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No longer copycats?

There is a stereotype that Asian companies do not innovate — they only imitate. In fact, they are innovating in interesting and impactful ways that companies all over the world would do well to learn from and emulate.



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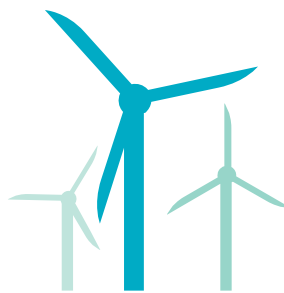
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MNCs should seek to collaborate and reward grassroots innovators

More from less, for many

What can MNCs learn from innovations developed by ordinary people? Quite a lot, according to **Anil K. Gupta**.

In the mid-1980s, I was working in Bangladesh and advising its national research council and institute on how to help scientists better work the lands and fields. More specifically, I was asked to help develop technologies that were based on the knowledge and wisdom of the nation's poorer people.

Bangladesh was, and still is, a poor country. However, as I discovered during my year of residence, the people may have been financially poor, but they were not poor in the mind. I was invigorated by the knowledge and creativity of people I had found in this country, who continuously create inventions for all walks of everyday life. For instance, in North Bangladesh, where there is very little rain during the winter season, farmers grow banana plants amidst areca palms. The former stores moisture acquired during the monsoon in its suckers and then supplies the latter, which requires the same during the dry season.

This is what I call 'grassroots innovation'; innovations developed by ordinary people without any external help, on their own and by their own motivations, with their own ideas. Most of the time, it involves people with no professional training, minimal education, and who are part of what I call an 'informal or unorganised sector'. This group includes farmers, pastoralists, artisans, mechanics and street vendors.

Upon my return from Bangladesh, it struck me that I had met with some of the poorest of the poor, yet they were among the more creative people I had encountered. I started to look at my own work over the previous



Above: With the help of 3G and the Internet, even farmers like this Indian man can easily share their ideas

decade and realised that, almost every time, I had used the information of others who had openly shared their knowledge with me in good faith and for no financial return.

I looked at my tax return and asked myself, "Which part of my income has gone back to those who gave me these ideas?" Not surprisingly, there was nothing showing how much had gone back to the people from whom I had learnt. Then, I understood that I was clearly profiting from the ideas of others without being different from other exploiters.

At first, I tried to justify my earnings. Was it because I was a professor and, therefore, entitled to a share of the spoils? Was it simply that I wrote and articulated very well? Or, was it because I worked for the changing of public policies

and, therefore, I was entitled to such rewards from society?

However, after a year of inner struggle, it dawned on me that I was taking people's knowledge, making them anonymous, and reaping the financial rewards of their wisdom. I realised that this was not right and that life could not go on like this.

People should be acknowledged for their ideas and they should be told what has become of their innovation in their own language, in a way that they can understand. Any income derived from the sharing of their knowledge, with or without value-addition, must go back to those people. This not only applies to academics such as myself, but to governments and the private sector.

So far, multinational corporations (MNCs) have been reluctant to

embrace grassroots innovation, despite having research and development (R&D) budgets that often extend into the millions.

R&D requires a very expensive infrastructure put in place by various stakeholders. For those that allocate, regulate and run R&D activities, the use of grassroots innovation brings the fear of losing out in terms of authority and compensation. They will have to justify huge R&D expenses when the ideas developed by ordinary people were created with the smallest of financial resources.

Personally, I don't believe R&D teams have to be so defensive, as grassroots innovation is a low-cost, low-risk option of experimenting with new ideas. MNC leaders must understand that the needs of grassroots innovators are very different to their own; grassroots innovators have needs that must be met efficiently in terms of energy, cost and quality. They do not want sub-standard, low-quality outputs, and, in order to achieve this, they must adapt current technologies towards their needs. Grassroots innovations have to be better and more affordable than their Western counterparts.

An example of an Indian grassroots innovation is the invention of the *tawa*, by a potter known as Mansukhbhai Prajapati. The *tawa* is a non-stick hot plate made of clay that costs less than a dollar to buy. Its main rival is the Teflon pan that costs between five-to-six dollars to buy. The advantage of the *tawa* is that its non-stick properties do not erode over time. The *tawa* is better, safer, more affordable and more energy-efficient than its Western counterpart. Clay pans existed for millennia but coating them with non-stick food-grade paint was a new idea.

Yet, it has not been commercially produced, due to supply chain constraints and a lack of sufficient interest from public-spirited entrepreneurs. MNCs are unlikely to be able to provide such sustainable and affordable solutions, due to the distorted criteria of evaluating what, in fact, is a good innovation.

Leaders of MNCs must develop an ecosystem that embraces grassroots innovation, where ideas and inventions are equally shared and nurtured, even if these ideas are from an unrelated field and unschooled minds. They must replace the concept of corporate social responsibility with CCII — Corporate Community Innovation Investment. This more interactive approach of reaching out to communities not only empowers grassroots innovators, but also adds to the creative capabilities of MNCs.

Corporations should also introduce an innovation investment fund that allows them to not only invest in ideas and innovations, but explore the process of creating these. They should be open not just to ideas from within, but also from outside the organisation.

Grassroots innovation is a low-cost, low-risk option of experimenting with new ideas

There must also be a strong connection with the youth, particularly in the technology sector and general industry, given countries like India and many parts of Africa have a large population of young people who are very flexible and willing to try out new things. This will enable MNCs to nurture new ideas in a low-cost yet highly productive manner.

From a governance perspective, corporations must embrace a policy of knowledge-sharing and knowledge-management, to ensure that such innovations are not lost or forgotten.

MNC leaders must learn from the man on the street, who has nothing to lose even if his experiment fails, and hence is willing to try and try again. However, many MNCs do not do so, and criticise failure. This approach to management is counterproductive and hinders innovation.

All of the above will prove difficult for a corporation to adopt, from a governance and cultural perspective. What the world needs are enlightened leaders who see the benefits of grassroots innovation and say, "All

right, what is the best solution to embrace this?" Once they create a sound model, others will follow.

I have met a number of leaders who want to do the right thing in the right way. I hope such people will come forward as examples to those who continue to remain hesitant and anxious over the adoption of grassroots ideas.

Recently, I met Kishore Bayani, Chairman and Managing Director of Future Group, India's leading department store retailer. He and his daughter Ashni wish to set up a for-profit company, India ka Idea, in collaboration with the National Innovation Foundation (NIF). He already set up Khoj Lab a year ago to bring grassroots innovation-based products to the market, illustrating what Dr R. A. Mashelkar, Chairperson of the NIF, calls 'MLM' — more from less, for many.

Corporations, therefore, must adopt a long-term view of how to foster grassroots ideas, in addition to a short-term view.

Business leaders should also show the humility and learn from the knowledge of economically poor people, wherever they are. Many of these innovations may be useful even for their existing clients of otherwise extremely costly and sophisticated products.

In particular, they must overcome their fear of grassroots empowerment and understand that creativity counts, knowledge matters, innovations transform and incentives — material, non-material, individual or collective — inspire. In doing this, they will not only enrich their own efforts, but also those of ordinary people from all corners of the world. //

Dr Anil K. Gupta is a Professor at Indian Institute of Management, Ahmedabad, India. He is also the Executive Vice Chair of National Innovation Foundation and Founder of Honey Bee Network.