleet, managing the crew, and managing routes. This ties to improved efficiency.” ~Aviation Maintenance Director</td>
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<td>“New processes, procedures, and KPI tools were developed. This improved logistics savings, costs, and challenged others in the company to improve performance. Overall it has challenged employees to develop new activities for operational improvement. We believe that we will get some good savings by the end of the year.” ~Logistics Director</td>
</tr>
<tr>
<td>External Impact</td>
<td>Social-capital outcomes from the LDP contributing to greater industry improvements.</td>
<td>N = 58</td>
<td>“I can tell you all of the industry benefits from programs like this. You can see that the [LDP] participant’s knowledge impacts our working partners as well” ~Senior HR Manager</td>
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<td>“It was very good for networking with peers from other airlines which provides an understanding of a different version and then brings more innovation” ~Fleet Manager</td>
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<td>“Now there is more knowledge about the aviation industry as a whole, not just the area someone works within. This leads to more realized knowledge within their airline and the industry than before.” ~Director of Human Resources</td>
</tr>
<tr>
<td>Capacity</td>
<td>Human capital management strategy outcomes</td>
<td>N = 41</td>
<td>“When [people] finish the LDP, it easy to know who they are through the greater management skills. This is a huge takeaway for the company as it increases our efficiency.” ~Fleet Manager</td>
</tr>
<tr>
<td>Skill Development</td>
<td>Opportunity to build skills and advance in the organization</td>
<td>N = 51</td>
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“We see how employees in the program are getting expertise and how they come back to help us with their new learning. This adds to our ability as a company.”
~Service Manager

They have a more comprehensive perspective of the business…analyses are now better not only in safety and security but how these impact the whole business.
~Chief Security and Safety Officer

“He's trying to be involved in some other subjects that are not under his responsibilities. So I see that he's trying to understand more about the whole strategy of the company and I see this as a positive point.”
~Chief Information Officer, Aviation Firm B

“We are now able to better task and depend on those employees [who completed the LDP], we see a growth in time management, financial literacy, and dependability… also able to network more fluidly between companies because of the connections through the program.”
~Chief Information Officer, Aviation Firm D

“The concern was promotion from an operational to a management level and not knowing what they are doing management wise, leading to the airlines not being efficient. Building the knowledge of employees means a lot to increasing our efficiency and lean operations”
~Executive Director for Central and South America
Figure 1. Organizational impact from the LDP

338x190mm (96 x 96 DPI)
Figure 2. Proposed Model for Leadership Development Program’s Impact on Organizational Effectiveness.

338x190mm (96 x 96 DPI)
Appendix A: Interview Protocol

Interview Protocol

Organization/Company: ____________________________________________________

Interviewee (Name): _______________________________________________________

Interviewer: _____________________________________________________________

________________________________________________________________________

Survey Section Used:

_____ A: Interviewee Background

_____ B: High Potential Individuals

_____ C: Organizational Challenges

_____ D: Assessment

_____ E: Post Interview Comments and/or Observations:

Other Topics Discussed: ____________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Documents Obtained: ______________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Post Interview Comments or Leads:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
Interview

Introductory Protocol

To facilitate our note-taking, we would like to record our conversations today. Please sign the attached release form. For your information, only researchers on the project will be privy to the recordings which will be eventually destroyed after they are transcribed. Also, you must sign a form devised to meet our human subject requirements. Essentially, this document states that: (1) all information will be held confidential, (2) your participation is voluntary, and you may stop at any time if you feel uncomfortable, and (3) we do not intend to inflict any harm. Thank you for your agreeing to participate.

We have planned this interview to last about 30 minutes. During this time, we have several questions that we would like to cover.

Introduction

You have been selected to speak with us today because you have been identified as the supervisor for one or more attendees of the Leadership Development Program. Our research project focuses on the efficacy of the program. We are trying to learn more about the effectiveness of the program and how the program aligns with, supplements, or replaces organizational development initiatives.

A. Interviewee Background

How long have you been:

_______ in your present position?

_______ at this organization/company?

What is your current title?

1. Briefly describe your role as it relates to the employee(s) in the Leadership Development Program.

Probes:

2. Were you involved in the decision to send the employee(s) to the program?

Probes: If not, how was the decision made?

B. High-Potential Individuals
1. How are high-potential individuals identified in your organization?
   Probes: What about your department?
   Are high-potential individuals aware that they have been identified as high-potential?
   If so, how are they notified?

2. What is the strategy in this organization for developing high-potential individuals?
   Probes: Does your department do anything different?
   Is it working – why or why not?

3. Is the Leadership Development Program considered a significant accomplishment?
   Probes: Could this be considered part of the strategy for developing high-performance individuals?

C. Organizational Challenges

1. What departmental challenges caused you to send your employees through the program?
   Probes: How did you expect this program to address your challenges?

2. Have you attempted other ways of addressing the challenges you identified?
   Probes: How did those other ways work in terms of addressing departmental challenges?
   How does the program compare to the other ways you have addressed the challenges?

3. To what extent was the program customized to the needs of your department?
   Probes: Did you or others within your organization request customization of the program?
   What customizations would you request if you could in the future?

D. Assessment

1. Describe how your employees changed during the program
   Probe: How do you know?
2. Did your employees bring knowledge or innovations back into the workplace as a result of something learned in the program?

Probes: Can you name any specific tangible benefits?

3. In what ways did the program meet your needs as a supervisor?

Probe: In what ways did the program fall short of your needs?

4. What was the most influential class, lesson, or moment for your employees?

Probe: Why or why not?

5. What was missing from the program?

Probes: Can you think of anything else? Would you send other high potential candidates through this program?

E. Post Interview Comments and/or Observations:

1. Is there anything else you would like to share with us?
Appendix B: Leadership Development Program Curriculum

Module Topics:

- Leadership
- Aviation Statistics
- Maintenance Management
- Airport Management
- Aviation Marketing
- Business Analytics
- Safety Management
- Airline Management
- Operations Research
- Economics & Finance
- Human Resources

Leadership Development Program Outcomes:

Upon completion of the program, employees will be able to:

- Become a more valuable employee or potential employee by having a thorough knowledge of the air transport industry, its function and role
- Provide insight into current trends and issues in civil aviation, such as aviation safety and security, law and new technologies
- Develop an understanding of strategic planning, planning models and adaptive planning
- Describe how management principles are applied in today’s competitive airline industry
- Develop an understanding of international aviation business management
- Develop an enhanced leadership self-awareness and a leadership philosophy