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## 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:

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3 **RQ1:** What are the organizational level outcomes from a leadership development  
4 program?  
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7 **RQ2:** To what extent do executive leaders perceive the leadership development program  
8 to have contributed to organizational effectiveness?  
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11 The uniqueness of this study is twofold: 1) it uses executive leaders' perspectives of an  
12 LDP on organizational effectiveness; 2) the LDP analyzed was attended by employees from  
13 multiple organizations in the same industry which can aid generalizability as to how the LDP  
14 impacts organizational effectiveness.  
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### 22 **Organizational Effectiveness**

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26 Organizational effectiveness and organizational performance have been used  
27 interchangeably as labels for organizational outcomes (Burke and Litwin, 1992; Sutton, 1999;  
28 Werther *et al.*, 1995) while being divided into distinguishing constructs that attribute economic  
29 or market measures to performance while noneconomic or "stakeholder" measures are attributed  
30 to effectiveness (McCabe and Dutton, 1993). Organizational effectiveness (OE) is defined as the  
31 organization achieving its mission and goals. OE has not reached a universal theory (Andreadis,  
32 2009; Thibodeaux and Favilla, 1996) and is not a well-developed concept as it is complex in  
33 terms of description and dimension rather than aggregated in measures or financial ratios (Gold  
34 *et al.*, 2001). No one single model of OE is fit for all organizations (Ashraf, 2012). Yukl (2008)  
35 noted an organization's effectiveness is based on its ability to survive, deliver to its purpose, and  
36 remain fiscally viable, which the organization accomplishes through efficient and reliable  
37 processes, its human capital, and its ability to adapt to its external environment. OE is the  
38 concept of how effective an organization is in achieving its goals and objectives. OE is typically  
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3 a non-financial aspect of organizational performance that focuses on human capital and resource  
4 acquisition and maintenance (Davis and Pett, 2002; Kivipold and Vadi, 2013). OE is not always  
5 about the profitability of an organization. Financial aspects are a part of organizational  
6 effectiveness; human capital of the organization contribute to organizational effectiveness. The  
7 definition of OE for this study is the ability of the organization to reach goals through the  
8 effective use of resources while continuously adapting to the external environment.  
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17 Developing the leadership capability of an organization's human capital to increase  
18 organizational performance and achieve effectiveness requires blending the individual leader  
19 development activities with strategic organization development activities, particularly those  
20 focused on visioning, strategic planning, and change management (Clarke, 2013). Van Velsor et  
21 al. (2010) supported the notion that leadership development contributes to OE when focused on  
22 the specific needs of the organization. Aligning goals and objectives to human capital  
23 management, an organization can achieve greater effectiveness (Marimuthu *et al.*, 2009). Human  
24 capital development is integral to increasing OE; and, can be supported through leadership  
25 practices, employee engagement, knowledge accessibility, workforce optimization, and  
26 organizational learning capacity (Avolio *et al.*, 2010; Bassi and McMuerrer, 2007; Hanson,  
27 2013; Hernez-Broome and Hughes, 2004; Leskiw and Singh, 2007; O'Brien and Robertson,  
28 2009; Packard and Jones, 2015). This core set of human capital development drivers aligns with  
29 LDP practices deployed to strengthen leadership capabilities (Glamuzina, 2015; Kark, 2011; Van  
30 Velsor *et al.*, 2010). Thompson and Thompson (2013) identified gaps in the existing literature  
31 showing the influence of leadership development on OE while Day et al. (2014) recommended  
32 further exploration to discern how leadership development impacts the organization. While it is  
33 acknowledged that leadership development is perceived to impact OE, it has not been  
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3 sufficiently explored on how this occurs (Clarke, 2013; Galli and Muller-Stewens, 2012; Hannah  
4 *et al.*, 2008; Packard and Jones, 2015). A systemic approach to leadership development supports  
5  
6 how human capital development fosters OE and can be achieved through leadership development  
7  
8 programs.  
9  
10

### 11 12 **Systemic Approach to Leadership Development** 13

14  
15 Modern organizations are open systems facing various complexities that affect the  
16  
17 organization's effectiveness (Collier and Esteban, 2000; Scott, 1998). Leaders and leadership are  
18  
19 necessary for organizations to adapt, evolve, and succeed amid internal and external fluctuations  
20  
21 (O'Toole, 2001). Leadership development contributes to the organization's capability and  
22  
23 capacity necessary to adapt to threats, generate organizational opportunities, and leverage  
24  
25 organizational renewal (Collier and Esteban, 2000); yet, more is needed to understand the  
26  
27 relationship and outcomes of leadership development on the organization (Day *et al.*, 2014).  
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29

30  
31 Resource-based theory (RBT) (Barney, 2001; Barney *et al.*, 2011) is used as the  
32  
33 foundational theoretical framework potentially connecting leadership development to improved  
34  
35 organizational functioning. The fundamental assumption of RBT is the acquisition and  
36  
37 accumulated value of intangible resources such as human capital (e.g. employee competencies,  
38  
39 capabilities, knowledge, skills, and attributes; Campbell *et al.*, 2012) and social capital (personal  
40  
41 relationships and networks within the organization; Adler and Kwon, 2002; Nahapiet and  
42  
43 Ghoshal, 1998) will then support the organization in achieving goals and overall effectiveness  
44  
45 (Barney *et al.*, 2011; Shaw, *et al.*, 2005). RBT demonstrates the attainment of human and social  
46  
47 capital resources that are outcomes from an LDP can contribute to organizational effectiveness  
48  
49 (Ndofor *et al.*, 2011). Through the resource-based view, resources and capabilities of firms that  
50  
51 contribute to competitive advantages are gained through collective tacit knowledge (Osterloh and  
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3 Frey, 2000). This knowledge becomes a strategic asset and a source for creating sustainable  
4  
5 competitive advantages. Using RBT and the resource-based view, it suggests a firm's resources  
6  
7 (e.g. human capital, collective leadership capacity, and, social capital) determine the firm's  
8  
9 competitive advantage in a given market, thus impacting its effectiveness (Barney, 2001; Barney  
10  
11 *et al.*, 2011).

### 14 *Social Capital*

16  
17 Social capital is a collection of social exchanges stimulating relational networks  
18  
19 belonging to an individual or a social unit (Nahapiet and Ghoshal, 1998). Benefits from social  
20  
21 capital include greater knowledge sharing, shared goals, and standard frames of reference  
22  
23 (Salajegheh and Pirmoradi, 2013). Leadership development can foster the growth of social  
24  
25 capital for all employees by enhancing the relational wealth through organizational social  
26  
27 networks (Day, 2000; Day and Harrison, 2007). High-impact factors like improved knowledge  
28  
29 sharing and network groups developed from social capital contributed to organizational affinity  
30  
31 and effectiveness (Coff and Rousseau, 2000). Other high-impact factors of social capital in  
32  
33 organizations are coherent employee actions flowing from shared understanding; stable  
34  
35 organizational membership; and, maximum productivity increasing the organization's  
36  
37 performance (Cohen and Prusak, 2001; Hitt and Ireland, 2002; Ireland and Hitt, 1999;  
38  
39 Nahapiet and Ghoshal, 1998).

### 44 *Human Capital Development*

46  
47 The concept of human capital has received much attention recently as it is hypothesized  
48  
49 that the human factors of combined intelligence, skills, and expertise provide distinctive  
50  
51 organizational characteristics (Bontis *et al.*, 1999). Human capital is the knowledge, skills,  
52  
53 competencies, and attributes embodied in individuals that facilitate the creation of personal,  
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3 social, and economic well-being. Employee knowledge and skill are known as human capital and  
4 are the core of intellectual capital that drives organizational effectiveness (Crook *et al.*, 2011).  
5  
6 Employee performance is multidimensional and significant for organizational success (Van Dyne  
7  
8 *et al.*, 2002) and effectiveness (Ohly and Fritz, 2010). Organizations focus strategies on human  
9  
10 capital management to reach optimum people and organizational effectiveness.  
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13

### 14 *Collective Leadership*

15  
16  
17 It is necessary to differentiate leader and leadership development to understand the focus  
18  
19 of this study. While leader development emphasizes increasing the skills and competencies of  
20  
21 individuals, leadership development concentrates on the collective development of an  
22  
23 organization's total leader population as a unit (Van Velsor *et al.*, 2010). Collective leadership  
24  
25 capacity is described as leaders gathering to collectively generate positive actions throughout an  
26  
27 organization and using their power and influence to ethically and equitably build inclusive social  
28  
29 capital (Militello and Benham, 2010; Paunova, 2015; Van Velsor *et al.*, 2010). Upskilling  
30  
31 leadership development is thought to generate and mobilize human and social capital to  
32  
33 contribute to the systemic growth of an organization (Espedal *et al.*, 2013). Meta-analyses  
34  
35 of LDPs have identified a limited focus on relating the process of leadership development to  
36  
37 targeted organizational outcomes and performance (Van Velsor *et al.*, 2010). With rapid changes  
38  
39 and global fluctuations, collective leadership development may be the answer to an  
40  
41 organization's ability to adapt and evolve to maintain effectiveness and efficiency.  
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47 Organizations need effective collective leadership to survive and thrive. The emerging,  
48  
49 rapidly changing, and tumultuous environments call for a collective leadership force consisting  
50  
51 of individual leaders competent in organizational and people management. Leadership  
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53 development previously viewed as a luxury is now a commodity necessary for organizational  
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3 sustainability. Further exploration is needed to model and measure how leadership development  
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5 relates to organizational effectiveness to guide scholars and practitioners on developing best  
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7 practices and processes that maximize leadership development outcomes for the organization  
8  
9 (Clarke, 2013; Galli and Muller-Stewens, 2012; Hannah *et al.*, 2008; Packard and Jones, 2015).  
10  
11 Few studies have assessed the influence of leadership development outcomes on OE (Santos *et*  
12  
13 *al.*, 2015) which is driving the exploration in this study of the perceived influence of an LDP on  
14  
15 OE.  
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18

### 19 **Methodology**

20  
21 Organizational effectiveness concepts within social and human capital guided the  
22  
23 research. In-depth interviews were conducted from a theory-driven interview guide in a semi-  
24  
25 structured format recommended for qualitative organizational research (Lee and Lee, 1999). This  
26  
27 study approaches the research questions through a grounded theory method. Grounded theory  
28  
29 suggests inherent meaning to data (Glaser & Strauss, 1967) with the assumption relationships  
30  
31 exist objectively and are waiting to be discovered through the systematic investigation of data.  
32  
33 Through the approach of systematic coding and categorizing the data to identify relationships,  
34  
35 new understanding can emerge from the data rather than forcing extant theory onto it. This is  
36  
37 supported by Glaser (2005), as a method of coding, as it adds explanatory power and assists with  
38  
39 the theoretical integration (Birks and Mills, 2011).  
40  
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44  
45 Semi-structured interviews were conducted with 15 executive leaders from four firms  
46  
47 that sponsored employees in the LDP and recorded for data collection purposes. In the interviews  
48  
49 and subsequent analysis, the researchers more deeply probed around the core themes of human  
50  
51 capital and social capital. Interview questions around organizational development and  
52  
53 organizational effectiveness were specifically designed to allow open-ended conversation which  
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3 would morph to holistic natural responses to expand the understanding of the LDP's impact on  
4  
5 organizational effectiveness (see Appendix A).  
6

### 7 8 **Context**

9  
10 The LDP in this study consisted of employees from four aviation firms in Brazil. The  
11  
12 sample population interviewed were executive leaders from the four aviation firms. The leaders  
13  
14 interviewed were directly connected to the employees who participated in the LDP either as a  
15  
16 direct report during the program or the employee became a direct report of the executive leader  
17  
18 interviewed as a result of career advancement within the firm during or after completion of the  
19  
20 LDP. The LDP was 14-months in length and specifically designed for the aviation industry with  
21  
22 a focus on leadership development for employees. In total 86 employees from the aviation firms  
23  
24 completed the LDP since October 2017. Appendix B provides an outline of the LDP training  
25  
26 curriculum and outcomes. The interviews provided data on the executive leaders' analysis of the  
27  
28 accumulation and acquisition of human capital and social capital as a result of employee  
29  
30 participation in the LDP.  
31  
32  
33  
34

### 35 **Data Analysis**

36  
37 After each interview, the responses were documented and transcribed verbatim and  
38  
39 imported into NVivo12 for data management and analysis following typical qualitative  
40  
41 procedures (Glaser and Strauss, 1967; Strauss and Corbin, 1996). Thereafter, the transcriptions  
42  
43 were analyzed using Braun and Clarke's (2006) method of thematic analysis through an  
44  
45 inductive thematic approach to generate common, interactive themes involving coding,  
46  
47 categorizing, and conceptualizing. Each of the transcripts was read to understand the intentions  
48  
49 behind the responses while connecting those to the key themes derived from the literature  
50  
51 review. This allowed the development of themes and subthemes for the organization and  
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3 presentation of the findings. For credibility and dependability, Corbin and Strauss's (1996)  
4  
5 subjective inter-coder reliability method was used. The researchers coded the transcripts  
6  
7 independently and began to formulate provisional codes and categories. The research team then  
8  
9 created a mutual understanding of codes to refine the coding framework. Extracts of data were  
10  
11 coded to as many themes/sub-themes as relevant. Themes were further refined and reduced by  
12  
13 examining coherent patterns in the coded data. The findings were provided to the participants for  
14  
15 confirmation of the conclusions drawn from the interviews.  
16  
17

### 18 19 **Findings**

20  
21 From the data compiled and thematic analysis, the interviews yielded 220  
22  
23 different notions. Out of those, 57 concepts were distilled. These were further compiled into four  
24  
25 distinct thematic categories: Internal Impact, External Impact, Capacity, and Skills. Using  
26  
27 NVivo12 the coded interviews were able to be categorized and understood through the  
28  
29 percentage of covered themes.  
30  
31

32  
33 Interviews ( $n = 15$ ) specifically identified the LDP as an integral component of the  
34  
35 organization's strategy that increased organizational effectiveness. Throughout the thematic  
36  
37 categories: 93% ( $n = 14$ ) discussed the intra-organizational or internal impact and inter-  
38  
39 organizational or external impacts; 86% ( $n = 13$ ) noted the impact of the skill development  
40  
41 obtained through the LDP; and, 80% ( $n = 12$ ) identified the LDP's impact on the organizational  
42  
43 capacity. These thematic categories are presented in Figure 1.  
44  
45

46  
47 <Insert Figure 1 here>  
48

49 *Figure 1.* Organizational impact from the LDP  
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3 A summary of the themes is presented in Table I with the categories, short descriptions  
4  
5 for each, and exemplary quotes from the interviews; and, below the themes are discussed  
6  
7 concerning the research questions.  
8  
9

10 <Insert Table I. here>  
11

## 12 **Organizational Level Outcomes** 13

14 The internal impact theme distilled supports organizational level outcomes from the LDP  
15  
16 with organizational effectiveness. Across the interviews outcomes of improved efficiency and  
17  
18 meeting objectives were noted:  
19  
20

21 *We have to improve the efficiency of our company. This program improved them*  
22  
23 *with information about how to reach this.* ~Senior Manager –Sales, Aviation Firm C  
24  
25

26 *Basically it helps get better results for the company.* ~Chief Information Officer,  
27  
28 Aviation Firm D  
29

30 Outcomes from the LDP were also found as an external impact through social capital  
31  
32 resulting in improvements contributing to both organizational effectiveness and industry  
33  
34 improvements:  
35  
36

37 *The relationships our employee formed are important as he stays in contact with*  
38  
39 *those from the other airlines. He uses those connections to improve our operations*  
40  
41 *through different ideas. This would not have happened without the networking he did in*  
42  
43 *the program.* ~Service Manager, Aviation Firm A  
44  
45

46 *The unique feature is having folks from all of the airlines and having folks from*  
47  
48 *different departments in the airlines. This is something needed but not often done at a*  
49  
50 *large industry scale.* ~International Relations Director, Aviation Firm B  
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3                   *We implemented the project an employee worked on in the program that screened*  
4  
5                   *checked baggage. This results in financial improvements by avoiding costs of delays*  
6  
7                   *previously associated with baggage screening. It was also presented at the National*  
8  
9                   *Security Forum...it is likely a change of the regulation will happen to make this baggage*  
10  
11                   *screening mandatory. This will take security to another level in Brazil. ~Chief Security*  
12  
13                   and Safety Officer, Aviation Firm A  
14  
15

16  
17  
18                   The exemplary quotes referenced in Table 1 also indicate outcomes from the LDP related  
19  
20                   to improvements in operations management, processes, and procedures that improved savings,  
21  
22                   reduced costs, and improved employee performances found in the internal impact theme. Results  
23  
24                   of industry benefits from networking and increased knowledge in the aviation industry from the  
25  
26                   LDP from the quotes in Table 1 also support the findings of outcomes at the industry level.  
27  
28  
29

30  
31                   The capacity theme was distilled from the interviews as to how the LDP contributed to  
32  
33                   human capital management strategies for the organizations resulting in increased OE. The LDP  
34  
35                   was noted as integral to developing human capital within the organizations:  
36  
37

38                   *We have found the employees that complete the program become leaders. This*  
39  
40                   *has helped us build our company in terms of leadership. We now have more people that*  
41  
42                   *can be leaders and step up to make suggestions and changes to improve. ~Senior HR*  
43  
44                   Manager, Aviation Firm D  
45

46  
47                   *An example is acquiring software for the company. They brought it back to*  
48  
49                   *optimize their department and implement everything they learned back at the airline.*  
50  
51                   ~Chief Information Officer, Aviation Firm D  
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3                   *This helps them build a strategic vision regarding the airline, which then helps*  
4  
5                   *the company.* ~Sales Senior Manager, Aviation Firm C  
6

7  
8                   The exemplary quotes specific to the capacity theme in Table 1 further connect the LDP  
9  
10                  to outcomes for the organizations around building human capital for increased OE. Outcomes  
11  
12                  such as increased efficiency, development of management and leadership skills, and greater  
13  
14                  employee expertise were brought back to the organizations from participation in the LDP, all of  
15  
16                  which support enhanced OE.  
17

18  
19                  The final theme distilled was skill development identifying how the LDP contributed to  
20  
21                  building skills and advancement within the organization. From the LDP, it was noted how  
22  
23                  employees developed further skills and progressed in the organization leading to improvements  
24  
25                  to the organization and supporting the capability of the organization in human capital  
26  
27                  management strategies.  
28

29  
30  
31                   *We are now able to better task and depend on those employees [who completed*  
32  
33                   *the LDP], we see a growth in time management, financial literacy, and dependability.*  
34

35                   ~Chief Information Officer, Aviation Firm B.  
36

37  
38                   *He has greater skills which I see in how he has contributed to improving security*  
39  
40                   *measures that have also helped the entire company.* ~Safety and Security Manager,  
41

42                   Aviation Firm C.  
43

44  
45                   *The leadership development program provides the necessary strategy to develop*  
46  
47                   *the human resources in our firm. We do not have the resources to provide our own*  
48  
49                   *program that can further employees, so we see this as our strategy for employees to*  
50  
51                   *develop and advance.* ~Chief Information Officer, Aviation Firm B.  
52



1  
2  
3 The exemplary quotes in Table 1 for the skill development theme are additional evidence  
4  
5 from the interviews regarding how upskilling and advancement within the organization resulted  
6  
7 in organizational outcomes that contributed to the strategy and increasing the management and  
8  
9 leadership capabilities for the organization.  
10

### 11 **Perception of LDP for Organizational Effectiveness**

12  
13  
14  
15 The second research question guiding the study to explore how the executive leaders in  
16  
17 the aviation firms perceived the LDP to contribute to organizational effectiveness. The findings  
18  
19 for the first research question regarding the impact of the LDP on organizational outcomes were  
20  
21 derived from the leaders' interviews which are also their perceptions of the LDP on  
22  
23 organizational effectiveness. Throughout all of the interviews, positive outcomes related to  
24  
25 reaching organizational goals, objectives, and advancing the organization was found. The four  
26  
27 themes distilled support how the LDP contributed to organizational effectiveness. The following  
28  
29 quotes provide evidence regarding how the LDP was perceived to contribute to organizational  
30  
31 effectiveness regarding how the LDP was perceived to contribute to organizational  
32  
33 effectiveness:  
34

35  
36 *The airlines see value in it, the airline associations see value in it, and the*  
37  
38 *administration sees value in it. ~International Distribution Director, Aviation Firm C.*

39  
40 *I think eventually we could go back and measure it to put a dollar figure on it.*  
41  
42 *They are optimizing the airline network and fleet in more efficient ways. Our targets are*  
43  
44 *operational improvement and cost efficiencies, which I think is happening. ~Logistics*  
45  
46 *Director, Aviation Firm A.*  
47  
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49  
50 The overall focus was the organizational level impact of the LDP by studying how  
51  
52 executive leaders in the firms perceived the LDP to contribute to organizational effectiveness.  
53  
54 The perceptions of the leaders were utilized to distill the themes of organizational level outcomes  
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3 related to organizational effectiveness. The above quotes are evidence of how the leaders'  
4  
5 perceived the LDP with the organization's ability to reach goals through the effective use of  
6  
7 resources while continuously adapting to the external environment. The stakeholders of the  
8  
9 organizations and industry were found to perceive value in the LDP. The targets of operational  
10  
11 improvement and increased efficiency were noted throughout the interviews indicating the  
12  
13 organizations' reached goals and objectives which is the cornerstone of organizational  
14  
15 effectiveness.  
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### 19 **Discussion**

20  
21 The perceived impact of LDP on organizational effectiveness was explored leading to  
22  
23 findings of the LDP supporting human capital management strategies, social capital  
24  
25 development, and collective leadership capability all of which contribute to organizational  
26  
27 effectiveness. Organizational effectiveness focuses on the ability of the organization to deliver  
28  
29 on goals, leverage resources, and continuously adapt (Kivipold and Vadi, 2013; Yukl, 2008).  
30  
31 Developing the leadership capability of an organization's human capital contributes to  
32  
33 organizational effectiveness (Clarke, 2013; VanVelsor *et al.*, 2010). Human capital, social  
34  
35 capital, and collective leadership capacity are believed to support organizational effectiveness  
36  
37 (Kivipold and Vadi, 2013; Leskiw and Singh, 2007; Petrie, 2011; Van Velsor *et al.*, 2010), all of  
38  
39 which are evident in the data from the interviews. Participants perceived the LDP to build the  
40  
41 organization's capabilities in human capital management, improve operations, and increase the  
42  
43 efficiency of the organization.  
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49 The LDP was the platform that fostered the development of human capital, social capital,  
50  
51 and collective leadership capacity which was found to contribute to the organization's ability to  
52  
53 meet goals and objectives which is organizational effectiveness. Participants noted the  
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3 importance of the LDP as a means to support the organization's goals, processes, and strategies  
4  
5 integral to developing the human capital to meet outcomes and improve. Human capital  
6  
7 development is a core driver of organizational performance that contributes to the organization's  
8  
9 overall effectiveness and is an essential strategy for an organization (Crook *et al.*, 2011).  
10  
11

12 Human capital management strategy informs the direction of investment in people  
13  
14 (Hossain and Roy, 2016). LDPs are integral components within the human capital management  
15  
16 strategy focused on developing capabilities for the organization to achieve higher levels of  
17  
18 effectiveness (Chatzkel, 2004). Human capital as an organization-level resource can be  
19  
20 accumulated or depleted (Crook *et al.*, 2011; Ployhart *et al.*, 2014) with LDPs being a  
21  
22 contributor to human capital accumulation. Leadership competencies in employees contribute to  
23  
24 a higher stock of human capital (Subramony *et al.*, 2018).  
25  
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28 Increased levels of social capital contributing to organizational and industry effectiveness  
29  
30 were evidenced in the findings. Using the definition of social capital as the knowledge embedded  
31  
32 within, derived from, and available through social networks (Adler and Kwon, 2002; Nahapiet  
33  
34 and Ghoshaal, 1998), the findings indicated an accumulation of social capital through the social  
35  
36 networks stemming from participation in the LDP. Social capital is a valuable asset for inter-  
37  
38 organizational relationships which increases the capacity for creating, sharing, and management  
39  
40 of knowledge that generates sustainable competitive advantages (Salajegheh and Pirmoradi,  
41  
42 2013). LDPs are considered an effective means of building social capital which fosters the  
43  
44 knowledge transfer between individuals and builds relationships enhancing organizations (Day  
45  
46 and Harrison, 2007; Salajegheh and Pirmoradi, 2013). Relational wealth as an outcome of the  
47  
48 LDP was found to build networks between the firms in improving knowledge creation and  
49  
50 maximizing the value of competition and collaboration between the firms (Hitt and Ireland,  
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3 2002; Ireland and Hitt, 2005; Nahapiet and Ghoshal, 1998). The findings followed Ghaffari and  
4  
5 Naderi's (2013) findings on how social capital between organizations supported organizational  
6  
7 effectiveness and connected to RBT.  
8  
9

10         Upskilling leadership competencies generate and mobilize human and social capital to  
11  
12 contribute to the systemic growth of an organization (Espedal *et al.*, 2013). Collective leadership  
13  
14 capacity being the capacity of leaders in the organization to power and influence from  
15  
16 interpersonal and intrapersonal leadership capabilities (Militello and Benham, 2010; Paunova,  
17  
18 2015; Subramony *et al.*, 2018; Van Velsor *et al.*, 2010), the findings support the relationship of  
19  
20 the LDP on the organization's collective leadership capacity.  
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23  
24         The interviews identified how the LDP contributed to advanced skill development and  
25  
26 career progression. The acquisition and accumulation of intangible resources such as  
27  
28 organizationally-relevant knowledge, skills, and abilities were an outcome of the LDP. Stocks of  
29  
30 such knowledge drive organizational effectiveness through individual skill development provide  
31  
32 the organization with a competitive advantage (Chadwick, 2017). Participants identified how  
33  
34 LDPs are an integral component of organizations' strategy to develop human capital contributing  
35  
36 to overall growth in collective leadership capacity. Collective leadership capacity enhances  
37  
38 organizational effectiveness through advancing the competencies and behaviors of human  
39  
40 resources in the organization (Espedal *et al.*, 2013) with the LDP perceived to increase  
41  
42 organizationally relevant knowledge and skill.  
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47         With organizational effectiveness being a non-financial aspect of organizational  
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49 performance garnered through the acquisition and accumulation of intangible resources of  
50  
51 human capital and social capital (Adler and Kwon, 2002; Campbell *et al.*, 2012; Nahapiet and  
52  
53 Ghoshal, 1998); the findings support how LDPs impact organizational outcomes as a strategy to  
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2  
3 foster human capital, social capital, and collective leadership development, contributing to  
4 increased organizational effectiveness. Therefore, the proposed model depicted in Figure 2  
5  
6 shows how an organization's human capital management strategy of employee participation in  
7  
8 an LDP leads to human capital and social capital development creating greater collective  
9  
10 leadership capacity to increase organizational effectiveness (Adler and Kwon, 2002; Bassi and  
11  
12 McMurrer, 2007; Campbell *et al.*, 2012; Espedal *et al.*, 2013; Nahapiet and Ghoshal, 1998).  
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17 <Insert Figure 2 here>  
18

19  
20 *Figure 2.* Proposed Model for Leadership Development Program Impact on Organizational  
21 Effectiveness.  
22

### 23 **Implications for Theory and Practice**

24  
25 Findings in this study have implications for practitioners and academics regarding  
26  
27 leadership development programs influencing organizational effectiveness. The study resulted in  
28  
29 findings that recognized benefits not only for the individuals in the LDP, but also the firms'  
30  
31 organizational effectiveness influenced through collective leadership capacity, human capital,  
32  
33 and social capital development.  
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### 36 ***Theoretical Implications***

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38  
39 The role of LDPs as an organizational strategy focused on human capital management  
40  
41 was found which connects to resource-based theory (RBT). The LDP supported the  
42  
43 organizations' acquisition and accumulation of intangible resources through human capital  
44  
45 (Cambell *et al.*, 2012) and social capital (Adler and Kwon, 2002; Nahapiet and Ghoshal, 1998)  
46  
47 which then contributed to the organizations' work towards achieving goals. RBT was  
48  
49 demonstrated in the findings of this study as the firms' accumulated human and social capital  
50  
51 that contributed to organizational effectiveness (Ndofor *et al.*, 2011). The individuals'  
52  
53 acquisition and accumulation of leadership capacity and skills are well known as outcomes of  
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3 LDPs and the findings from this study imply developing employee leadership capability can  
4  
5 foster collective leadership capacity and human capital. The LDP supports employees in  
6  
7 upskilling leadership capabilities supporting human capital development through employee  
8  
9 knowledge and skill, core to intellectual capital that drives organizational effectiveness (Crook *et*  
10  
11 *al.*, 2011). The upskilling of leadership development also implies greater social capital  
12  
13 development for the organization through the networks and relationships built from the LDP.  
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16  
17 The partnerships and greater collaboration between the firms as a result of the LDP  
18  
19 demonstrate a potential connection of building resilient industries and organizations through  
20  
21 human and social capital development. Developing an organization's capacity for resilience can  
22  
23 be done by strategically managing human resources (Lengnick-Hall *et al.*, 2011). By creating  
24  
25 and developing core competencies at the organizational level, organizations can achieve the  
26  
27 ability to respond in a resilient manner when faced with adversity or challenges. Strategic  
28  
29 human capital management is integral to develop the requisite knowledge, skills, and abilities  
30  
31 that invoke collective sensemaking in the organization and generate resilient outcomes  
32  
33 (Lengnick-Hall *et al.*, 2011). Social capital resources are believed to facilitate organizational  
34  
35 resilience. The resilience activation within an organization involves social mechanisms such as  
36  
37 awareness of others and working together through interpersonal networks enabling an  
38  
39 organization to advance (Teo *et al.*, 2017). The partnerships and collaborations noted in the  
40  
41 findings imply a potential connection of LDPs in building social capital which can then  
42  
43 contribute to building organizational resilience.  
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### 49 ***Practical Implications***

50  
51 Organizations are continually investing in leadership development programs to optimize  
52  
53 human capital and talent (Westfall, 2019). Leadership development is a top human capital  
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3 priority for many organizations (Gurdijian *et al.*, 2014) and this study provides implications for  
4 the continuing support of LDPs as organizational strategy around human capital management to  
5  
6 build organizational effectiveness.  
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10 Human capital management strategies are vital to organizational success and  
11 effectiveness (Avolio *et al.*, 2010; Bassi and McMuerrer, 2007; Hanson, 2013; Hernez-Broome  
12 and Hughes, 2004; Leskiw and Singh, 2007; O'Brien and Robertson, 2009; Packard and Jones,  
13 2015). These strategies also require great resources which not every organization may have  
14 access to. The LDP in this study was found as an integral component of the organizations'  
15 strategy around human capital management and was a resource the organizations may not have  
16 had access to if not for the LDP. This implies that an LDP built for a specific industry that brings  
17 together employees from numerous organizations may be an effective human capital  
18 management strategy for organizations. An organization that develops its own internal LDP may  
19 not have the same outcomes in social capital and inter-organizational partnerships and  
20 collaborations. This accumulation of social capital between the firms that participated in the LDP  
21 highlights how the networks and relationships built in the LDP influenced innovation and  
22 increased efficiency in functions for the firms. Overall, the practical implications of this study  
23 support how LDPs can contribute to human capital and social capital in an organization and then  
24 potentially drive organizational effectiveness.  
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44 A lack of empirical evidence of the relationship between LDPs and organizational  
45 effectiveness is apparent in prior research (Richard *et al.*, 2014); and while this study was an  
46 exploration it still adds value to expanding the existing knowledge of LDP impacts on  
47 organizational level outcomes. Organizational leaders are vital drivers of strategy and can utilize  
48 the findings from this study to support the investment of LDPs not only for individual employee  
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3 development but also in support of the overall organization. The LDPs foster greater human  
4 capital and social capital to optimize and develop talent aimed at increasing organizational  
5 effectiveness. While an abundance is known regarding LDP outcomes for the individual (leader),  
6 the understanding of collective leadership development through customized LDPs can assist  
7 practitioners and scholars with modeling LDPs suitable to industry-wide interventions, renewal,  
8 and profitability (Clarke, 2012; Davis, 2014; Galli and Muller-Stewens, 2012; Kark, 2011;  
9 Paunova, 2015).

### 19 **Limitations**

20  
21 This study has limitations as it is dependent upon the executive leaders' interviews and  
22 has a limited sample size. The protocol of subjective inter-coder reliability was followed  
23 supporting the credibility and dependability of the findings; however, researcher bias may still be  
24 present in qualitative studies. The generalizability of the study outside of the Brazilian aviation  
25 context is cautioned until further studies in additional contexts and industries are completed.

26  
27 Impression management may also be a limitation of this study. The executive leaders  
28 interviewed for this study did have direct relationships with the employees participating in the  
29 LDP. The effect of impression management on performance ratings may apply to this study  
30 given the relationship between the executive leaders and the employees completing the LDP. The  
31 perception of the effectiveness or performance of the LDP may have been subject to impression  
32 management which could skew the executive leaders' perceptions of the employee and the LDP's  
33 influence on the organization. The researchers attempted to limit the potential influence of  
34 impression management on the outcomes of the interviews concerning performance ratings, there  
35 still may be inherent bias stemming from impression management in the qualitative study.  
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3 The organizations that partnered to create the LDP did not record expected outcomes or  
4  
5 measures to determine the success or failure of the LDP. Thus, it is impossible to quantify the  
6  
7 specific organizational benefits of the LDP. The current research has relied upon the executive  
8  
9 leaders' perceptions of outcomes as evidence of human and social capital development.  
10  
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### 12 **Future Research**

13  
14 Future studies should explore the contributions of LDPs implemented across a variety of  
15  
16 industries and contexts. To balance the qualitative findings of this study, quantitative data on the  
17  
18 specific financial impact of the LDP on the organization is recommended. While quantifying the  
19  
20 specific impact and return on investment in an LDP for an organization is difficult, it will aid in  
21  
22 appraising the investment in LDPs especially toward the valuation of organizational  
23  
24 performance. Longitudinal studies are also recommended to further understand the human capital  
25  
26 and social capital development as a result of the LDP. Specific to the LDP in this study, an  
27  
28 analysis of the action learning projects completed in the LDP by the participants should be  
29  
30 analyzed to expand the understanding of the outcomes from an LDP and the impact on  
31  
32 organizational performance. Often these projects focus on improvements within the organization  
33  
34 and can be measured to determine qualitative and quantitative reports on the impact. To expand  
35  
36 the study of LDP's impact on inter-organizational partnerships and relational wealth, future  
37  
38 research should also focus on the growth and impact on organizations as a result of the  
39  
40 networking and collaborations with other organizations.  
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46  
47 Along with relational wealth, relational energy exchanged between the executives who  
48  
49 finance and support LDP and employee participation is an area of future research expanding  
50  
51 implications on collective leadership development. The leaders or executives may be fostering  
52  
53 relational energy for the participants to do well in the program which draws loyalty from the  
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3 participants to fully engage as a means of honoring the leaders' support. Relational energy  
4 manifests through productivity, performance, loyalty, trust, and autonomy of power exchanged  
5 between leaders and followers, subordinates, or recipients of a leader's action (Owens *et al.*,  
6 2016). Future research should test the parameters of relational energy within the dyadic  
7 exchange between the executives and participants before, during, and after the LDP to expand  
8 the body of knowledge in leader-member relational exchange.  
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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

1  
2  
3 development at an organizational level garnished increased social capital and strategic human  
4  
5 capital management building collective leadership capacity; all of which were observed in the  
6  
7 findings of this study. Gaps in leadership and organizational research facilitates a need for future  
8  
9 studies emphasizing the influence leadership development has on organizational effectiveness.  
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**Table I.** Summary of organization categories, short descriptions and exemplary quotes

Category	Short Description	Number of Mentions	Exemplary Quote
Internal Impact	Outcomes of the LDP that impacted the individual organization's effectiveness.	$N = 63$	<p>"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." ~<i>Director of Continuous Improvement</i></p> <p>"Specifically there have been improvements in managing the fleet, managing the crew, and managing routes. This ties to improved efficiency." ~<i>Aviation Maintenance Director</i></p> <p>"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." ~<i>Logistics Director</i></p>
External Impact	Social-capital outcomes from the LDP contributing to greater industry improvements.	$N = 58$	<p>"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" ~<i>Senior HR Manager</i></p> <p>"It was very good for networking with peers from other airlines which provides an understanding of a different version and then brings more innovation" ~<i>Fleet Manager</i></p> <p>"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." ~<i>Director of Human Resources</i></p>
Capacity	Human capital management strategy outcomes	$N = 41$	<p>"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." ~<i>Fleet Manager</i></p>

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from the LDP  
impacting  
organizational  
effectiveness

“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 the 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*

Skill  
Development

Opportunity to  
build skills and  
advance in the  
organization

N = 51

“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*

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Figure 1. Organizational impact from the LDP

Figure 1. Organizational impact from the LDP

338x190mm (96 x 96 DPI)

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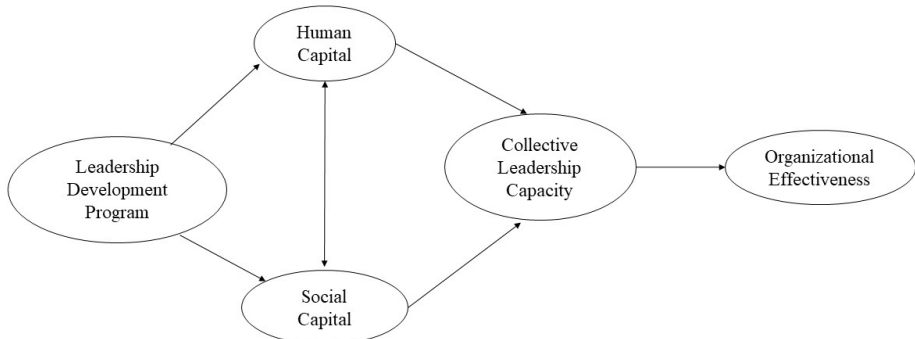


Figure 2. Proposed Model for Leadership Development Program's Impact on Organizational Effectiveness.

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

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**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

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3 1. How are high-potential individuals identified in your organization?  
4

5 Probes: What about your department?  
6

7 Are high-potential individuals aware that they have been identified as high-potential?  
8

9 If so, how are they notified?  
10  
11

- 12 2. What is the strategy in this organization for developing high-potential individuals?  
13

14 Probes: Does your department do anything different?  
15

16 Is it working – why or why not?  
17  
18

- 19 3. Is the Leadership Development Program considered a significant accomplishment?  
20

21 Probes: Could this be considered part of the strategy for developing high-performance  
22 individuals??  
23  
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### 27 **C. Organizational Challenges**

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30 1. What departmental challenges caused you to send your employees through the program?  
31

32 Probes: How did you expect this program to address your challenges?  
33

- 34 2. Have you attempted other ways of addressing the challenges you identified?  
35

36 Probes: How did those other ways work in terms of addressing departmental challenges?  
37

38 How does the program compare to the other ways you have addressed the challenges?  
39  
40

- 41 3. To what extent was the program customized to the needs of your department?  
42

43 Probes: Did you or others within your organization request customization of the program?  
44

45 What customizations would you request if you could in the future?  
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### 50 **D. Assessment**

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53 1. Describe how your employees changed during the program  
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55 Probe: How do you know?  
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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