

Inclusivity and Innovation Challenge

Dr. Mukul Madahar

(MBA Welfare Director, Cardiff Metropolitan University, UK)

Inclusivity and Innovation have been on the agenda of many corporates in the 21st century. There is a lot of pressure on corporates to involve as well as develop for the “*The Have-Nots*”. This discussion highlights key issues/challenges related to inclusivity, followed by looking into the higher education sector in India (one of the key emerging economies today) and identifying gaps and issues within the sector and how shifting the educational paradigm can be instrumental in achieving the inclusivity agenda in organisations.

The Need:

Most organisations of today are heavily involved in innovation, both internally and externally. New products and processes are being developed. Lately, a number of organisations in high growth environments, especially in emerging economies are now concentrating on such means by which the wider humanity can experience benefits of this innovation i.e. ‘Inclusiveness’ is climbing higher in the organisational agenda. The pressure is on organisations to make both their *Staff* and *Products* INCLUSIVE. In a recent survey of the Indian manufacturing executives, conducted by Accenture, almost all respondents (98%) recognised the “*benefits of a business model that includes the have-nots*” (*Outlook, 2011, p2*). In the same survey a significant percentage of respondents acknowledged that businesses that embrace inclusion will outperform their peers/competitors i.e. inclusiveness being on the agenda would lead to having a competitive edge. In the words of Prime Minister Manmohan Singh (April 21, 2012; cited by Mello and Dutz, 2012), “*Without inclusion, social*

and economic, the very sustainability of our growth processes comes under question...”

The Challenges:

With inclusion rising up on the agenda for corporations, there are still challenges associated with it. The moment you try to ask these organisations (think of the 98% mentioned earlier) what they are actually doing about inclusivity, the numbers start to change significantly.

- Most organisations neither have the people nor the policies (Such as HR policies to hire/retain employees who are willing to experiment with inclusive growth) to make inclusive growth a reality.
- Furthermore there is a commitment gap between acknowledging the importance of inclusivity and actually doing something about it.
- Tapping the *have not's* is not cheap. Significant upfront investment is required to pursue this agenda. In the process, profitability, which is the main purposes for the existence of for-profit organisations, sometimes need to take a back seat.
- Something good for the country is not necessarily good for the company. National growth and organisational growth, many times, do not move hand-in-hand.
- Another finding of the Accenture survey was that 43% of the staff was reluctant to relocate to rural areas. In a country where 70% of the population lives in rural areas, this does not bode well for an inclusivity vision.
- Organisations are not really organised or equipped to sell to the poor, which stems from a

lack of capabilities and talent of the people, processes and policies. One of the suggestions is to have partnerships with entrepreneurial small organisations who have already mastered the art of selling to the *have-nots*.

- Organisations lack inclusive growth culture. There is lack of a culture that promotes or implements inclusive business models into practice. The organisations do not have the HR policies to hire or retain people who are willing to innovate and are willing to experiment. Until this issue is addressed organisations will not be able to shift culture in the direction of inclusive growth.

There seems to be a common element in all the challenges: The People. An old axiom comes to mind when evaluating the challenges: *“As shall you sow, so shall you reap.”* In order to look into the problem, I decided to take a step back and look at the supply side of the organisations. This involved looking at the foundation of these People and what they are taught. It was thus decided to look at the education sector, and in this perspective, specifically at the higher education sector.

Indian Higher Education Challenges:

The Indian higher education budget is about \$4.7 bn. When compared to universities like California Institute of Technology or the Harvard University (which have annual expenditures of over \$3 Bn each), it is very small. Top Indian universities are smaller as compared to the top World universities, which on an average have 10,000 students. Most of these universities are struggling to recruit high quality academicians. There is a shortage of around 40-50% within the teaching faculty. In spite of their popular standing top Indian universities still do not feature in the world's top universities. IIT-B was the only university found placed in the Times Higher Education magazine list in 2011 and that too in the 301-350 category.

Another aspect, which does not paint a pleasant image, is the Gross Enrolment Ratio (GER). The GER for India is 13.8% (i.e. only 13.8% of the

people eligible for higher education actually enrol for it). This is very low when compared to other countries. The GER for China is 23%, UK is 57% and USA is 83%. India is little more than half of the World average, which is 26%.

The Indian higher education is considered to be a luxury only available to the brilliant and the affluent. The unfortunate thing is that even the brilliant struggle to climb up the ladder if they lack the financial resources. The top institutes in India only cater to about 5% of the population. Getting into the top institutes is incredibly hard (Institutes like IITs and the IIMs only have a 1.5% acceptance rate).

According to the Ernst and Young Report presented at the FICCI HE Summit in 2011, the Indian higher education sector is plagued with three fundamental challenges.

- **Access:** As highlighted earlier, with a GER of 13.8% it is restricted to a limited population. Some do not have the means and some do not have enough learning and knowledge to get into the top universities.
- **Equity:** There is a significant disparity in GER across the country and across different sects within the country. It is interesting to compare:
 - GER of 31.9% in Delhi versus 8.3% in a state like Assam.
 - GER of 23.8% in urban areas versus 7.5% in rural areas.
 - The SCs, STs and OBCs have significantly lower GER as compared to others.
- **Quality:** As mentioned earlier, there is a significant shortage of teaching faculty, and consequently the quality is suffering due to this deficit. The curriculum is inconsistent and not updated across all the institutes. Also, infrastructure varies significantly across institutes. (The report highlights that 48% of the universities and 69% of the colleges have infrastructure deficiencies). There exist a significant number of unaccredited institutes,



which offer sub-standard education and facilities. The top universities are clearly small pockets of excellence, a blended effect of the type of students who get there and the infrastructure and facilities provided at these places. These top institutes do offer some programmes on innovation and are often referred to as the entrepreneurial incubation centres. However, the innovation at these places is commercialised and demand led, often sponsored by venture capitalists, who have profitability on the agenda. This still leaves the issue of inclusivity only partially tackled.

In 1996 the Education Commission stated that “*The destiny of India is shaped in her classrooms*” (Cited by D.S. Cheema in Tribune, 18th September 2012). I think this statement from the 1990s is still valid. Now we shall look into what is happening in these classrooms.

- **Competition:** I think competition is one aspect that is inculcated in children from the day they are born. From a HE perspective, one competes to get into the top institutes; then once they get there, they compete to get top grades, so that when corporate recruiters come for campus recruitment they are picked by the best ones and offered hefty salary packages. Its competition all the way. Where is the inclusion though?
- **Survival of the fittest and the fight for highest paid corporate jobs:** As highlighted earlier, the ones who are bright and get better grades, get better rewards. There is a general tendency amongst the educators as well, who draw a line between the bright ones and the not so bright ones. The brightest clearly get more attention as compared to the others.
- **Not enough research:** As students are busy memorising and regurgitating what they are taught, they neither have the time, nor are encouraged to research. Due to shortage of teaching faculty, the academicians are also under pressure. When they struggle to actively research,

how can they encourage the students to do the same?

- **No signs of collaborative learning:** In order to make the learning environment and the learners more inclusive we need to encourage more collaborative learning within the classrooms. We need to get rid of the divide between the good students and the less able ones. Categorisation of the students into high/low grades can lead to unsustainable capacity behaviour and can be damaging. Unlike individual learning (which is more common), people engaged in collaborative learning capitalise on one another's resources and skills. Collaborative learning is a well-researched area and there are claims that collaborative learning increases interest in the learners and enhances critical thinking. Collaborative learning should also be encouraged between the students and the educators. This is one aspect not encouraged within the Indian education sector.
- **There is a lack of multidisciplinary research:** Even the top universities and institutes offer narrow streams and courses. The research stays within the traditional silos of subject areas. The HE institutes need to attract faculty from different disciplines and involve the students in more research. Experts say that the size of the student population and limited interdisciplinary research at the top institutions keep them off global ranking lists (FT, 2012).

What Next?

We need to breed inclusivity within our institutes, within our classrooms, between institutes and their wider community context. . If we are successful in achieving this, then the graduates will be more inclusive in their mind-set and possibly carry it with them into the workplace and the society at large. This will help reduce the challenges to inclusivity highlighted earlier.

The mind-set of the educators need to change and concepts like collaborative learning need to be practiced within our classrooms, right from

elementary education. Learning together rather than individually inculcates more inclusivity within students. The institutions also need to be inclusive to the society and try to contribute by imparting education to the have-nots. Initiatives like Coursera (<https://www.coursera.org/>) need to be encouraged at the top institutes.

The innovation within top institutes need to change priorities. It should be moving from profit-based innovation to inclusivity-based innovation. There is a substantial body of research that talks about benefits of inclusivity. The inclusivity needs to become the primary agenda rather than pure profitability. “Innovation for Inclusive Growth” has emerged as the main theme for the Rajiv Gandhi Centre (the portal for Imperial College Business School's strategic commitments in India for joint research initiatives, technology commercialisation and educational programmes). The centre examines how the *have-nots* can be served through low-cost or resource-constrained innovation. This reiterates the fact that inclusivity needs to be driving the innovation agenda rather than just profitability. India is an extremely heterogeneous economy and has a highly diverse population, mostly operating in the informal sector. Inclusivity-based innovation is something that can better meet the needs of the common people. In the words of Fred Harburg (2011), “*Without inclusion there can be no creativity*”.

Globally the private sector has played a key role in filling the gaps within the HE sector. For example, in the USA more than 40% of the HE sector is catered to by private institutions and the growth rate for this has been higher than the public sector. Similar success can be replicated in India. The private sector has already played a substantial role in increasing penetration and enrolment. The role of the state governments will be crucial. With India targeting a GER of 30% by 2020, the role of private institutions will be noteworthy. The Prime Minister has invited private sector participation in improving access to

quality higher education to disadvantaged groups in the population. There is demand for HE institutes to fill the gap, but the growth needs to be measured and monitored for Quality, which clearly is the big challenge. The top institutes need to take a step forward and bring inclusivity into the mainstream agenda. In the words of Pier Carlo Padoan (2011), OECD Deputy Secretary General, and Chief Economist, “*Inclusiveness does not come after growth as a residual – They need to be part of the same policy strategy*”. With almost 50% of the population being under 25 and average age of 29, India has everything going for it. All that is needed is a well-structured education system, so that India can address the inclusive growth agenda of the government.

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