

## COVER STORY

### DIVERSITY

# CALL FOR INCLUSION

Corporate India still has a long way to go before a culture of diversity and inclusion seeps into the workplace

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**N**ORWAY, ONE of the few countries to have consistently pushed for sustainable development and corporate responsibility as core values, has no qualms in uttering the 'Q' word: quotas, in the diversity and affirmative action context. The Norwegian government, in Dec 2007, arraigned its public limited companies and directed them to ensure at least 40% representation for women on their boards.

A dual process of regulations and incentives has played a pivotal role in securing the country its exalted position in the comity of nations. "We cannot set foot in Myanmar because our government wills it so," concedes Anders Kullerud, Senior Vice-President, Integrity, at the oil and gas behemoth StatoilHydro. Many countries hard-pedal diversity quotas: in Germany every employer with 16 or more posts has a mandatory 6% quota for people with disabilities (PWDs); so does France with 10%.

In India, the Persons with Disabilities Act, 1995, also calls upon companies to 'ensure at least 5%' of the workforce constitute PWDs. A clutch of Indian companies have lately started brandishing their diversity credentials. "It is more of charity for these companies. It is not a human-rights approach," explains Javed Abidi, Executive Director, National Centre for Promotion of Employment for Disabled People (NCPEDP), in the midst of a tangle with many such pretenders. "The fact is, bulk of Indian industry don't even know they are already in violation of the law of the land in the disability context."

#### Industry Carrot

While historically, regulations have had a role in ensuring diversity at workplaces—for women, PWDs or the backward classes—the beginning of an Indian trend towards giving incentives to the private sector is being watched with tremulous expectation.

Incentives are beginning to flow out of the doors of the Uttar Pradesh government, now keen on job quotas for infrastructure projects. This, in a way, harks back to the US approach to diversity and affirmative action, even as Indian industry struggles to implement promises of enhancing employability.

Indian industry is still caught in the minutiae of the debate and has failed to look at the big picture even as an ongoing study by Princeton University notes that Indian industry does discriminate against highly-qualified Dalits. "The US focus on diversity implies there is social value in having all the major groups of the society reflected in its structures of wealth and power," says Gail Omvedt, social scientist and researcher on Dalit issues.

The stridency over quotas here glosses over the nuances of the American approach. The US Office of Federal Contract Compliance Programmes (OFCCP), for instance, has mandated the American construction industry to promote affirmative action. The OFCCP, not the

industry, sets 'goals' and 'specifies' affirmative action for the sector. All companies with federal work contracts are expected to abide by the set goals of employing women and minorities.

Companies outside the construction sector with 50 or more employees and government contracts worth \$50,000 or more have to implement a written

**By law, companies have to ensure that the differently-abled make up at least 5% of their workforce**

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# OUTLOOK Business



**THE RIGHT CALL:** Of the 100-odd employees in Bangalore BPO Vindhya eInfomedia, 90% are differently-abled...



affirmative action plan and show 'good faith' efforts in achieving them. The OFCCP can even debar companies from future government contracts if a violation occurs.

Chandrabhan Prasad, Delhi-based Dalit researcher, would like a replication of the US response in India and is critical of Indian politicians who insist on rigid quotas when voluntary 'goals' as in the US have worked well. He also advocates the business case for affirmative action. "Over 25 million Dalits, who today constitute the urban middle and lower middle class, are a huge mass of consumers," he explains. "Their monthly spend on goods and services could run into phenomenal amounts, if computed."

#### Affirmative Action

There is a degree of merit in this argument as many US corporations had very early on recognised that their workforce ought to reflect the diversity of their consumers. It made eminent business sense too.

PepsiCo, which first broke the colour barrier in American business, has benefited hugely over the years. "US companies supported affirmative action not out of altruism, but out of their own perceived self-interest. Diversity makes companies more competitive, not less," says Omvedt.

Is PepsiCo in India reflecting its hoary US tradition? "In India, we are just about reaching a state of equilibrium after the initial period of evolution," explains Pavan Bhatia, Vice-President, Human Resources, PepsiCo. He is, however, conscious of the weight of history and has, in the last two years, set into motion a series of initiatives on diversity and inclusion. On doing an audit he was aghast that he didn't have a single employee with disability. The record on women was equally poor. "Inclusion, as a corporate culture, is a challenge in India," Bhatia says.

Over the last two years, PepsiCo has reached 150 PWDs. A job mapping has been undertaken. Over 20 shift engi-

neers have been trained in sign language, as the company prepares for a ramp-up. PepsiCo's work with women has taken it to urban slums and villages. Social taboos made it difficult to employ women. The company had to consequently escort Panchayat members to bottling plants to convince them on the facilitating environment in place for women. Today, it has 300 women on its workers' rolls. It is also handholding a battery of women entrepreneurs at its seaweed project in Tamil Nadu. As for women in managerial positions at PepsiCo, it is about 10%.

#### Miles To Go

PepsiCo in India, however, has a long way to go to catch up with Indian companies like ICICI Bank, Infosys and Cognizant Technologies, who have over 30% of women on their rolls. Many have robust processes in place. Infosys flaunts an 'equal opportunity team' responsible for diversity initiatives. The ITC-WelcomGroup hotel chain has published a disability primer for Indian industry, based on its experiences. At Bharti Airtel, all things being equal between a male and female candidate, the company now opts for the latter.

Companies that have embarked on vibrant inclusion programmes now realise that it brings about tangible benefits. When PepsiCo stationed women on the inspection stand at its Aurangabad plant in Maharashtra, the rate of defects dropped by 50%!

Of the 100-odd employees at the Bangalore-based Vindhya eInfolmedia, 90% are differently-abled. Pavithra YS, its Managing Director, insists it is not an NGO but an exem-

**American corporations have shown the way in supplier diversity. Indian companies should look at going down the same road**

plary for-profit company that delivers quality data-entry and data-conversion services to enterprises in India and abroad. "The fact that many of our clients are signing long-term contracts with us—earlier we did mostly one-off projects—reflect their faith in our capabilities," she says.

Efforts to bridge the gender gap and embrace PWDs have begun, what hasn't really moved is the need to embrace Dalits and the other underprivileged: Dalit activist Prasad, in his meetings with industry associations, has been suggesting 'supplier diversity,' for starters, and handholding the small existing bunch of Dalit entrepreneurs. There aren't any? This is just what US corporations said initially.

But when they proactively started looking for them, they were found. In 2003, General Motors purchased goods and services worth \$7.2 billion from minority suppliers. In 2006, PepsiCo's record was \$1 billion of supplies from women and minority-owned businesses. "That will be phase II of our journey in India. It has tremendous potential," says Bhatia of PepsiCo.

*With inputs from Nandita Datta*