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HR ROUNDTABLE

Diversity & Inclusion: New Rules While Being On A Common Ground

Human Capital spoke to Industry experts over the increasing relevance of Diversity and Inclusion in the wake of enhanced employee concerns, the ineffectiveness of training and awareness, and the need for newer sets of rules to demand focus on experiential learning, process change, data driven tools, transparency, and accountability.

BY S. Ajay Kumar and Shruti Chadha

Diversity is a proven driver of innovation, development of new ideas, and a key factor in real time alignment to the market place. When lending voice to diverse sets of backgrounds, perspectives, and experiences, organisations can expect a substantial increase in engagement and productivity. Leading organisations now see diversity and inclusion as a comprehensive strategy woven into every aspect of the talent life cycle to enhance employee engagement, improve brand, and drive performance. While interventions such as training are helpful, it is apparent that mere awareness is insufficient. Organisations should consider making structural changes, implementing transparent and data-driven solutions, to give decision makers an understanding of how bias impacts decision-making, talent decisions, and business outcomes.

While the HR fraternity unanimously agrees that diversity is the key driver for innovation, only 6% have moved forward to tie compensation to diversity outcomes. What are some of the diversity challenges that are

Our Expert Panel

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Dr. Niru Kumar, Founder, Ask Insights is a medical doctor and psychologist and a consultant and coach on diversity and inclusion. She is the only Mars Venus coach and an NLP expert. Dr. Niru comes with a clinical experience of over two decades and is also a Senior Associate with BAA (Barbara Annis and Associates).



Tushar Joshi is Head-HR, RPG Life Sciences. He carries an experience of around 20 years which includes almost 17 years in the HR function across various industry verticals in companies such as Novartis, MSD Pharmaceuticals, Mettler Toledo and Mahindra & Mahindra Ltd. Tushar has completed his BE(Production Engineering) from A.V. College of Engineering (Pune University), and Masters in HRDM from Narsee Monjee Institute of Management Studies, Mumbai.



Arpita Kula is Head - Human Resources, NEC India Pvt. Ltd. She has an experience of over 16 years of extensive work and has held senior positions in diverse corporations such as IMRB International, Genpact, and Infosys Technologies Limited. Arpita is a Post Graduate in English Honours from Jadavpur University and has a Masters Degree in Human Development from National Institute of Human Development.



Indraneel Bhat is the Co-Founder and Head of Strategy, NeoNiche Integrated Solutions Pvt. Ltd. He has an experience of 15 years of experience in the field of experiential marketing with a specialization in Strategy. He is responsible for formulation of HR strategy aligned to business and has designed the HR policies and procedures in his organisation.



Vipul Singh is the Vice President & Head of HR - ADP India. He has more than 15 years of HR leadership experience in the Information Technology, Telecommunications and Consumer durables industries. Vipul has led multiple HR organizations and provided strategic HR and Marketing Communications support to various growing businesses.



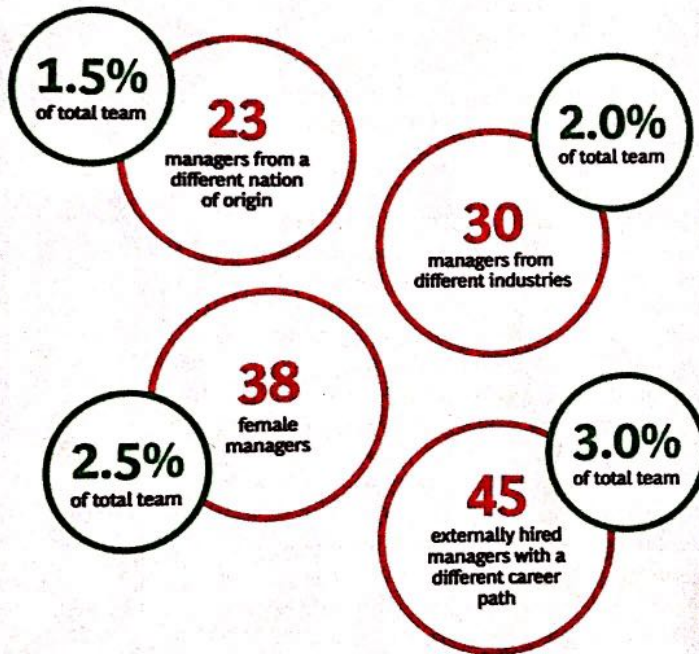
dauntingly difficult to solve in the industry?

DR. NIRU KUMAR: I have had the opportunity to be a Consultant to a cross-section of Industries and levels-FMCG, IT and Software, Banks, Oil and Gas, Mines and Metals, Telecom, and Healthcare. I have trained top global leaders right down to the employees of manufacturing units in the remotest areas of India. There are some diversity challenges which are common to all; while some are Industry specific, some are location specific. That the Diversity

requested that she wanted to avail the facility of work from home offered by the company. Her reporting manager labelled this as a weakness of the mind and said, "The company spoils people like you, but what can I do, I will have to let you take it?"

Diversity fatigue is a common phenomenon observed in many companies who have been in the D & I journey for a few years now. Many organisations have noticed an initial surge in results and organisational health, that is followed by either a

EXHIBIT 2 | Changes in Leadership Can Lead to a Percentage Point Gain in Innovation Revenue



Source: BCG diversity and innovation survey, 2017 (N=1,683).
 Note: These numbers assume existing diversity in line with averages based on our data. They represent the effect of changing a single dimension in isolation, assuming that all other variables remain constant.

and Inclusion journey is a slow-moving process is a common challenge. While it is relatively easier to frame or amend policies, rules and representations, the mindset, the key determinant while applying these policies and changes demand significant effort and time. Mindset and Inclusiveness is a very subjective zone and needs constant titration. For instance, a woman employee who was suffered from severe Post Natal depression had

plateau or a decline. This is a stage where some organisations slacken their efforts. I have seen that those who are driving it are excited as long as they are the first movers of certain conversations and applications, and have a competitive edge. As soon as the conversation is seen to be highly talked about (which it should), it is labelled as clichéd, resulting in the driving teams losing motivation. Sustainability is compromised.

Tushar Joshi: Before highlighting the diversity challenges, let us reflect on few insights for Indian Pharma industry.

- India is the world's third largest producer of drugs.
- With a contribution of 13.7 per cent to the global pharmaceuticals and biotechnology workforce, India has emerged as the second largest market for the industry.
- With a total deployment of around 50 million employees, the Indian pharma sector has 10-15 % female employees, while in the other sectors, the strength ranges from 15 %-35 %.
- The sector is a provider of fast track career opportunities, 80 % of Indian Pharma CEOs have begun their career from the front line.

Few of the challenges are highlighted below

- Nature of job responsibilities vs Industry demands: Majority of workforce deployment happens in following main stream functions viz. sales & marketing, manufacturing, quality, research & development, and clinical research. 60 % of deployment of the workforce is in sales and marketing jobs. Pharma sales, like all other sales jobs, often requires travelling, and long and late working hours. Medical representatives need to align their timings as per the consultation hours of medical practitioners, meetings with distributors and chemists. Such a nature of job poses challenges of increasing gender diversity. For manufacturing and R&D jobs, there are lesser nuances of travel and working hours, which provides more avenues of deployment of female employees and works a win-win approach.
- Fewer avenues for influencing changing the pattern of business cycle
- Talent economics: Drop in ratio of girl students opting for pharmaceutical courses, preferences for other streams in medicine. Less vocational courses in line with the needs of the industry.
- Higher employee turnover: On an average, turnover ratios are in the

tune of 25%, leading to availability of limited talent pool. As compared to other sectors, the pharma sector is still at the initial level to build ecosystems to drive diversity agenda across the organisation. ARPITA KUILA: The recognition that something is good for you, and thereafter, going about with its implementation is a very tricky job. So, everyone recognizes the importance of diversity, we still have a long way to go in terms of tangibility on the ground results. There are roles where the preference for a male candidate is still strong. This bias, depending on the organisation and its culture, maybe covert or overt. Whether expressed or not, the outcome of which gender predominates in these roles across the industry is visible to everyone. The most difficult aspect of diversity, in my view, are unconscious biases. It is only when people recognize they have a bias that an issue can be addressed. For change to really materialize, we must first accept reality. The other big challenge is that although organisations are doing well at the junior levels in terms of diversity, we see the tapering off post mid-level seniority.

From mid to senior levels in the organisation, we do not see sufficient representation of diversity in the truest sense. There are still societal norms, where a woman is the primary caregiver at home, and this implies work-life balance is difficult for them to achieve. Life can be overwhelming at times, and, if there is insufficient support structure available at home, the woman is compelled to put her career on a back-burner. When she does choose to come back, there is a huge catch-up that lies ahead of her. The understanding of diversity has inherently become one which talks about only gender diversity. The fact that diversity and inclusivity is much broader in its contours, and, that we need to implement it as such, is still at a very nascent stage.

INDRANEEL BHAT: We are living in an era where boundaries are dissolving in every sense; diversity is not taking a backseat either. Organisations with workforce comprised of different social and cultural backgrounds really add up to provide great value in the form of a wide-ranged thinking and

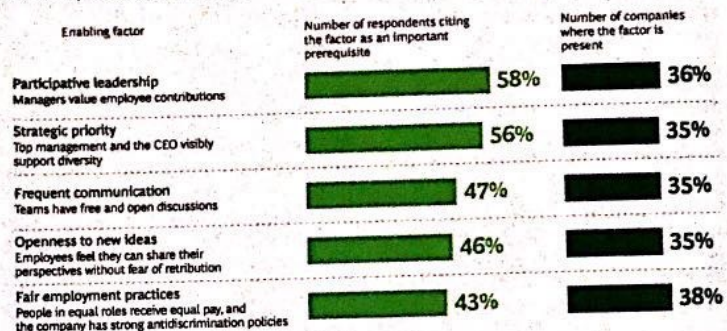
perspective on problem solving. It might not be such a wrong thing to say that in our country, some roles are still preferably reserved for men. A kind of bias thinking that one gender can do something that the other cannot is detrimental to the holistic evolving of the organisation.

There must be a starting point. We must break gender and culture based stereotypes in the recruitment process

appreciated policies in this regard are flexible work hours, work from home, onsite day care, diverse attire choices and holidays on all the religious and cultural occasions.

VIPUL SINGH: It is 2018, and across the globe, diversity continues to be a major part of workplace conversations. By definition, diversity is appreciation of differences in ethnicity, gender, age, national origin, disability, sexual

EXHIBIT 3 | Enabling Factors Exist in Fewer than Half the Companies Surveyed



Source: BCG diversity and innovation survey, 2017 (n=1,681).

itself. Let us simply evaluate a potential candidate based on a healthy mix of talent, readiness to learn, and experience against the job role to be offered; leaving out room for any kind of discrimination. This way, we are offering equal opportunities and access to growth avenues, and the organisation is bound to flourish, and there will be a marked effect on profits and bottom line revenues. Once a truly diversified workforce is in place, it presents the challenge of sustenance, creation of the right policies and of right treatment!

It is also essential to provide for the legitimate rights of an employee, while also taking into account both monetary and non-monetary benefits that help employees feel respected, valued, and see themselves as an important part of the overall system. There is no standard rule that is universally applicable here. You really have to evaluate your human capital, align the company strategy with the business strategy, and then devise a compensation, reward and a talent management system that resonates with the hearts and minds of your employees. Some of the much-

orientation, education, and religion. However, in India, a proper definition for diversity is still absent. The HR fraternity is diverse in its thoughts about diversity, which is in contrast with the unanimous agreement that diversity is a key driver for innovation. This in itself is a big challenge. And, the unavailability of organised pools of diverse talents is another big reason. While there is an urgent need to make Indian companies view diversity in the same manner as their western counterparts, there are some serious challenges we need to overcome. In India, societal pressures are still real, and could take some more time to dissipate. The above obstacles, in various forms have worked to impede growth. As a result, there has only been a very marginal improvement so far while adapting the global practices surrounding diversity; the kind that are evident across countries like the United States, the United Kingdom, France and a few others.

In such a scenario, organisations realize that tying compensation to diversity outcomes is a good alternative. However, the risk of falling into the practice of directing efforts

on the numbers, or headcount is an unwelcome part of this package. I believe that not building this habit is a task that could be difficult to upend in the future. Instead, the focus needs to be on designing cumulative and multi-dimensional solutions. This is feasible considering the availability of a huge talent pool in India that constitutes representatives of various regions, religions, and educational backgrounds. And one fool-proof way to accomplish this is by involving the available diverse talent in the process of growth of the organisation. Organisations need to leverage the diversity by bringing people together to work in unison towards a common organisational goal. This can be achieved by catering to individual needs and tailoring initiatives to address its specific industry and its areas of weakness. Leveraging diversity will ensure that the crucial connections that attract diverse talent, encourage their participation, foster innovation, and lead to business growth are achieved.

While Diversity is now available on the CEO's list, what can be done to take diversity from the HR charter to that of every line manager's business responsibility chart?

DR. NIRU KUMAR: Unfortunately, this is happening even in companies that are very mature and serious in the journey. Eventually, D & I ends up becoming an HR agenda. The leaders feel that declaring intent and sanctioning resources and budgets is sufficient and thereafter it is assumed to be a part of the HR's charter. There

are a few solutions to take diversity from the HR responsibility chart to that of every line manager's business responsibility chart:

It should be built into performance appraisals of line managers. Periodic reporting back to CEO over new initiatives, and the results of previous initiatives should be shared. Having a Diversity Committee who decides on Diversity Agenda should take members from all verticals. Training Programmes for Managers on valuing and leveraging differences, unconscious biases and Inclusive Mindset is most important. Cross Functional, cross gender mentorship programmes should be incorporated in the work environment.

Employee resource groups: Resource groups comprise volunteers from all levels within the organisation, and influence diversity strategy by promoting the interests of that demographic. Today's leading-edge resource groups are increasingly focused on their value as sources of innovation, tackling a company's biggest business opportunities in ways that harness their unique power and perspective.

Male Allies and Org Health Surveys are a must if we want diversity to be every line manager's business responsibility.

TUSHAR JOSHI: Alignment of diversity agenda to business goals: The HR function needs to work closely with the business leaders in crafting the diversity agenda, keeping the business objectives as the backdrop. Business leaders need to sponsor diversity

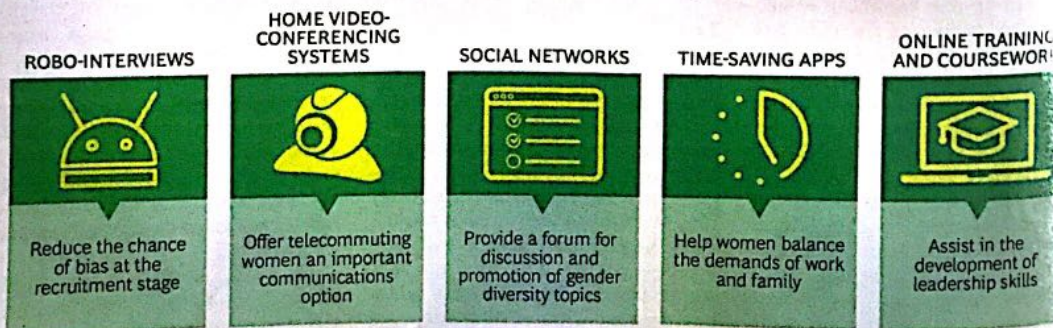
agenda through various measures. Few companies have adopted focused hiring of female employees, incentivizing employees and managers for referring and hiring female employees, and creating diversity champions.

For instance, at RPGLS, we have adopted a blended approach for bridging gender equality and have taken focused efforts for increasing diversity in specialty segments, regulatory and quality functions. Focused efforts have enabled us to deploy more number of millennials in our workforce, and 73% of our workforce is millennials.

Diversity without Inclusion and ownership does not work: It is necessary to identify and find answers for why should companies focus on diversity. While every organisation might have a variety of reasons, some of the top reasons are to improve culture and organisational performance, and increase better representation of customers. The same reasons are applicable for the pharma sector. In fact, in certain segments it works as a competitive advantage. The HR team needs to work closely with business leaders and create a framework to define top reasons of diversity, once the reasons are strongly defined, there would be collective ownership.

Sensitization and flexibility: The HR function is required to focus on interventions to create awareness and managerial capability to sensitize managers on handling diversity issues and also develop frameworks, which can adopt flexible work hours, innovative workforce deployment

Technology "Interventions" That Can Promote Gender Diversity



Source: BCG analysis.

model.

The whole diversity agenda has to be work on principles of collaboration and co-creation.

ARPITA KUILA: In my view, the best possible way through which this can be done is by way of abetting to change the mindset. And, this can be feasible only when the line manager sees that there is a huge beneficial impact in terms of positive results. Communication and showcasing actual success stories should convince and convert it to a desired responsibility. Automatically, people will aspire for diversity amidst their teams. Insertions into an individual's KRAs etc, may incite movement, but you may be unable to influence that person's thinking. Ultimately, a person will deem diversity as important if it evolves of his own belief, and not mere lip-service because of external compulsions. When you compel a person to meet numbers on diversity, you have sub-optimal results at times. So, when a person feels forced to hire or promote in this manner, his approach towards the exercise lacks the rigour that it would otherwise have had. Also, no individual who wants to be hired for merit, wishes to be forever tagged as a "diversity hire" or a promotee always be referred to as a "diversity promotion." So, pushing mere metrics onto the manager's desk is not very fruitful if one has not been able to communicate and show them the effectiveness of ensuring diversity on their teams. So, communication is key to ensure this movement of who becomes the custodian and champion of diversity on the ground.

INDRANEEL BHAT: It is important for the leaders and the HR team of the organisation to educate every line manager about the significance of diversity and the benefits of diversity in the organisation. Every manager needs to work closely with the HR head / team regarding people function initiatives, with diversity being one of them. At the same time, the HR team should be equally responsible for developing training and initiatives for the manager, and also for the organisation to create and foster an open and inclusive environment. Managers need to be educated on how to distinguish and appreciate or oblige individual differences, and how these can help to assist in accomplishing the

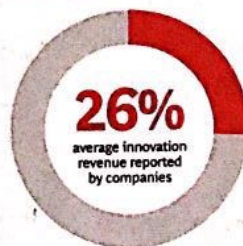
organisation goals. The organisation needs to develop accountability and create metrics for measuring the effectiveness of the diversity initiative. For us, it is more about expanding the talent pool. It is also about understanding the industry. Managing diversity is one of the parameters (as a part of performance management strategy) used to assess managers

assignments and promotions. Also, those who do not hesitate to put their reputation on the line for the protégé's advancement are the kind of managers pivotal for an inclusive organisation.

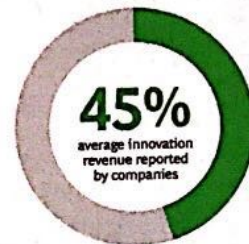
However, it all begins from the CEO and trickles down to the organisational chart. In this process, the role of senior-level leadership crucial. Leaders in diversity and inclusion need to assert

EXHIBIT 1 | Companies with More Diverse Leadership Teams Report Higher Innovation Revenue

Companies with below-average diversity scores



Companies with above-average diversity scores



Source: BCG diversity and innovation survey, 2017 (n=1,683). Note: Average diversity score calculated using the Blau index, a statistical means of combining individual indices into an overall aggregate index.

performance as this part of one of the strategic goals of the organisation. We want managers to know and understand that effectively managing and developing a diverse workforce is an integral part of managing at our organisation.

VIPUL SINGH: Bono, the lead singer of U2 has said, "To be one, to be united is great. But to respect the right to be different is maybe even greater." This effectively summarizes the current situation within organisations. They have been proliferating the importance of collaboration. However, the realization that diversity is the right to be different has been missing in many organisations. This is a cultural thing and starts with the leadership team. Sponsorship is an important factor that will help any diverse talent segment to rise above the uneven playfield. Driving home the message of, "What's in it for me and the organisation" with all the managers is the biggest opportunity that exists to drive this in line manager's business responsibility chart. Until and unless this message is uniformly spread across the organisation, HR will see limited success. The Line managers need to elevate their team members' visibility. The manager needs to advocate the employee for key

the globally promoted practice of free speaking within their organisation. They need to encourage employees to voice out against biases and, if necessary, initiate a culture change and make every employee an essential part of it. These efforts will empower employees to take individual accountability and let the leadership team know when they notice a bias. When people vested with the responsibility of employees' growth understand the necessity to build a diverse talent pool and leveraging diverse set of ideas and skills, the entire organisation begins to get educated; something that is required to make the organisation future-ready. Also, when this awareness is abounded in an organisation, the line managers become au courant with the need to help their team members present with their individual perspectives. This way, they can invigorate ambition and drive engagement, which help employees to be highly satisfied with their career advancement. In a nutshell, business leaders need to make all possible efforts to create an atmosphere where multiple voices are heard. Subsequently, line managers need to consider hearing those voices and making them count as a business responsibility.

(To be continued...)