HOW THE PRIVATE SECTOR DEVELOPS SKILLS

DR. REDDY’S FOUNDATION: LIVELIHOOD ADVANCEMENT BUSINESS SCHOOLS (LABS) FOR INCLUSIVE AND SUSTAINABLE DEVELOPMENT
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### SUMMARY

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**Dr. Reddy’s Foundation (DRF)** is a non-profit partner of Dr. Reddy’s Laboratories. DRF acts as a catalyst of change that fosters, develops and promotes initiatives at individual, group and organization levels to achieve sustainable development. Through the Livelihood Advancement Business School (LABS) model, it offers effective short term skill development programmes that prepares youth aged 18 to 30 for the job market, providing access to market-relevant skills and subsequent jobs.

**KEY FEATURES**

DRF promotes both rural and urban livelihoods through specifically designed models. For urban development, the LABS and LABS–Persons with Disabilities programmes impart employability skills to youth and people living with disabilities. For rural areas, Livelihood Advancement Business School for Farmers (LABS–F) programmes promote transfer of small and appropriate technologies to marginal farmers. The Skilling Rural Youth (SRY) programme in rural areas reduces pressure on farm land by training rural youth and placing them in jobs.

DRF’s interventions provide trainees with market-oriented skills and offer several innovative features:

- A livelihood mapping technique matches demand and supply of skills;
- Work readiness modules and hand-on learning techniques make candidates job ready;
- Business-to-youth networking provides appropriate placement opportunities;
- A strong alumni network and partnership with local companies helps to provide local jobs.

**RESULTS**

DRF has improved the livelihoods of 340,131 youth through training, including 7,884 disabled youth. It has initiated 67,688 rural interventions. Some 40 percent of beneficiaries are female youth, out of whom 66 percent are from Scheduled Caste/Scheduled Tribe (SC/ST) and other minorities. DRF has earned the ‘India Shining Star CSR Award’ from the Wockhardt Foundation.
Summary

Dr. Reddy’s Foundation (DRF) flagship livelihood programmes are distinctive examples of an inclusive business model that targets disadvantaged youth through innovative and market need-based initiatives:

- Urban programmes include the Livelihood Advancement Business School (LABS) and Livelihood Advancement Business School for People with Disability (LABS–PwD);
- Rural programmes include the Livelihood Advancement Business School for Farmers (LABS–F) and Skilling Rural Youth (SRY).

‘Creating Sustainable Development’ is the core of DRF’s programmes whereby a culture of innovation and learning has been instilled to build a system that can cope with various economic shocks. Established in 1996, DRF has achieved growth and impact:

- 116 centres in 19 states supported by DRF and like-minded partners;
- 340,131 individuals’ livelihoods improved through training, including 7,884 disabled youth;
- 67,688 rural interventions to enhance the productivity of small-scale farms and to foster employment for rural youth in local enterprises through skilling;
- 70 percent average placement rate, INR 5000 to INR 6000 ($73 to $87.50) monthly salary, for LABS and LABS–PwD programme graduates;
- 40 percent of trainees are female youth, with 66 percent from Scheduled Caste/Scheduled Tribe (SC/ST) and other minorities.

History and development

Dr. Reddy’s Foundation has transformed and revolutionized its approach and methods to create sustainable livelihoods for underprivileged youth. The journey began in 1996 when Dr. K. Anji Reddy launched an initiative to bring child labourers and other children-at-risk into mainstream education through the use of bridge schools. However, the programme witnessed an adverse impact on household income and was discontinued in favour of provision of vocational training projects. An experimental urban neighborhood sanitation programme in Hyderabad, Andhra Pradesh, was initiated to extend garbage collection training to young street-dwellers to set up micro-entrepreneurship ventures. Residents paid a monthly charge and the bicycles were provided by the municipalities. The success of the programme led DRF to expand it to 10 towns in Andhra Pradesh in partnership with UNICEF. The learning from these initiatives culminated in the launch of the LABS programme in 1999.

Dr. Anji Reddy, DRF’s founder describes the organization as a laboratory: “DRF is a laboratory for catalysing reproducible, sustainable, innovative experiments for social change,” he said. DRF attempts to bridge India’s widening skills gap by ‘empowering underprivileged youth through sustainable livelihoods.’
Organizational setting

Dr. Reddy’s Foundation, is a non-profit partner of the Indian pharmaceutical company, Dr. Reddy’s Laboratories (DRLs). Dr. Reddy’s Foundation is registered as a trust headquartered in Hyderabad and is managed by a board of three trustees and one chief executive officer. Foundation activities are managed and run by professional teams, each with specific roles and responsibilities. Support functions such as human resources, learning and development, finance, quality assurance, corporate communications and MIS are headed by professionals. See the organigram in Annex 1.

Started in Andhra Pradesh, the organization has scaled-up its programmes throughout India by leveraging partnerships. Currently DRF has close to 96 LABS and 25 LABS–PwD centres with 26 rural projects spread across the various states of India. See Annex 2 for more details. DRF’s LABS programmes are presently operational in rural as well as urban locations in over 22 states of India. These include: Andhra Pradesh, Bihar, Chhattisgarh, Dadar & Nagar Haveli, Delhi, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Chhatisgarh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand and West Bengal. Two verticals structure DRF’s work under its LABS skill development programmes: urban and rural.

‘Urban Livelihoods’ focus area

Urban programmes include the Livelihood Advancement Business School (LABS) and Livelihood Advancement Business School for People with Disability (LABS–PwD). Dr. Reddy’s Foundation offers skills
development to youth and young people with disabilities age 18 to 30 with a minimum educational qualification (in certain cases, training also has been provided to unemployed graduates). The programmes are directed towards underprivileged youth facing poor income prospects, low level of skills and intermittent employment. They aim to equip youth with trade-specific and soft skills, in order to enable them to achieve entry-level employment.

- **LABS** is DRF’s flagship programme. It is a 45-day skill development programme targeted to youth from age 18 to 30 who are minimum 10th-12th pass (in few cases jobless graduates also come to the centre) and persons with disabilities.

- **LABS–PwD** is a 60-day skill development programme working with persons with loco-motor disability and persons with hearing impairment. The course content is specially designed to support the needs of the differently abled engaging in communicative language learning (for orthopedically challenged persons) and life skills such as building self-esteem, team building and work discipline. The employment is targeted in emerging service industries and domains for this group which includes: Hospitality, Customer Relations and Sales/ Retail Sales, in-shop demonstration, BPO voice and non-voice, Food & Beverage, IT-enabled Services (BASIC, Tally, Search Engine Optimization, etc.), Multi-skilled Technician, Automobile and White Good Service Repair.

**‘Rural Livelihoods’ focus area**

Rural programmes include LABS for Farmers (LABS–F) and the Skilling Rural Youth (SRY) programmes. The rural programmes are described in more detail in the section below on ‘Training for impact’.

- **LABS-F** offers technological and process-related interventions to improve the productivity of small and marginal farmers.

- **SRY** provides skill training linked with job placement in rural ventures for rural youth.

Source: B-ABLE website
Dr. Reddy’s Foundation: Livelihood Advancement Business Schools (LABS) for Inclusive and Sustainable Development

**ORGANIZATIONAL SETTING**

**Figure 1: Overview of DRF skill development initiatives**

- **DRL (Dr. Reddy’s Laboratories)**
- **DRF * (Dr. Reddy’s Foundations)** (1996)
  - **LABS (1999)** (Livelihood Advancement Business School)
    - Ensures placement for trainees
    - Enhances socio-economic standards of underprivileged youth
  - **LABS-PwD (2010)** (Person with Disability)
    - Generates awareness amongst employers about social & economic marginalisation of persons with disability
  - **LABS-F-(2010)** (Farmer)
    - Improves economic welfare of small agricultural households by augmenting productivity, transfer of cost-effective technologies, reducing rural underemployment, and training tied with job opportunities

Enhances the employability and incomes of 1) Youth; 2) Persons with disability; 3) Farmers by providing skills development & entry level opportunities to its trainees

*Originally started in Hyderabad & currently operational in 20 states of India

Source: B-ABLE website
Business/operational model

The business model of DRF is based on achieving maximum sustainability in its programmes while being able to reach the bottom of the pyramid in its ventures.

Figure 2: DRF business process and technique

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Source: DRF power point presentation

Source: B-ABLE website
SKILLING VALUE CHAIN

Skilling value chain

The skilling value chain approach is used below to explain the business model and outline the various innovations. The chain of activities includes mapping and mobilization; course structure, standards and curriculum; training; assessment and certification; placement and post-placement assistance. Business to Youth (B2Y) Networking has been included as part of placement activity. Cross-cutting themes highlighted as a part of the business model include financing, governance and partnerships and impacting the socially disadvantaged.

1. Mapping and mobilizing

Similar to most other vocational training providers, DRF uses an in-depth mapping technique to source and place trainees. The livelihood mapping technique, however, is done in a bottom-up fashion in which local team members (assistant managers and centre heads) identify the employability prospects in a region on the basis of local employers’ profile, jobs available in the area and the local economic conditions. While conducting such mapping the local teams also network with organizations to find out their hiring plans and industry requirements, which will help to plan the type of course and the skill sets that would be required for training purposes. Information gathered from these exercises is fed into databases for verification at the centre level, and then DRF finalizes a plan for setting up training centres. Such stringent measures aim to minimize any skills mismatch that might jeopardize the placement for the trainee. “In this manner we address the needs of the market, and most importantly, the needs of the underprivileged,” explained a DRF employee.

Mobilization is one of the most important yet hardest to implement processes in any business model for vocational training. A mapping exercise can provide insights into the availability of local youth for these training programmes; however, it is difficult to mobilize them and get them interested in pursuing such career paths (especially at the cost of other incomes like agricultural activity in rural areas). DRF has devised measures in order to overcome mobilization challenges.

At each training centre, the centre head is attached with a ‘community mobilizer’ who is responsible for generating awareness about the programmes and conducting door-to-door campaigns. DRF uses pamphlets and posters and releases local newspaper and cable TV advertisements as a starting point for a mass mobilization. The community mobilizer then uses these communication materials to interact with local leaders, political parties, self-help groups and community-based organizations to gain their confidence and get referred to local youth and guardians. All possible channels of mobilization are sought, including local shopkeepers, school teachers and postmen who may help in spreading the news about the programme.

DRF also relies on its alumni network to facilitate new entrants to its programmes by regularly organizing alumni and guest events at training centres. The organization regards alumni referral as the foremost means of candidate mobilization – approximately 50 percent of new candidates join the programme through referral, in centres that have graduated at least two batches of trainees. At the alumni events, the alumni are encouraged to bring along a guest – the alumni share their experience of the training programmes and the guests are informed that they may visit the centre to avail themselves of training.
Generally, 25 to 30 days of mobilization results in a batch of 50 to 60 students at a local centre. The centre gathers background information on prospective candidates (stored in the computerized database) and follow-up contacts are made through SMS messages and home visits. During this time, each candidate is screened to verify their interest in the programme, their eligibility (e.g. age, education, socio-economic background), any constraints they might have that might affect their ability to attend the programme (e.g. woman with children, only bread earner of the family) and their willingness to take up a job away from home. DRF also informs the prospective candidates about placement opportunities and salaries to correctly set their expectations from the course; provides information about the programme delivery and the importance of ensuring regular attendance for eight hours each day during the course duration. Putting such strict measures in place allows DRF to lower attrition/non-attendancerates to approximately 5 percent in its training programmes.

Once registered, the new entrant is referred to as ‘aspirant’ in all LABS programmes. DRF believes that even after a training programme a student should have the aspiration to climb higher in life and constantly look for better opportunities.

2. Training standards and content

The training programmes are aimed at increasing employability and livelihood options of youth constrained by age, economic and social backgrounds and income levels to help them get a strong foothold in the competitive markets. See the section above on Organizational Setting for descriptions of the urban programmes LABS and LABS–PwD.

The organization’s in-house Learning & Development Team design and upgrade curriculum based on industry requirements. Focus group discussions are held with industry representatives and experts on updated curriculum, the method of delivery, instruction manual for facilitators and students’ workbooks. Once their feedback is integrated into the curriculum the technical training content is then endorsed by that industry body. The life skills and the work-readiness modules are the strengths of DRF’s training programmes.

3. Training

LABS centres are not permanent. DRF establishes the training centres on an ‘as needed’ basis. It is important to estimate the number of youth who would require training; this is done by the community mobilizer through an informal survey during the livelihood mapping. Once that number is verified, DRF approaches the local authorities to request their support in terms of space, and to start the new training programme. Some DRF centres are also supported by partner organizations such as the Michael and Susan Dell Foundation and JP Morgan. Since the training programmes are not student-paid models, renting temporary space is one of the ways in which DRF minimizes operational costs.

Typically, one training centre is able to service a community for a period of three to four years. The centre focuses on the surrounding regions in a 5 to 6 kilometre radius, though in certain cities the focus area may span a 15 to 20 kilometre radius. DRF identifies prospective training centre locations by taking into consideration the ease of commuting for candidates, as well as the availability of basic amenities required.
Most training centres consist of three rooms and are well-equipped with computers, tables, chairs, cupboards, LCD projector, printer, alternative power supply solution and necessary electrical appliances.25

Training at the DRF centres is provided by locally-hired facilitators. Trainers are referred to as ‘facilitators’ because their role is envisaged to be more than training; it is to facilitate livelihoods of the aspirants. Facilitators must have prior experience in the relevant industries, in order to ensure that the vocational training ventures beyond theoretical knowledge and is of industry relevance. Training of Trainers happens at multiple levels. Facilitators are inducted into the organization with a 12-day programme; this is followed by monthly training inputs at the zonal level to maintain the relevance of facilitators’ abilities and to provide any updates to the curriculum.26 In addition, the Quality Assurance and Enhancement Team conducts regular site visits to assess training quality. Feedback gathered in these visits is used to individually monitor the facilitators and deliver refresher trainings to empower them to better deliver training and life skills.27

Each LABS training centre has four to five facilitators. This number include a Communicative English (CE) facilitator and a community mobilizer. Community mobilizers are selected from the alumni network within the local community. They are hired on a freelance basis and, based on their performance, added to the centre’s pay roll after six months. This employs alumni and strengthen the mobilization process since the alumni are from the vicinity and know DRF’s programmes well.28

Each centre has a centre manager. They are selected among the facilitators and attend an additional 6-month training programme, which is conducted by the Learning and Development Team. This is a leadership programme based on the Arbinger model (the course is provided by the Arbinger Institute) to coach and mentor the managers. The programme is provided at no charge to employees up to the level of assistant manager.29 All employees of DRF have well defined Key Results Areas (KRAs) which are drawn from
SKILLING VALUE CHAIN

the Arbiner model and on the basis of these KRAs their performance is monitored.30

4. Training delivery

The training cycle for most training programmes is 45 days and includes an induction on basic life skills, soft skills, domain knowledge, basic IT, communication skills and work readiness module in a very interactive environment.

The life skills module is provided as an induction (first nine days) that covers topics such as understanding oneself, money management, societal perceptions and a SWOT (Strength-Weakness-Opportunities-Threats) analysis of past and present life of the aspirants.31 Before technical training begins, candidates attend an induction on life skills where they are apprised of LABS processes and provided opportunities to discuss their aspirations with the faculty. Interactive sessions foster an environment conducive to learning and engagement. This is done to ensure that the aspirant understands the requirements of the programme and do not drop out of the high pressure technical learning attributed to some of the courses.32 Also, a meeting with parents and guardians is organized during the course to update them on the course curriculum and to seek their cooperation for the duration of the programme. This is done to ensure that drop-outs are minimized and the aspirants are able to complete the programme with full knowledge of the programme and support from their family members.33

Next, technical training begins. By this time, attrition from the training programme is lower, so the batch size is more permanent. The LABS programme adopts an interactive and mentorship-based pedagogical approach including lectures by facilitators, interactive and practical sessions, field visits and industry guests.34 Work readiness modules are integrated in the technical training component and are specially designed to handle the perceptions of the target population (i.e. poor, dropouts, disadvantaged groups) and the skills that they require. The work readiness modules assist students in preparing resumes, handling interviews, overcoming workplace challenges, gaining exposure to workplace culture and ethics, and achieving a balance between personal and professional lives. This integrated curriculum ensures multidimensional preparation of the aspirant and increases his/her employability.35

Most classroom trainings are accompanied by hands-on learning and practical training through industry visits. This accustoms the aspirants to the workplace environment and also provides employers the opportunity to identify organizational needs prior to hiring these students as employees.36 Basic IT skills and communicative English are also part of the training programme. DRF relies on multimedia teaching materials such as audio-visual aids and presentations delivered through LCD projectors.37 At the end of the training another parent’s meeting is organized to update them on the aspirant’s progress and also about placements and placement-related stress.

5. Assessment and certification

DRF uses an innovative assessment mechanism for each aspirant called the Individual Youth Development Plan (IYDP). The IYDP is administered twice by the centre manager to assess improvements made in the aspirants’ life skills, e.g. communication techniques, domain knowledge, current levels of learning. Based on the evaluation, each aspirant is counseled and mentored to bring them back in line with the requirements of the course curriculum and industry standards.38 Students are also assisted in recognizing their strengths and constraints through this method, which helps them attain their individual goals.39 DRF provides its
own certification to students at the end of training programmes through an assessment of domain-related knowledge. If a course has been endorsed by a partner company, Dr. Reddy’s Foundation is also mentioned in the certification.40

6. Placement

DRF guarantees a 70 percent entry-level placement of its aspirants after the on-the-job training is done.41 Most aspirants are placed during the interview process. For those not placed, DRF organizes additional interviews as well as ‘job melas’ (fairs) and provides additional training support. While placing the aspirants, a number of factors are taken into consideration and are ensured to the best possible extent, including their willingness and convenience, the industry’s expectations, salaries offered and career growth prospects. The organization pursues a ‘train locally and place locally’ mantra to reduce migration and other placement related stress that increases attrition. A Business to Youth (B2Y) Networking system has been set up to provide local placement support by networking with local industries, getting them as guest lecturers and also organizing field visits to their locations so that students are exposed to local work environments. B2Y Networking is carried out by the training centre teams, programme staff as well as a dedicated Zonal Placement Team; it is supported by Operations Team.42

DRF also has agreements with a panel of employers with national presence for quality placement for its aspirants including, among others, Café Coffee Day, Yum Restaurants–KFC, Concentrix BPO, Spenser’s, Barista, lemon Tree and Domino’s Pizza. DRF works closely with employers to understand their requirements, which will aid in better retention of candidates, and engages consultants to innovate scalable solutions.43

7. Post-Placement

DRF provides handholding assistance to all its aspirants for a period of three months. Placement reports are prepared by the organization in the first month, where difficulties faced by the candidates in adjusting to the workplace environment and in their personal life are assessed. The centre team assists the aspirant in settling down and also attempts to mitigate work related issues or arrange alternative placement opportunities.44 Post-placement stress is related to various issues. It could either be migration of the aspirant to a different place, adjusting to food and other colleagues, or it could also be employer or work environment related stress.

An alumni service cell has also been set up that provides avenues for LABS aspirants to receive employment information and placement support from existing alumni networks. Alumni interaction and meeting events are organized by DRF, providing opportunities for aspirants to advance their career prospects beyond entry-level positions.45

Financing

Dr. Reddy’s Foundation is a trust and non-profit partner of Dr. Reddy’s Laboratories. Most of its programmes are operated with the support of its partner organizations,46 though it has also implemented government skill development programmes, working in partnership with the Andhra Pradesh government, West Bengal government, Mission for Elimination of Poverty in Municipal Areas (MEPMA), Ministry of Rural Development, among others.47 Very early on, however, the Foundation realized that it would need to leverage partnerships
with industry, the private sector and civil society in order to scale its programmes and make them more sustainable. DRF has entered into collaboration with partner organizations that often provide the full financial support needed to attain up-scaling of skill development initiatives.

Many LABS centres operate on the basis of funding received from major companies: JP Morgan (34 centres), Accenture (30), Dr. Reddy’s Laboratories (15), Dell Foundation (9), Cognizant (5), Blackrock (1) and CESC (1). Likewise, many LABS–PwD centres also operate on the basis of funding received from major companies: Accenture (18), Dr. Reddy’s Laboratories (5) and Amdocs (2).

To attain sustainability in its programmes, in 2011 DRF introduced a bold learner-paid model called the LABS–Sustainability (LABS–S) programme, under which the aspirant is charged for the course, with fees in the range of INR 1300 to INR 1800 ($19 to $26). This learner-paid model has been introduced in all LABS programmes to convert the beneficiaries into customers and to make the model more cost-effective with larger impact. Given the socio-economic constraints of its target group, the fee can be paid either completely with a 20 percent discount or in installments during the programme. For those who are not able to pay at all, fees are waived and they are encouraged to pay a token amount from their first salary.

The LABS initiative has also started to work with several employers who recompense DRF with recruitment fees in return for hiring LABS aspirants. Presently 8 percent of pan-India companies and some local employers pay an average amount of INR 500 to INR 1500 ($7 to $22) based on the retention of placed candidates for 45 to 60 days. This has been done to make the LABS programme financially viable and less dependent on donors and partners for its operational expenditures.

**Partnerships**

To date DRF has partnered with 50 partner organizations. In the majority of initiatives, 100 percent financial support is provided by these partners. A number of partners are engaged in support for LABS and LABS–PwD centres in the ‘Urban Livelihoods’ focus area, as noted above, including Accenture, Amdocs, Blackrock, CESC, Cognizant Foundation, Dell Foundation, Dr. Reddy’s Laboratories, JP Morgan Chase and MSDF. Others are engaged in ‘Rural Livelihood’ programmes, including Deshpande Foundation, Ernst & Young and NABARD. Cisco is engaged in a knowledge partnership and NASSCOM is engaged in software support and an IT literacy programme. In addition to funding a centre, a DRF partner can also support in designing curriculum, training course instructors and developing software and technology for managing the programme in various centres. Partnerships with central and state government departments, private sector companies, public sector organizations and national and international non-governmental organizations are innovatively reached out to cater to the vast geographic and different needs of the aspirants. An interesting method of such partnership is the Establish-Operate-Transfer (EOT) model whereby DRF will set up and run a centre while grooming a partner organization to independently take up the programme.
PARTNERSHIPS

Training for impact

LABS-PwD

The Livelihood Advancement Business School for Persons with Disability was initiated out of a need to enhance market-driven skills for persons with disability, make them employable and increase their economic independence. DrF the LABS–PwD was started in 2006 after a differently-abled youth approached them multiple times in a job mela (fair) and asked them if they could do something to provide training to him. Driven by the vision to empower disadvantaged youth through sustainable livelihoods, DRF took up the challenge and approached partners who would be willing to hire differently-abled youth. Their response was positive.

DRF studied the skill requirements of PwDs and modified or developed a variety of resources to train aspirants with disabilities. Modules on communication, mobility and life skills were taken to various industry partners to be ratified. Next, a pilot programme for youth with locomotor disability was implemented in 2012 with the Wadhani Foundation. Soon the programme was implemented across the existing LABS centres and was able to reach 190 PwDs in its first year.

DRF initiated a dedicated LABS–PwD programme in 2012 in partnership with Accenture.

The LABS–PwD programmes are imparted either through tie-ups with the government as free trainings conducted in Vocational Rehabilitation Centres, or through private centres where a fees is levied.
Sustainability). To date, DRF has established a total of 25 centres. Aspirants receive hostel accommodations. The LABS–PwD curriculum is specially designed to suit the requirements of aspirants who are orthopedically challenged or hearing impaired students. The Foundation has allied with EnAble India, which works on enhancing employability of differently-abled youth. The training period is spread over 60 days which includes domain knowledge, basic computer skills and communicative English (for orthopedically challenged trainees). Additionally, DRF offers development of life skills and work readiness courses as in the case of regular programmes.

For facilitators at the training centres, DRF provides separate training and sensitization. They are taught basic sign language skills. Also, DRF hires sign language interpreters and works closely with the teachers at the Vocational Rehabilitation Centres and like-minded NGOs. Sensitization workshops are undertaken with the employers’ HR and production teams, especially in metropolitan cities such as Delhi and Mumbai. DRF constantly interacts with employers regarding solutions to facilitate PwD’s access to the workplace and make their job more comfortable.

To date, 4,500 people with disabilities have benefitted from the programme. The project’s target is to provide 5,000 livelihoods to disabled youth each year. Currently the PwD programme is focusing on locomotor disability and hard of hearing people and is planning to expand to serve visually impaired and mentally challenged persons, to break barriers and make markets more inclusive.

Rural initiatives

While LABS and LABS–PwD are well-established in urban areas, reaching out to the rural population requires different techniques and approaches given the wide disparities in geographical and socioeconomic backgrounds. DRF set up LABS–F for farmers in 2010 with a view to extend knowledge and to transfer low-cost and environmentally-friendly technologies and farming practices to small and marginal farmers. The programme aims at enhancing land productivity, lowering input costs and improving market access to increase income potential for rural youth. It operates on a fast scaling-up strategy and relies on the assistance of trained village replicators (development extension workers). It also provides linkages to existing government schemes and undertakes advocacy regarding children’s education.

Under the LABS–F programme, Dr. Reddy Foundation operates its Skilling Rural Youth programme. SRY activities include conducting market assessments in rural areas, mapping local employment opportunities and, subsequently, undertaking skills development for unemployed rural youth from farming families. Beneficiaries are offered life skills training for a period of 10 days and learn skills for backyard poultry, goat-rearing and seedling raising. Some efforts focus on women-headed households.

Challenges and solutions

Provision of vocational education and training can be challenging, especially when it caters to the disadvantaged sections of the population and has to target geographically difficult areas. While trying to meet such challenges it is important to strive for sustainable development and, as per the Earth Summit, ‘meet the needs of the present without compromising the ability of future generations to meet their own needs’. DRF has initiated several innovative ideas to benefit marginalized communities and reach
sustainability in its operations. Some of the barriers to DRF operations and the solutions are described below:

**Mobilization of facilitators (trainers):** This is one of the biggest challenges that DRF encounters. The organization strives to build a culture of high performance and shared values among them to maintain higher retention. DRF has special parameters and an incentive system to reward its staff and conducts intensive training programmes for technically inclined people to promote their career progression. Capacity building programmes facilitate professional enhancement of trainers at least once every three to four months on a range of subjects, e.g. processes, training methodologies, best practices, course content, soft skills and leadership. Facilitators are trained in multiple disciplines so that they are able to handle a variety of roles at the centre. This not only encourages the trainer, it also reduces operation cost since one person can oversee more tasks.

**Attrition:** Attrition during training and at placement among aspirants is another challenge. DRF has been able to mitigate this by introducing several innovative ideas:

- Screening every candidate at the beginning of the programme to gauge his/her interest levels;
- Starting the technical content of training on the ninth day, after aspirants become more permanent;
- Introducing a work readiness module that trains them to adjust to a work environment, build rapport with colleagues and managers and develop peer support; and
- Interacting frequently with placement partners to improve course curriculum.

Generating awareness among employers and companies about the needs and requirements of the aspirants and their culture is also a challenge. For example, one restaurant chain wanted girls to wear shirts and full-length trousers, which were not accepted by the communities that the girls came from, and they had to leave the jobs. This is addressed through regular interaction and awareness campaigns with the employers.

**Quality and sustainability:** Another challenge is ensuring both quality and financial sustainability. One of the ways that DRF has tried to mitigate this challenge is by standardization and building effectiveness in the operation system. The organization went through a consolidation phase whereby all tools and techniques (e.g. surveys, placement network, monitoring techniques and database system) were standardized across centres.

An elaborate organizational structure was put in place with support structures to make sure implementation was done properly. A technical data base called Foundation Operational Information System (FOIS) was initiated in 2012 that detailed all course activities in all centres, to ensure effective implementation and monitoring of timelines. The online platform tracks activities at the centre level and helps in monitoring and planning of future actions. The platform is also used to track prospective student who visit the training centres, whereby an automated SMS message is sent to them informing them about the different
programmes running at the centre, and a toll-free number is provided to make inquiries.\textsuperscript{77}

A strong online reporting system has been put in place. The purpose of the system is to keep track of centre activities, understand the needs and requirements of its trainees and track new and old trainees. While the FOIS system tracks the batches of new aspirants; the enrolled candidates and the ones who have been placed are asked to fill details regarding their satisfaction with training, placement processes, salary, employers etc.\textsuperscript{78} The reports are consolidated at the centre level, submitted to the zonal officers and then sent to the MIS team at headquarters. The MIS team in turn has to use this information to keep track of centres and the aspirants. Strict timelines are laid down for enrolment and registration to prevent dropouts at a later stage. The main training modules are introduced about nine days into the programme, at about the end of the induction period, when the attendance of 70 percent of the students has become stable.\textsuperscript{79}

To ensure training quality, a centre is visited on a weekly basis by supervisors and zonal managers to make sure that all activities are going as per plan. The Quality Assurance and Enhancement team based at the Head Office gathers data related to training delivery and undertakes site visits to monitor compliance of the centre’s operations with the quality standards defined by the Foundation.\textsuperscript{80} Each centre and its operations are tracked and the performance of DRF’s employees are identified and rewarded based on three criteria: mobilization of communities and initiation of new batches (signifies programme teams communication skills); placement success rates (signifies teams networking abilities) and retention of aspirants (signifies teams training skills).\textsuperscript{81}

On the programme side, DRF seeks to engage students and build a reputation. The Foundation regards its Life Skills module and Work Readiness module as strong factors of differentiation from other skill development providers, which both build benefit retention.\textsuperscript{82} DRF also promotes the benefits of its pan-India private sector partnerships and networking, through which assures an average placement rate of 70 percent and provided handholding of all aspirants for at least three months after placement.\textsuperscript{83,84}

### Table 1: Percentages of aspirants trained and placed by DRF in 2014-15

<table>
<thead>
<tr>
<th>PROGRAMME</th>
<th>TRAINED</th>
<th>PLACED</th>
<th>PLACEMENT PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LABS</td>
<td>21,736</td>
<td>15,618</td>
<td>71.85%</td>
</tr>
<tr>
<td>LABS-PwD</td>
<td>2,018</td>
<td>1,059</td>
<td>52.48%</td>
</tr>
<tr>
<td>LABS-F</td>
<td>23,548</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>23,754</td>
<td>16,677</td>
<td>70.21%</td>
</tr>
</tbody>
</table>

Source: Analysis from financial year 2014-15
Women accounted for 40 percent of aspirants trained under the LABS programme, and of this number 66 percent belonged to the SC/ST/OBC category. In the LABS–PwD programme, 50 percent of aspirants were orthopedically challenged.

DRF intends to scale up operations further and train 20,000 to 25,000 young people each year and expand to tier-2 towns. To do so, it has already created a network and registered a panel of 250 employers. DRF also aims to establish 30 additional centres under the LABS and LABS-PwD programmes, and initiate five new Rural Livelihoods projects. The Foundation aspires to attain 50 percent project sustainability by the end of 2015.

Conclusion

Jitendra Kalra of DRF credits new ways of operating with DRF’s continued impact: “The sustainability journey of our flagship programme LABS has proved to be very successful, with aspirants not only willing to pay the course fees but also eager to refer their peers to the programme. This is also evident from the fact that we now have over 250 panel employers on board who pay us a recruitment fee when they hire our aspirants. More and more employers are coming forward to collaborate with us and give the sustainability model a strong push.”

Founded in 1996, Dr. Reddy’s Foundation not only provides education and livelihoods programmes but promotes the sustainable development of marginalized communities through skill training and employment provision. In response to challenges over the years, DRF has had to constantly modify and revise its approach to ensure quality and at the same time decrease costs. DRF’s work in engaging various corporate houses and foundations is regarded as pioneering and has earned it accolades including the ‘India Shining Star CSR Award’ from the Wockhardt Foundation. Networking and building a strong platform of like-minded organizations to work together on skill development initiatives has proven to be an effective way to engage private sector business in initiatives that serve the needs of marginalized communities and create more inclusive markets. At DRF, students are ‘aspirants’ and trainers are ‘facilitators’ – terms that reflect the organization’s intent to provide more than a hand-down of knowledge but to serve as a programme that grooms and nurtures its aspirants to become skilled and career-oriented throughout their lives.

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Annex 1: Organigram of Dr. Reddy’s Foundation

Acronyms:

PM: Programme Manager
ZM: Zonal Manager
ZO: Zonal Office
RL: Rural Livelihoods
QAE: Quality Assurance and Enhancement
PwD: Persons with Disability

Source: Organigram (21 January 2015). File provided by Dr. Reddy’s Foundation.
## Annex 2: Placement of aspirants in the LABS and LABS–PwD programmes by state

<table>
<thead>
<tr>
<th>S.NO</th>
<th>STATE</th>
<th>INCEPTED NO’S</th>
<th>PLACED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Andhra Pradesh</td>
<td>3888</td>
<td>2465</td>
</tr>
<tr>
<td>2</td>
<td>Bihar</td>
<td>706</td>
<td>481</td>
</tr>
<tr>
<td>3</td>
<td>Chhattisgarh</td>
<td>1107</td>
<td>772</td>
</tr>
<tr>
<td>4</td>
<td>Dadar Nagar Haveli</td>
<td>296</td>
<td>235</td>
</tr>
<tr>
<td>5</td>
<td>Delhi</td>
<td>1207</td>
<td>687</td>
</tr>
<tr>
<td>6</td>
<td>Gujarat</td>
<td>1633</td>
<td>1213</td>
</tr>
<tr>
<td>7</td>
<td>Himachal Pradesh</td>
<td>254</td>
<td>176</td>
</tr>
<tr>
<td>8</td>
<td>Jammu Kashmir</td>
<td>50</td>
<td>7</td>
</tr>
<tr>
<td>9</td>
<td>Jharkhand</td>
<td>805</td>
<td>575</td>
</tr>
<tr>
<td>10</td>
<td>Karnataka</td>
<td>816</td>
<td>604</td>
</tr>
<tr>
<td>11</td>
<td>Kerala</td>
<td>2145</td>
<td>1478</td>
</tr>
<tr>
<td>12</td>
<td>Madhya Pradesh</td>
<td>1559</td>
<td>1284</td>
</tr>
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Annex 2: Placement of aspirants in the LABS and LABS–PwD programmes by state

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<th>INCEPTED NO’S</th>
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</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Maharashtra</td>
<td>392</td>
<td>139</td>
</tr>
<tr>
<td>14</td>
<td>Odisha</td>
<td>1170</td>
<td>971</td>
</tr>
<tr>
<td>15</td>
<td>Pondicherry</td>
<td>33</td>
<td>8</td>
</tr>
<tr>
<td>16</td>
<td>Punjab</td>
<td>331</td>
<td>223</td>
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<tr>
<td>17</td>
<td>Rajasthan</td>
<td>348</td>
<td>196</td>
</tr>
<tr>
<td>18</td>
<td>Tamilnadu</td>
<td>753</td>
<td>334</td>
</tr>
<tr>
<td>19</td>
<td>Uttar Pradesh</td>
<td>2197</td>
<td>1100</td>
</tr>
<tr>
<td>20</td>
<td>Uttarakhand</td>
<td>291</td>
<td>150</td>
</tr>
<tr>
<td>21</td>
<td>West Bengal</td>
<td>1611</td>
<td>1093</td>
</tr>
</tbody>
</table>

Source: DRF Annual Report 2013-14, excel files submitted by DRF to UNDP
The organization also invests in education-related activities and works with schools and other stakeholders to bring children back to mainstream education. Several programmes provide education and skill development from an early age, among them Kallam Anji Reddy Vidyalaya at Chandanagar, School Improvement Programme (government schools), Kallam Anji Reddy Vocational Junior College and the Vocational Training Programme (VTP).

A bridge school programme supports children at risk or children who have dropped out/never attended school with alternative educational and therapeutic environmental support to integrate them back to mainstream education.

Dr. Reddy's Foundation focuses on holistic livelihood initiatives.

REPORTED BY DRF, 31 January 2016.
Dr. Reddy’s Foundation: Livelihood Advancement Business Schools (LABS) for Inclusive and Sustainable Development

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49 DRF website, LABS.
50 Gupta and Joseph 2012
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58 Gupta and Joseph 2012.
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63 Dr. Reddy’s Foundation Case Writeshop (25 March 2015).
64 Ibid.
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75 Gupta and Joseph 2012.
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80 Dr. Reddy’s Foundation Case Writeshop (25 March 2015).
81 Gupta and Joseph 2012.
82 Dr. Reddy’s Foundation Case Writeshop (25 March 2015).
83 Ibid.
84 Gupta and Joseph 2012.
85 Dr. Reddy’s Foundation, LABS report, 2015
86 DRF Annual Report: 2013 -14
87 Tier-2 town is a classification used in India for smaller cities usually 1 million in population and are mostly regional hubs, industrialized centers or state capitals like Pune, Dehra Dun, Mangalore, etc.
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91 Dr. Reddy’s Foundation Case Writeshop (25 March 2015).
92 DRF Annual Report: 2013 -14