CHAPTER-VII

SUMMARY AND CONCLUSIONS
Just as there is a beginning to human endeavor and a conclusion to “it”, similarly we are trying to fold up our investigation and trying to reckon to ourselves where we have stopped. This is more a summary, a synopsis of our story rather than a termination in its complete sense.

We have in this dissertation tried to focus our attention to Karnataka, and the unique role it has played in attracting global forces to operate in its environment. Karnataka has several things that a global compound desires - A willingness to receive the other and a capacity to tolerate the unfamiliar - probably it is nature’s gift to this geography and demography. We see in this dissertation a dovetailing of circumstances as though some unseen planer stimulated the forces of demand to discover and get equated with those of supply.

SUCCESS ABSORPTION

It has been an established practice to draw inferences from specific investigation and knowledge. If one looks into ancient Indian practices, one will be wonderstruck with the meticulous and careful and painstaking description analysis logic and inferences. We recall this to observe that looking ahead, deep into oneself and piercing the time dimension are not activities unknown to our tradition. Innovation in whatever sense it is employed holds no threat to the
Indian mind. It hasn’t and it cannot be given the Indian Intellectual tradition on the one hand and the awareness of knowledge as the only worth while goal of man.

The context of the above observation is this. The IT industry, a knowledge based enterprise, unlike those of the past whose main raw material was physical matter, has conferred on India a success and a prestige, that has shaken both giver and the receiver. What is the future of the IT industry- Are we ready to handle it when it is ushered? Do we have any inkling about its future shape and dimensions- How ready are we? The US is asking such questions. Are we inline with them, shouldn’t we?

The argument runs as follows: Indian IT success is a gift of the circumstances- Circumstances don’t last. Time flows and with it every thing gets erodes creating new banks and pastures. We should be ready to meet, survive and master the changed circumstances when they unfold, we need to invest in R&D and Innovations- Those that have made such investments have taken the future by its forelock. We are at the receiving end – We dance to their tunes and if they get better dances than we (Low-cost and low value skill) they don’t hesitate to drop us. Before that let us examine the nature of success that the Indian IT has survived and accommodated it in it’s stride.
Success unlike failure is a bag of surprises. Failure too is not the one that any one expects to happen. But the anatomy of failure is less demanding than the comprehension of success and it's unseen dimensions. We don't normally analyse our success the way we dissect and try to lay bare the knot of failure and it's threads.

Fortunately for India success didn't come all too soon when it actually did in the form of rising demand for Indian skill in the IT. It seems as though there was already a readiness to anticipate, accept, and consolidate the new experience into a firm faith undisturbed by doubts. Circumstances may have played an inestimable role in this favorable turn of events. Success per se may not have been unexpected but its quantum and dimension, it certainly was. It was the quantum of success which opened the gates of enterprise and the strength to consolidate it. In fact as the early years reveal, the passage of time confirmed the trend into a secular feature.

Technology invariably is not always favorable and profitable to both the parties in a trade, although no trade is possible and renewable unless it helps and benefits both the buyer and the seller. IT services can be exported without the inconveniences of body-shopping. A new type of international trade in services was possible at the doorstep of the young Indian engineer with near-American levels of
salary and remuneration. At first step it was at the bottom ring of the value chain. But this— the value ranking of one’s employment was not relevant except for the arm chain critic— It was income employment, international experience and prestige and a sense of importance at home.

As more and more people came to be recruited for this highly prestigious IT jobs, several Indian companies, which are known, well known came into being with a ring of smaller and ancillary enterprises doing complementary tasks. The wave of success was absorbed without noticeable adverse effects.

The Government of India too was perhaps ready to absorb the export earnings derived from IT business. It looked as though the Government of India was eagerly waiting for an event which would lay bare the inadequacies, inconsistencies and the irrelevance of the control regime. The economic Reforms ushered in by Manmohan Singh, the then Finance Minister, were largely spurred and supported by the success. A gradual and regular dismantling of controls and licenses was not a small gift to a nation which had the government stuck up in regulations and controls of economic forces.

The foreign companies particularly the large MNCs, may have inadvertently encouraged and facilitated the absorption of success by
the Indians and the Indian Government. Thus the IT industry was established out of the success of the IT business. The emergence of IT business was neither known nor thought in advance.

We will now look at the areas or aspects in which we have not been able to absorb success completely and integrate it into our system. This has two aspects: one the individual and two the collective group or the society. When individuals began to earn, save and deposit disproportionately large amounts of money, the other in the economy, the neighbors did not get any benefit out of this development. Whatever they got as a result of the multiplier effect of any expenditure was fragmentary and inconsequential.

At the collective level too, this may be seen in the continuity feud between the IT magnets and politicians with Agricultural interest and lobby. This could have been avoided by both the parties and neither demonstrated any ability to foresee the event and arrange for it's management.

In the mean time the Indian IT industry and individual enterprises like the ten major companies which we have already listed and thousands of small enterprises formed from among the former employees. There was perhaps no need for out side financing and the IT enterprise is hardly capital intensive as it is in the case of other
industries. It's skill base, solid confidence and marketing talent was all the capital that a small enterprise is needed.

Another dimension of the success, remaining unabsorbed was in the localization of this enterprise in the few major cities of India like Bombay, Delhi and the city of Bangalore in the state of Karnataka and a few others. Even the prominent states like West Bengal and Tamil Nadu, were not among the fore runners. The other states of India, didn’t figure at all. Although bright young men and even the not so bright of them and a considerable percentage of lady students stepped into IT industry. We think that we have laid a sufficiently broad and wide platform of raising the managerial issues connected with the IT industry.

In the advocacy of Innovation and its necessity for human existence, we are indeed responding to deeper human values, values without which we cease to be human. We need to be innovative in living and it is this capacity within us for constant regular ceaseless vision for innovation, we end up discovering ourselves. It is this innovation that our ancients put before us as a value to be pursued.

But in the field of business and Trade, Manufacturing and production, in commerce with our fellow men, we use this term as one which yields a benefit, a revenue, a profit, a market share, far
above the others. We make it our own, one’s own, by patenting it and establishing a right over it, through property rights etc. We use ‘Innovation’ in this narrow limited sense here. Innovation thus becomes invention rather than discovery, something “New” for the senses and for their grist and appeasement. It becomes a function of investment, capital outlay, marketing and capturing human imagination. Marketing dominance is the objective.

A major concern in respect of success of Indian IT industry had been the direction of Innovation. This should be taken in the right spirit and so we are doing. The observation itself assumes that the industry had the necessary capacity, vision and inputs to embark on Innovation on a scale adequate for its effective outcome.

Innovation is as is well known, a broad form and there is no area which it does not visit. It is true that the Indian IT industry even today is hanging on to the coat tails of the foreign companies and MNCs, rather than doing on their own. They point out that small countries like South Korea, Taiwan and Japan have made a mark in the Hardware sector and India’s entry in this sector is nominal and indecisive.

This is undeniable but we are unable to associate ourselves with the observation that the Indian IT industry is lacking in
innovation and sufficient attention has not been paid in this direction. Innovation we would like to submit is, as already mentioned, the term containing several layers of meaning. We understand by the observation that the term Innovation is used mainly in a technological context as evidenced by the number of patents applied and obtained. We are also informed that a small segment of the industry in California contains the largest hub of Innovators. Most surprisingly or perhaps not so surprisingly the Indian mind and hand is seen in many of these enterprise. The obvious suggestion is that we should do and go, as they have done or the observation is the Indians have not followed the foreigners or Americans in this respect. If this is so, much of the criticism against India “hanging on to the Coat tails of foreign companies” gets weakened.

The answer is inevitable and requires no presentation. Does this not mean, that India is selective and has a mind of it’s own in deciding what is the most profitable way of operating in the present context

Most of the foreign companies known for Innovation are themselves no Innovators, we need to make a distinction between companies that generate innovation and the companies operate the innovation in the path of optimum profit.
Obviously Indian companies given their position in the international competitive play field would be fighting in a battle, where the probability of success is not much to mention. If what we have said previously is worthy of consideration, the argument amounts to saying why do Indian companies do not buy Innovation as their foreign counterparts do. Such a reformulation of observation really presents the truth of the matter in a most dispassionate way. Innovation regardless of it's fundamental value is a product on the market and not a world changing reform. Innovation, viewed in this fashion is not the result of scientific and technological excellence but a marketable possibility with huge dividends tagged on to it.

Indians or Indian companies, may do it in the coming two or three years, if they have not already begun. Their demonstrated ability to garner up competitive enterprise is not a Federal fold of Management establishing a sort world management center, connected with the Industry is witnessed in the activities of Mr.Mittal, Mr Tatas and the other Industries (Steel and Aluminum industry particular).

The question arises why do companies that generate innovation, limit their vision. It is because business and innovation may be strange bed fellows and may not go together. Forces favourable for large scale business operation, financial Management,
Human Resources Symbiosis; and finally marketing strategies, bringing in a high stream of profit yielding income. Innovation generating companies know this too well and that is why they sell themselves out of the business.

If we look into the Merger and Acquisition (M&A), activities of IT majors like IBM, Microsoft, EDS, CSC and others, we may find sufficiently convincing evidence in support of our observation. Moreover, many sequel innovations of the type with which the IT industry is far too familiar like simplifying a process or abridging and compressing several processes into a simple, manageable and user's friendly techniques are innovations that do happen in all activities.

The claims of Innovation made by American and Western companies functioning in their context of science and culture, rest largely on discovery of patent content in their activity, isolating it, capturing it into a innovative mould and seeking it's recognition is a culture which Indian companies are yet to imbibe. We make gold to presume that such instances are not strange in the Indian context, but they go unnoticed because of an intellectual tradition which discounts, personal authorship to creative out comes.

Once the Indians begins to learn the process of documenting creative outcomes, visa-v-normalized patterns, the so called
objections against Indian IT, that it is not Innovative may not hold water.

Are Indian’s better managers?

The question is posed to arrange a set of ideas currently very popular in business circles as reported in the media. The media is another name for hyperbole and yet it is not a bunch of lies. The world is witnessing or more truly India is witnessing a wave of world recognition for its business offers and interest. This is certainly a dynamic shift in favour of India, more so for those who are still alive with the memory of Indian business being described as unscientific and archaic.

Indian skeptics and other critics may question these observations on several fronts foremost among which would be to say that the New Indian Managers aren’t really Indian. They are Indo-Anglican American or European experts whose Indian qualifications are limited to the accident of their birth. One can also point out to the statistical significance of the Indian numbers and say that any population would display such wide range of abilities and such small quantities do not represent the population under study or reference.
Let us impound these objections aside and get into the main point. If Indian management has established a preferential notice in the world market then what are the forces that have brought it about?

Management, the process of handling an organization or an enterprise in fulfilling its monetary profit and loss expectations and thus marching towards a larger size and wider market, is an expression of no specific meaning. It refers to all situations and activities whose roots remain unseen and unknown. There is no management if there is no unknown and if unknown can be defined. This also implies that what is known isn’t really so. It is a function of this game of blind man’s bluff. It is an awareness of a darkness, an ignorance as a reality and a trust in something that defies visible or verbal presentation. It implies a degree of tolerance infinite in its dimension, an elasticity of functioning unrelated to tutored or previously mastered competence and a liveliness of being founded in a faith that slaves envy. It is an instance of masterly innocence that can befuddle a narrow expert, an inner life of spiritual light which knows that time and place have no permanence.

And yet it is not against any attempt at extending the frontiers of knowledge and discovering the source and location of ignorance. It is not against making management as scientific and technical as the
current advances in these fields enable and permit. It knows that true knowing is incommunicable and what is communicated is a truth saddled with consequences desired, expected and sought after as much as those that are opposed to them. Partial truths can as contradictory and sequential as sunshine and dark nights and a partial truth may be an appearance a web of lies who enjoy masquerading a s a truth. All such truths are truths of sorts useful for sometime and for some purpose, adding to the vast populations of millions of truths that come and go. Relative truths like the fair weather friends do not either help us or enlighten us. They leave us in the lurch of falsehoods and their corrupt influence attractive and enchanting.

An Indian is a cosmos of these age old experiences always alive to the deep, the vast and the eternal that lies coiled in him. He is thus a contradiction to sociologists like Schultz who ridiculed Indian Scientists commitment to science because they believed also in a God of their faith. It is a conception of a Force an Energy whose creative output is limitless and the test of its validity lies in an experience which is all incorporating.

It is the age long and unknown faith in such a universe of existence and functioning the Indian is born grows decays and dies again to be born to continue with the experiment of living. Death is
no termination of life but a passage to a new platform of existence providing another opportunity to realize the truth of existence.

This environment, background is the origin of the Hindu or the Indian existence or living. It is not to say that every Indian lives this life but it is to emphasize that this eternal wisdom permeates every human being and more so the Indian because this existential heritage is respected and not denied here.

What does this unknown influence confer? I wish I knew. For as indicated earlier total and true knowledge desires no communication and if communication is necessary in the interests of the world it enables its communication in its own way. Yet some attempt may be made to hint at things useful for understanding the Indian personality if one may say so.

This respect for the presence and operation of the unknown is for the knowledgeable a great source of strength endowing with capacities and their creative dimensions in most unexpected places and times. The so called Brain Drain may be interpreted in support of this observation. Body Shopping was literally an adventure for which no one was prepared for no one had foreseen its emergence. It was literally selling one's skills in the streets of the IT market as vegetable vendors do about their products and merchandise. It was selling
oneself in an environment that was both ignorant and hostile to the idea of Indian skills meeting their needs or Indian intelligence answering their queries. Did any school of management train these body shoppers? Did any one foresee this development? The body shoppers were highly qualified Indian Engineers who knew how to integrate their little skills learnt in the class rooms and laboratories and libraries with the larger vaster deeper skills with which they were endowed, which needed a deeply felt call to emerge and come to light and play in the fresh air of opportunities. To speak in this fashion is to invite adverse criticism from the established stations of scholarship and expertise.

Even the Indian schools and colleges and Universities do not encourage such thoughts on the campuses; how did they get it then? There is non need to get it for it does not lie outside oneself to be gotten. It is there asleep if one might use such an expression ready to wake up and get activated when the call is real. In circumstances of adversity the real in man is challenged the sources of existence come into full force and hidden talents emerge on the surface much to the surprise of the individual in whom the experiment is taking place. The Indian invites and allows himself to bask in its sunshine and the others may ignore neglect and sweep them away as impossible and unscientific. For he has grown up in an environment the unknown is
feared as a hostile element and not received as a harbinger of the good.

Management is a broad spectrum vision, a reconciliatory talent not only between self centered egoistic individuals but also independent view points unfortunately stressing always their independence and ignoring their dimension, just a point in a vast universe of such points and dots. It is a view point and just that. View points are presented and made and seen to be with other view points, merge with them. Management is this function of reconciliation of the fractions into a whole, the wisdom of presenting the whole as an envelope of the sections fractions and view points.

All this is taught with a great deal of force and effort as though such activities are alien to his nature. It becomes a counter force generating friction and needless controversy and disputation. Because he is not taught the natural and he is proficient in the advocacy of the unreal. The belief in something that is behind all that we see hear and transact around is a primary faith truth which enables the being to take a comprehensive look at things not deliberately as a mental exercise with a purpose but with an understanding that is supported by an inner faith that truth and understanding becomes real only when
anything is viewed in its total context. Analysis is not to be divisive tool but a conduit for interconnection of everything.

Managerial vision is thus a human far sight and not an expert insight. Total comprehensive all inclusive view is primary to understanding oneself and every thing. It isn’t an exercise in deductive logic but a primary axiom in whose light things are seen and understood. The effect of this standpoint, of this stance is the discovery that conflict is one’s creation and not an external impediment. In a market situation the competitor whose presence is normally seen as an element of conflict is corrected by the vision of a possibility for merger or takeover. Look at the situation from the viewpoint of the small firms invited for being acquired. They see the greater good of a take over rather than a war and conflict of diminishing returns. The magnanimity of the firms allowing themselves to be taken over is not a market strategy but an understanding of a larger truth. We are so short sighted we don’t even know what the firms taken over knew and felt when they agreed for an eventual merger or takeover.

Imagine a situation of no conflict! Impossible for we are so much used to expecting an opposition and train our sights in advance
for countering such moves. We have already oriented the direction of our vision. It isn’t the real one but the one we have set for ourselves.

Despite university education being more than hundred years old in India, university participation in Research and development is yet to make it’s mark. One of the earliest programmes following Indian Independence and the adoption of the planning system, a host of CSIRs were funded and organized with a view to promoting scientific and technological Research in India and the flow of it’s results into business and Industry.

Unfortunately there was nothing worth reporting from this front. Their bureaucratic structure and the general environment which was inhospitable for the growth of industry, trade and commerce in the India on one hand and it’s alignment with international business on the other, did not provide the necessary stimulus for making these bodies effective and accountable.

Even today the situation is not very different, but for the IT/ITES and the new economic policy of 1990. A new awareness inter twining education training, Research, industry, commerce and the general life of the ordinary man appears to be engulfing the Indian mind at all levels. In the last two or three years the international recognition that the IT industry has secured as evidenced by
certificates possessed, promises a bright future moreover the city of Bangalore is already credited with the distinction of being a Research centre for all the major IT companies and MNCs of the World. The recently opened training Institute in Mysore by the Infosys for IT professionals regarded as largest of it's kind. It is also considered as a unique institute for quality and standard.

The IT industry is a mind industry and another word for mind is it's potential for change. The Indian IT industry is kicking alive and relevant because of it's ability to change as quickly as the Industry itself changing. The resilience demonstrated by the Indian technical worker, has received world wide recognition.

If the universities do not keep abreast with these changes, they will become reflex of the past and will soon be forgotten. The corporate sector too has found that education, manpower training and Research are profit making opportunities. The government has invited the corporate sector to take a vital part in the domain of education and the corporations have readily responded.

A question that is often asked refers to the ability of Indian IT industry to match the competition from MNCs. We believe, the present environment is of a different character and the relevance of the observation is not without suspicion, because in the present day
global atmosphere, what we see today is an intermixture of competition at one level and a co-operation at other level. It is as though the entire industry is integrating with each other in a "Biological Fashion" rather than in a "Mechanical Sequence". The relationship is organic. Many so-called MNCs are really MNCs in the structure of its labour and technical force and the day may not be far off when the MNC Board is Multinational.

The present day merger is a Federating technique, a cooperative interconnect rather than a master-slave domination. We don't however, ignore the possibility of national interest, disregarding the interests of other regions of geography and cultures. But the vision shown by the Indian business man in taking over similar or related business in other parts of the world and the absence of resistance to such moves indicates the emergence of an international platform capable of reconciling national interest with a view to achieving the excellence of highest order. In fact the question posed earlier is not a question to India alone, it is as much a question to any other country.

The real question facing the Indian IT industry, from our point of view does not lie in a world outside the frontiers of India but it recites within the nation boundaries of India. When does the Indian
IT really become and represent the Indian character and it’s diversity? When will the IT industry penetrate to Indian Agriculture and Farm activities, in retail trade and Banking, in towns and villages, with a population of less than 50,000? Are the questions that merits not only immediate attention but also demands a skill and vision that is not seen on the Horizon. We do not have the same confidence in looking at this question and analysing it as we did in case of previous two questions. We have successfully evaded this questions, mainly because the question has not stabbed us yet. Certainly the time is running out. The sooner we address to these questions the better it is for the Industry in particular and for the society in general.

We have a hunch that the answer to these questions may come from the IBM Board room or from a Microsoft conference room, rather than from the Desk of TCS or Infosys or Wipro. We see more clearly than any where else in these companies a desire to rural, a concern for the small buyer in a far off village and the willingness to raise up to the lengths of the challenge.

Addressing these questions requires from our point of view a strategy that is as pervasive as a World Bank’s concern for a village in the far off Africa or in war torn middle East. It also calls for a strategy for with standing failure and recouping one’s forces to renew
the challenges. The Indian companies may not possess adequate skills of the type required and strength of managerial will to undertake this responsibility: OR The Indian companies in association with other MNCs may work out a joint strategy combining native skills with foreign determination to address the question.

Recounting these problems does not mean the problem is unsolvable. We have positive indications too. The IT industry in India has already established itself in Tier II cities and their march to Tier III and Tier IV cities and towns may not offer as stiff resistance as is feared or enumerate it. An international Consortium for this purpose can be considered quite practical in the context of India, establishing firms abroad for supplying infrastructure funded by the Forex Reserves. A reversal of this kind of activity cannot be considered improbable.

It would not be inappropriate to include here the neglect of after sales and consumer friendly 24x7 offer of maintenance facilities. The Nasscom has already made a survey of these needs and has estimated the size of the market which is as big as the size of its users. Probably one reason why the market is slow in taking off, may be due to the lowering of the prices of the new product. Buying a new replacement may be cheaper than repairing the old gadget. But
once again it is not a question of relative prices, it is a question of steady flow of services on demand.

Successful Management, we submit lies in the discovery of ones own organization rather than inventing new technologies—Discovery as is understood in our tradition is the result of an intuition, a perception, a vision, the existing things as they are, seldom do we exhibit this trait, conduct in our day to day affairs. We discover dissatisfaction. We discover lapses and failures and not new possibilities. Discovery is the result of a wave of tolerance and deep understanding. This wave (of understanding enriched by imbued with tolerance) unravels the true potential of our resources and our inputs—men and materials. As our understanding becomes fuller and total, we begin to see the hidden possibilities seeking their use and employment. We discover the untapped energy residing in our inputs—Discovery seen and understood in this fashion is a positive force both in its operation and in its efficacy.

Innovation may in this context be viewed as a function of Invention which is itself an outcome and manifestation of a discovery. A discovery is an experience, an experimental aspect, dimension of this possibility may be seen and illustrated as patents and inventions. No invention is possible without a discovery although all discoveries
need not materialize themselves through innovations and inventions and patents.

Invention and patents and other products and services coming under the classification of IPR - largely fractional utilities emanating from a discovery. Discovery itself is a flow of awareness and one may lead to a larger, higher understanding of things.

This relationship may be roughly presented as a triangle shown below:

![Triangle Diagram]

Innovation

Discovery  Invention (patents, IPR)

When does a discovery fructify itself into a patent deserving process- an invention leading to an innovation? This is a question which we pose for future examination and inquiry – But we would like to offer a few comments more in the nature of cursory remarks.

Discovery “It self is a deep seated urge not given to all, nor it is exclusively located in R&D investments as most of us think. It may be a necessary condition as a well equipped library is for
scholarship and the creation of an environment suitable for its growth and unfolding.”

Discovery is the product of a real need, the necessity, which is found in the expression “Necessity is the mother of all invention.” When once India IT discovers within itself such a need, it will catch the train of R&D, as it has taken to meet the needs of an export market and supply the demands of a global market.

The present pressure on “INNOVATION” in the way it is done appears to be a premature conclusion. We need to remember that there is the element of time for the fructification of events. We think we are in the womb of gestation period. Let us wait and watch.