



THOUGHT LEADERSHIP

GLOBAL SOURCING & TRYST WITH GROWTH

SERIES III: KNOWLEDGE WARS

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WE KNOW TOO MUCH – PERHAPS?

From understanding the conundrum with value and scale, to determining who wins or loses in the battle of wits as it relates to developing the global sourcing sector in emerging and developing nations, in the past two white papers – part of this continuing series – I have tried to address the complexities we are dealing with both as citizens of such countries, and professionals in a globalized marketplace. Among a host of other facets contributing to both the noise and the chaos – across the social, economic and commercial spectra – no discussion is complete without addressing the complexities knowledge, or lack of it, brings to the table as we know it. Do we really understand what knowledge we are collectively trying to create? We live in an era where crowd contributions – large number of “connected” people around the planet endeavoring to share what they know – have become the norm. From unstructured dissemination of information via blogs and e-commentaries to structured conversations via webinars, social networks, and Wikipedia-like sites, there is just too much information, too varied the content, and far too vast for one to sift through. So why is that a problem one may ask? I am inclined to think that across the information spectrum, too much or too little is neither good nor beneficial. Unfortunately the fallout of too much or too little information / knowledge has at times disastrous consequences, both for economies and citizens. Prudent use of information has never been man’s forte, and I am not inclined to believe that nations are any better at it. I would like to delve further and zone-in on this piece of the puzzle and how it parlays for the global sourcing industry today.



DEMOCRATIZATION OF KNOWLEDGE

Industrialization has driven economies for well over 200 years now, commencing with the need to address territorial advances (re colonialism) to modernization thanks to various inventions and discoveries over many decades. In the past 30 years alone, mankind has moved so far ahead that at times it is quite impossible to imagine the great leaps of faith our ancestors have taken. Technologies, mechanics, engineering, medicine you name it and you can see advances that have taken us toward more comforts and quality of life (if not equally or inclusively). Most nations have settled their territorial disputes (at least to the larger extent that permitted co-existence, notwithstanding ongoing disputes over border-lines or certain tracts of land or the quest for oceanic natural resources), and have embarked on a modernization endeavor, some faster and smarter than the others. The need to continually capture existing knowledge and pass it on to the next generation – embedded in what we know as formal education systems – have become prevalent to such an extent that today it is no longer possible to be a part of a contributing citizenry without a formal qualification or structured education to back one’s knowledge. The quest to capture as much information and convert to structured knowledge has led to today’s undeniable chaos: education systems lag far behind demands placed for content and competence across the spectrum, from governments to the private sector. Measured by qualifications and the ability to knowledgably speak about business outcomes has come to far outweigh the utility value of one’s knowledge or learning abilities.

Wisdom has taken a back-seat to modernity, so goes the philosophical rant across much of the world today. Quest for quick returns has replaced the need to learn with a view to longevity, for the very simple reason that most knowledge is fast becoming irrelevant, as new knowledge quickly replaces the old! The belief that homogeneous enhancement in man’s abilities will translate to tangible returns has been upturned and discarded as no longer relevant. The need to understand this pivotal point is never more opportune than now, especially in the face of myriad endeavors being undertaken by countries and companies around the globe. Of course this conversation is meaningless without a more specific context. For most of the past millennium, man’s endeavor at creating formal education systems was built around capturing real experience from the marketplace. Inventions quickly led to formal programs in colleges and universities, resulting in structured information dissemination first with a quest to seek knowledge sufficiently to be seen as a potential contributor to economies, and second to address one’s personal aspirations. Today aspirations override any and all concerns, thereby causing a rift so wide that measures to bridge the gap are proving insufficient. Let’s try and understand this situation in greater detail.

Most industries did – more often than not – require consistent inputs in the form of knowledge and competencies, skills and abilities that spanned decades, thereby pushing people to acquire such skills and knowledge from formal institutions so as to become inclusive contributors to various endeavors (both public and private). For instance the construction sector surely required formally qualified architects and planners, engineers and builders, which therefore become areas where formal education was obtainable, because countries provisioned for it. Laying a road, operating a lathe machine or a crane didn’t need too many skills, resulting in the complete absence of formal education programs for such skills. Employers trained people on the go. Such “blue-collared” skills were not the responsibility of nations; neither did formal institutions ever cater to them.

Fast-forward 50 years down the road, nothing much has changed even across most modern industries excluding the ICT sector. Formal education continues to focus on “skills and knowledge considered relevant” in the context of industry longevity, without much attention to the context of changing industry dynamics. Replication became the important goal so as to spread the knowledge, which is today leveraged from a standpoint of labor arbitrage (else the US would still have its manufacturing intact). Democratization of knowledge has been an important facet that has contributed to global growth and wealth creation (never mind its inequitable distribution). However, since most industries continued to remain relevant (we still haven’t been able to get rid of the gas pedal in the car a 100 years after the first car was invented, or even the qwerty keyboard), the illusion that they will remain intact for ever has come into serious question, thanks to the advent of computers, global telecom networks and the new normal with technology sophistry. On the other hand, the need to contain costs especially in less endowed nations drove indigenization (economists would like to term it as import-substitution, and the Indians would like to call it Jugaad), resulting again in the exclusion of the need to formally provision for all skills.

So the question is – are there any adverse impacts to such discretionary provisioning of formal education systems? Well, there is as we shall see shortly. However it is important to first accept the fact that the corporate sector always took the responsibility for imparting low-end skills to its employees, while leaving national institutions for formal knowledge where higher skills were necessary. In some developing countries however, governments took the responsibility of setting up vocational training institutions (variously called technical training institutes, skills institutes etc) where the less-able were channeled to gaining skills at the expense of the government, backed by large industries and factories looking continually for skilled blue-collared labor. Aspirations didn’t exist as much as they do today hence provisioning such skills was considered both politically correct and economically inclusive an endeavor.

WHAT WE KNOW IS IRRELEVANT

The advent of the internet, global telecom networks and the spread of technology around all sectors put the biggest spanner in the works with formal education systems. They were simply not geared to re-align their content and knowledge-dissemination mechanisms to the new reality. Most institutions around the world continue to suffer from provisioning knowledge that has become either obsolete or insufficient, resulting in the biggest worry for any country – unemployment and the resultant social unrest/ anarchy. However countries did what they knew was a proven model from the yesteryears, treat the technology and technology-enabled sectors much like the manner in which they had always treated other mature industrial sectors, i.e. to retain formal education systems without too many modifications, and provision new skills through vocational institutions. After all – it had worked once and there was no reason it wouldn’t work again. The consequence was the mushrooming of a plethora of tertiary vocational skills institutes in most developing nations, typically driven by opportunistic entrepreneurs who knew there was much money to be made from the ignorance of the general citizenry.

The ICT sector created a wave of positivism in many developing nations, where the unanimous acceptance that modernity through ICT was their one sure-shot way out of poverty and entry into middle-income economies drove much of the policy making in the past two decades. Yes, some nations have really done well, but most others are languishing far behind. Meanwhile the double-whammy to a lackluster endeavor is the increasing cost of living coupled with the sense of “uselessness” amongst citizens who aren’t able to contribute, which is beginning to bite

back. The world calls this the “increasing sense of entitlement”, which I am fully inclined to believe is a consequence of an individual’s inability to contribute economically within his/ her social strata.

Taking a lesson from the days of industrialization it would only be fair to assume that the private sector would take the responsibility for basic skills (which in today’s ICT world could include programming, project management, testing, development, computing skills et al) while governments and formal institutions would concern themselves with more structured and complex knowledge areas like Artificial Intelligence, 3D Imaging/ Animation, Geospatial Mapping etc. Unfortunately that isn’t happening. Formal education systems are unable to deviate from their lethargic view that course content for formal education need not be embedded in history all the time (but needs to be both relevant, and current). Therefore they continue to hold guard to the old ways of imparting knowledge which has become both unimportant and irrelevant (I am not sure if any 15 year old on the planet is interested in spending a full semester studying about Shakespeare or Pablo Picasso as part of his graduate course). Meanwhile, it would’ve been expected that the corporate sector would take responsibility for its own base skills. Unfortunately they have neither the penchant nor the time to do so; they are busy trying to remain relevant in an era that sees knowledge obsolescence at paces similar to the pace of its acquisition in the first place. We have therefore gone a full circle, with the responsibility dovetailing back to governments and academic institutions.

As a sidebar, let’s look at some of the opportunistic providers of such content who have taken both the liberty and the responsibility of not just imparting base skills but promising employment. NGOs and private training institutions have mushroomed in many developing nations unfettered. Governance of such institutions is minimal, policy thrusts to ensure transparency with delivery doesn’t exist, monitoring mechanisms are paltry and recourse to law for breach of promises doesn’t exist. Private operators have profited for well over 15 years now on the misery of an increasingly disgruntled citizenry which is doing all it can to remain current and relevant to their economic well-being, hence rushing to such institutions to gain knowledge hoping fervently that such acquisition will lead to well-paying jobs within economies that are modernizing at paces too fast to comprehend. For instance India is perhaps the best (or worst, if you want to term it) example where private entities have milked the country promising instant job gratification in exchange for highly expensive vocational technology courses. Not many have been gainfully employed since, adding to their disgruntlement ad nauseum. I have also been witness to the plethora of NGOs who have taken it upon themselves to impart English language and basic BPO skills training to underprivileged/ vulnerable youth with no plans to “close the loop” by soliciting confirmations from the corporate sector for jobs, again adding to a disgruntled citizenry. Another instance where the modalities are different, but results are similar is Malaysia. The country has taken it upon itself to provision “new age skills for a knowledge-economy” by investing significantly on provisioning technology and related courses to young graduates and unemployed youth, again without any visibility to jobs. While some large global corporations like SAP, Microsoft, and Intel etc have gained significantly by cooperating with the government where such skills were provisioned by the latter in partnership with the former with a guaranteed visibility to employment, other skills that are being provisioned have no industry takers.

What is disappointing in both cases is the manifestation of similar realities. Vocational training for base skills has become a government mandate, while the corporate sector continues to disassociate itself from the responsibility for creating its own competent resources. Granted that the corporate sector faces mammoth challenges with relevance in a fast-paced ICT environment, but that doesn’t relinquish them of the responsibility.

This is the conundrum we continue to face. National endeavors at creating knowledge-enabled economies are falling short of the basic ingredient – formal provision of skills and knowledge relevant for today’s (and tomorrow’s employers and economic drivers). Existing formal systems are insufficient, and too slow to change. On the other hand corporate sector continues to disengage from the academia stating lack of understanding. A third element is those opportunistic educators (be they private entities or NGOs) who add an additional layer of complexity to an already murky situation. No wonder that the sense of entitlement amongst citizens of most developing nations is on the rise. I am afraid that this sense will soon deteriorate to social anarchy (and as a case in point the number of people who have stopped looking for a job are increasing year on year, on top of the general rate of increase in unemployment and unemployable citizens).

Is there an easy way out of this issue? I am not sure. However I have a few prescriptions. For one, it is time that formal academic institutions realize that their compartmentalized environments are not only irrelevant, but highly damaging of the future of their student base, hence they are better off working hand-in-glove with the private sector/ industry (and if that means throwing out existing obsolete course content then so be it). Two, governments will have to institute quick policy reforms that take the higher education sub-sector head-on, and incorporate compulsory industry partnerships such that a longer-term view to creating citizens with skills relevant to the time becomes a foregone conclusion. Three, corporate sector cannot relinquish its responsibility for provisioning basic skills to its employees, regardless of the massive pressure they face in their business. The competitive will survive, while others will automatically perish. After all, isn’t that what has driven human endeavor and growth? Magnanimity of governments surely results in an increasingly incompetent and illiterate workforce (I mean illiteracy in the sense of having no relevant knowledge that could find applicability in the current sectoral context, regardless of the sectors). Four, the sense of entitlement growing amongst most citizens in developing economies is not just a function of social inequities, but economic marginalization, to which knowledge/ relevant education (or lack of it) is a key contributor.

Well, I have so far addressed four pertinent issues in this series so far I shall continue the series and touch upon another interesting component in my next paper, namely Inter-Sector Collaborations.

So please watch this space!

ABOUT THE AUTHOR



Bobby is one of the top 25 most powerful leaders in the global sourcing space, and the [founding] **Chairman & CEO** of **Matryzel Consulting Inc**, a strategy consulting, sourcing advisory and management firm headquartered in New York. Matryzel advises corporations and governments worldwide adopt concerted strategies aimed at enhancing competitiveness while focusing on their core competencies. He advises federal governments across four continents on ICT sector development with particular emphasis on policy development, industry-government partnerships aimed at creating GDP growth and enabling positive economic impacts. Bobby has advised Fortune 500 customer organizations on Strategic Planning, Mergers & Acquisitions, JVs, Private Capital Investment Evaluations, Process Reengineering, Pricing Strategies, Sourcing Relationships, Business & Financial Modeling et al, contributing immensely to global sourcing for clients. He is a sought-after speaker in conferences and round-tables worldwide where he moderates panels and presents content on thought leadership. He has been quoted and published in Forbes, fDi, Economist, The Outsourcing, ZDNet, CIO Africa, Brazil Exportati, Times of India, Business Week, New Straits Times, Malaysian Business, Technology Inquirer, Logically Worldpress etc.