

**THOUGHT  
LEADERSHIP**

# **NATIONAL IMPERATIVES & KNOWLEDGE CREATION**

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## **THE INSTITUTIONAL CONUNDRUM**

Every conversation amongst sourcing service providers almost always centers around two key issues – complexities with client acquisition and severe lack of a readily employable workforce. More often than not questions surrounding employability – or lack of a sufficient base – becomes an overriding concern. It has caught the imagination of governments and academic institutions to the extent that the industry seems it is not their responsibility anymore to ensure existing workforce needs to be continually trained with a view to developing careers. Today in most emerging nations the responsibility seems to have been transferred by companies to governments [and academic institutions] to bridge the gap. So where to from here? What are the most sustainable options for governments and academic institutions to support the demand from industries, when the former are locked in traditional / old-school structures, while the latter is pursuing a very dynamic future and new-age competence requirements?



## THE CORE ISSUE – EMPLOYABILITY, OR LACK OF IT

In most emerging and developing economies, the foundational institutions established under the aegis of fledgling democracies seem to be crumbling under the combined weight of transformational technologies [where change is sudden and extreme] and a better-informed, technologically savvy and discerning citizenry [where sensitivities and expectations are sky-high]. Industry on the other hand is struggling with fierce competition from across borders to the extent that competitiveness has become a relative phenomenon with a very short shelf life. Employment has become an unwilling victim of this conundrum. Industry expects a readily minted revenue-generating workforce, while institutions contend themselves with imparting knowledge that would equip individuals with the knowledge necessary to craft their own destiny. This gap in expectations has translated into a fist-fight between industry and institutions, with the former apportioning blame on the latter for its inability to create “employable” individuals. The question of talent and its development has now become a national imperative. On the one hand client organizations are assessing emerging locations on the nature and availability of a “sustainable” talent pool, while on the other hand providers and governments from such locations are struggling to keep pace with supplying an appropriate workforce.

Academic institutions in emerging nations have over the past decade, faced heavy criticism from industry. They have tried – for the most part unsuccessfully – to include some introductory courses on outsourcing into graduate programs. The demand from providers that such institutions enable tertiary graduates with technical skills has often been met with heavy criticism - institutions state their mandate excludes imbuing students with professional skills. Such institutions maintain that education systems are oriented to provide rounded knowledge to students, while industry is responsible to develop skills specific to jobs they wish to employ fresh graduates for. This conflict continues as we speak across a host of emerging and developing nations, with no perceivable solution in sight.

Industry – in the meanwhile – continues to lament about its inability to find an employable workforce, and therefore is constrained locally, leading to import of foreign labor to satisfy immediate client requirements [which can be expensive]. An additional layer of complexity that continues to plague service providers from emerging nations is their business dependence of project-based engagements with clients, where key issues surrounding lack of annuity-based revenues has reduced their ability to invest in enhancing the internal organization’s capability – principally on technical competence of resources and management skills. Consequently their dependence on national governments to support talent development has taken on a feverish pitch. The resultant impact continues to wreck havoc on business models and growth, creating a downward spiral more often than not.

## THE NATIONAL AGENDA

Governments across most developing nations are focused on the ICT sector in general, and outsourcing industry in particular, has led the industry to depend on government programs to bridge the talent gap. Most governments have failed to allocate resources or flex policies that could help create a talent development industry that caters to the sourcing marketplace. Some governments however have taken it upon themselves to cater to the demand for skilled workforce through “capacity and capability development” programs, instituted and administered by parastatal agencies, in collaboration with external training partners, [both for individual technical skills and for generic management skills]. Typically public-private partnership models have been deployed. Taxpayers’ monies are spent on enabling existing workforce in a manner that complements the immediate requirements of the industry.

The emphasis of governments on supporting immediate needs of industry had – for a while – been viewed positively as the local provider marketplace had few companies with few skills requirements. With growth in the industry, the demand for a host of skills has become as diverse and as complex as one could imagine, resulting in governments looking deep and hard at the impact industry has been able to create through its direct intervention. While significant amount of time could be spent on evaluating the effectiveness – or lack of – such programs, it is important to review some successes in a few developing nations.

## SOME SUCCESSES – ARE THESE SUFFICIENT?

Malaysia – through its parastatal agency Multimedia Development Corporation – has for the past decade invested significantly in talent development through its Capacity Development division. Emphasis has been on developing and enabling fresh graduates with key professional/ technical skills in a manner that complements immediate industry needs at a generic level. This does not imply specialized custom requirements have not been catered to. However emphasis lay in bringing globally acknowledged programs and certifications to the local marketplace through funding and grants so as to reduce the capital outlay by industry. Typically individual programs like PMP [by PMI], CISA, CCNA, SAP functional and programming certifications, and corporate certification programs like ITIL, CMM, CMMi, ISO etc have been included into the gamut of talent development initiatives. Unfortunately, emphasis on entry-level programs hasn't resulted in much-expected growth in businesses of service providers who have benefited from these initiatives. However, all has not been lost. This emphasis has resulted in the country's positioning as an attractive destination, which has become a magnet for large multinationals looking to set up their shared service centers. Over the past year the Malaysian govt. has realized the futility of supporting only entry-level capability requirements given that lack of globally comparable management skills, since such resources are not utilized to the best of their abilities, and consequently creating an adverse impact on both business growth, and career aspirations of the resources themselves. The govt. of Malaysia realized the need for a senior management program that could enable local management resources truly understand, appreciate and align the competence of their organizations, so as to compete as equals in the global marketplace. Hence in April 2010 IAOP's Certified Outsourcing Professional program was included as the first senior management development initiative to spur capability development that's comparable at a global level.

Egypt on the other hand realized the dire need for providing its young workforce with the knowledge and skills necessary to be employed in the sourcing industry, having learned its lessons from the issues faced by other developing nations. Under the aegis of ITIDA, the parastatal agency responsible for ICT sector development, a comprehensive skills development program was instituted in collaboration with four key universities. The initiative, funded by the government resulted in creation of over 10,000 skilled resources that have been absorbed by the industry without any teething issues, revealing the fact that unemployability is not an insurmountable issue. Rather it needs to be addressed in the most appropriate manner collaboratively. Egypt has leveraged the existing capabilities of its multinational clients, by enabling partnerships between these clients and key universities, so as to create custom programs with high employment visibility at the end of such programs, since the employers themselves are taking the responsibility for a competent workforce.

Are these initiatives sufficient? Are these replicable? Are these the only available options to enable workforce and talent in developing nations? I surely don't think so. They are neither sustainable, not impactful in the longer run. I do maintain that talent complexities and employability issues shall continually surface as industry grows. Growth comes with higher responsibilities. Supporting a small range of skill requirements may be feasible for governments. However as industry grows, the nature of skills requiring support will only increase in both range and depth. In such contexts enablers – governments and academic institutions – can at best address generic skills. Specialist / job related skills will continue to remain the responsibility of companies [providers and multinationals leveraging developing nations]. This responsibility cannot be relinquished by the industry; neither can it be passed on to the government.

## WHAT NEXT?

In the long run, sustainability of industries will continue to require a collaborative effort, where governments and industries will have to work together. The nature of the relationship will have to change – from today's tactical knee-jerk responses to proactive growth initiatives that create socio-economic value.

## ABOUT THE AUTHOR



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