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# *Diversity in action*

## NASSCOM Corporate Awards for Excellence in Diversity and Inclusion 2011

**NASSCOM®**

*PwC knowledge partner  
for the awards*

*December 2011*



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# Introduction

The NASSCOM Corporate Awards for Excellence in Diversity and Inclusion are the only corporate awards in India that recognise and honour companies that have adopted and implemented policies and practices to promote inclusion and enabled employees to contribute to the success of their enterprise. The awards recognise that a 'culture of inclusion' has become a business imperative. The recognition that the awards bestow are sought after by companies to enhance their positioning as India's best employers.

In 2007, the Indian IT and BPO industry provided direct employment to 1.6 million<sup>1</sup> professionals and generated US\$47.9 billion in revenues. NASSCOM estimated that women professionals were approximately 22% of this workforce<sup>1</sup>, with minimal representation at leadership levels.

The awards were constituted in 2007 as the annual "NASSCOM Corporate Awards for Excellence in Gender Inclusivity" and has created a platform for more than 200 organisations to share their experience and practices in enabling gender inclusion.

With an additional category for effective implementation of practices and technology for persons with disabilities included this year, the award is now called the "NASSCOM Corporate Awards for Excellence in Diversity and Inclusion".

Over the years, NASSCOM's sustained efforts to build awareness on diversity through various forums have resulted in a significant increase in participation. The number of nominations has increased from 23 in 2007 to 104 in 2011. These nominations are across six different categories:

- Best IT services and product company
- Best BPO company
- Best emerging company (one to five years in existence)
- Best company with less than 1,000 employees
- Most innovative programme
- Effective implementation of practices and technology for inclusion of persons with disabilities

PwC has been the knowledge partner for the awards from 2010. PwC's proprietary human capital measurement and benchmarking tool, Saratoga<sup>2</sup> has diversity as one of its key metrics. The evaluation process applies the Saratoga metrics to assess long-term sustainable diversity practices that drive desired outcomes. In the first phase, progression on metrics is used to shortlist organisations and in the second phase, internal and external diversity efforts combined with outcomes are evaluated.

Industry patrons including Hema Ravichandar, Kalpana Morparia, N R Narayana Murthy<sup>3</sup>, Dr Rekha Jain, Sharad Sharma, Som Mittal and Vinita Bali<sup>3</sup> have supported the initiative through the years as the jury members. The awards process has benefited tremendously from their perspective, insight and investment of time.

We would like to thank all participating organisations for their effort in sharing their practices and encouraging diversity and inclusion.

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1 Source NASSCOM

2 Saratoga is the most extensive database of HR metrics available. It assists organisations in evaluating their human capital and its contribution to the bottom-line.

3 Up to 2010

# Key findings and trends

*The awards process provided an opportunity to deliberate the progress of diversity initiatives across the sector and gain an insight into trends shaping the diversity agenda. The maturity of diversity initiatives across the industry stands out, however the approach to implementation varies based on differences in philosophies and beliefs. The industry has come a long way, but a lot remains to be done. While sustained efforts are being made, there is a need for new models and approaches to attain the next level of success.*





## Awareness and commitment are high

The drivers for diversity, such as talent non-availability, changing demographics, customer expectation, globalisation of business, sustainability and an imperative for innovation stem from the dynamics of the business environment. The predominant thread of diversity in the Indian context has been gender, unlike the west where cultural diversity is the most dominant thread. The industry is now *increasing focus on new threads of diversity, such as economic, generational and inclusion of persons with disabilities*.

The agenda for gender diversity is now well established with the industry having invested considerable time and effort to sustain and build on it. The overall objective has been to create a culture that fosters diversity and builds an environment conducive for growth. To ensure this, boards have defined key result areas (KRAs) for their leadership team. Diversity related *metrics and dashboards form part of the reviews at the executive level*. To further sustain the effort, there are diversity teams in place with business units taking the ownership for initiatives. Organisations have also reached out to NGOs, industry bodies and universities for external partnerships and support.

While commitment is unmistakably high in organisations across the sector, it is interesting to note the differences in philosophy. Some organisations are

taking a mandated and number based target approach. An equal number are building a supportive culture with strong processes and are averse to targets. Irrespective of the approach adopted, structured *sensitisation programmes are becoming the norm* with time and energy being spent on communication.

At the basic level, these include educating new entrants on the prevention of sexual harassment as part of induction. At more advanced levels, in-depth customised programmes that combine online modules and workshops with external trainers and subject matter experts are offered. Managers and above are the primary target audience for the advanced programmes as they are expected to take ownership to cascade appropriate behaviours. Organisations have structured periodic, multi-channel awareness communications along with sensitisation programmes to achieve maximum impact.

## **Diversity outlook and approaches have matured, but more needs to be done**

Over the last five years while the number of women in the workforce has been increasing, the numbers have not significantly altered the proportion at all levels. The nomination data received for 2010 and 2011 indicates that for large IT organisations (20,000-70,000+ employees) the ratio of women employees ranges between 24 to 30%. Over a three-year timeframe, the headcount variation is small (about +/- 1% with a few exceptions). The same is true for large BPO organisations; the ratio for women employees is in the 35 to 42% range (with a +/-2% variation over a three-year timeframe). While few smaller organisations (5,000 employees or less) have higher ratios, examples of sustained progression among women employees are few and far between. This points to the fact that merely *sustaining current efforts may not be sufficient*.

The predominant focus in the last five years has been on attracting talent for gender balance. We see *companies experimenting with practices to attract fresh and experienced women* into the workforce. Focussed hiring from specific campuses, targeted campaigns, norms for balanced applications, re-employment,

incentives for hiring women, referral campaigns are some of the practices being adopted to ensure adequate women representation. As a result, recruitment of women at entry level is 38% (median) for IT organisations. With an increasing number of women graduates, the task has been easier at the entry levels. However, finding the right talent at managerial levels is difficult.

An interesting innovation is *recognising the specific requirements for women, based on the different stages in life*. Efforts are being made to proactively support women employees with policies and systems through these phases. Safety policies such as Prevention of Sexual Harassment (POSH) and transportation policies are offered by all organisations irrespective of their size. Sabbatical policies are nascent, being implemented on a case-to-case basis in many organisations.

Flexible working and extended maternity leave as policy or practice are dependent on the size, business requirements and the culture of the organisation. However, in most instances, flexi-work is supported by job rotation and alternate career options. Interestingly, organisations that support women through their transition phases by offering job rotations have had positive experiences. In many instances, job rotations resulted in skill development and capability improvement.

While much is being done to increase workforce diversity and sustain these efforts, *new thinking or radically new models could be imperative to make the next big push on this agenda*.

*The benefits of these programs are expected to be realised over a period of time, however in the short-term organisations are observing increasing levels of engagement with women as a result of these programs*



## **Developing more women leaders is the current priority**

For all organisations, a continued area of concern is gender balance at the managerial level and above, as executive level representation is nil or minimal in most cases. For all participants in this year’s process, ‘developing women leaders’ emerged as a key focus area. To enable this, efforts are being made to understand the challenges women face, through various formal and informal mechanisms, such as research, surveys, and feedback initiatives. The insights have been used to design and develop multiple programmes. Irrespective of the size of the organisation, many are adopting *a mix of innovative approaches to ensure that women grow faster in their careers.*

Senior executives, at the board and CXO level, are spending a significant amount of time mentoring and coaching potential women leaders. One of the most important aspects is identifying the experiential learning opportunities for development. Some organisations have defined targets for women representation in the executive team while others are focussed on ensuring balanced representation before offering leadership roles.

Organisations are also beginning to track and monitor the impact of gender initiatives on specific target groups. While it is difficult to discern specific patterns in terms of improved retention rates as a result of diversity initiatives, we see some improvement in career progression (measured by percentage promotions) in few IT and BPO companies.

Role model sessions	Fast track: Junior levels	Facilitated promotions	Mentoring and advocacy
Participation in external forums	Managerial programmes	Job rotations or career options	Shadowing
Women leadership councils	Focussed leadership programmes	Global careers	Coaching

## Diversity threads now extend beyond gender

The industry has progressed and reached a certain stage of maturity with respect to the gender diversity agenda. As a result, organisations are now extending their focus beyond gender. *Awareness on including persons with disabilities into the IT and BPO workforce is high.* Organisations have taken two divergent approaches for inclusion. Some are ensuring that all supporting infrastructure is in place before recruiting talent. This has led to a slow increase in their representation of persons with disabilities in the workforce. Others are not being constrained by the readiness of their infrastructure and systems but are hiring even as they upgrade and install basic infrastructure, improvising over a period of time.

To facilitate inclusion of persons with disabilities, all participating organisations (11 for this category) have reached out to NGOs, special schools, forums and experts to:

- Understand and structure sensitisation training for staff,
- make changes required to infrastructure, policies and procedures and
- identify talent.

*To make inclusion successful, employee involvement is essential.* This entails recruiting managers who are completely involved in the recruitment process. Additionally, managers and teams are sensitised and trained for special requirements. A buddy or mentor is appointed for ongoing support. Internal training programmes are also being reviewed and revised accordingly.

The approach to providing opportunity varies, some organisations throw open all roles, some tweak the role descriptions to allow for inclusion and a few recruit only for specific roles.

Most organisations start with few categories of disabilities. Identification of assistive technologies is need-based and revisions are made if the purpose is not served. An organisation's website and intranet is the starting point for implementing accessibility standards. For most organisations, work on their internal IT systems compliance is ongoing.

Companies who have been working in this area have realised that finding skilled talent is a challenge and *have taken on the mandate to build a talent pool for the industry.* Short and medium-term training programmes that cover technical and soft skills have been designed with the intention to reach out to as many candidates as possible. The consensus is that working with the external eco-system to build the talent pipeline is crucial to achieve any impact.

Awareness is increasing on economic and generational diversity and these appear to be the emerging areas. The industry has had substantial impact on economic diversity through both direct and indirect employment. However, the current agenda is evolving to a different level with *business models being designed around including talent from underprivileged backgrounds.* Organisations are increasing their presence in Tier 2 and Tier 3 cities with targeted outreach programmes, family involvement and women empowerment programmes. 'What next' is a key question on all minds, as the industry filters ideas around LGBT<sup>4</sup> diversity and inclusion and extends diversity awareness to suppliers.



4 Lesbian, Gay, Bisexual, And Transgender

## Employee perceptions are changing

Sensitisation efforts are getting employee support and their commitment to diversity. However, *managing perceptions of dilution in merit could be the next challenge*. As part of the evaluation process, PwC carries out a survey to gather views on diversity and inclusion. The 2011 survey was a gender neutral survey inviting responses from men and women. A total of 408 responses, 197 female and 211 male employees, were received from executives, senior managers, managers, across all levels and age groups. The survey encouraged participants to respond to questions on business rationale, pride, work-life balance, benefit to society, views on diversity practices etc.

Most survey respondents across the gender divide agreed that diversity and inclusion has a business rationale for

their organisation. The disagreements, in the minority, were from respondents at the entry levels from the age group of 25 to 29 years.

*Employees overwhelmingly expressed 'pride in working for an equal opportunity employer'* demonstrating a strong association and connect.

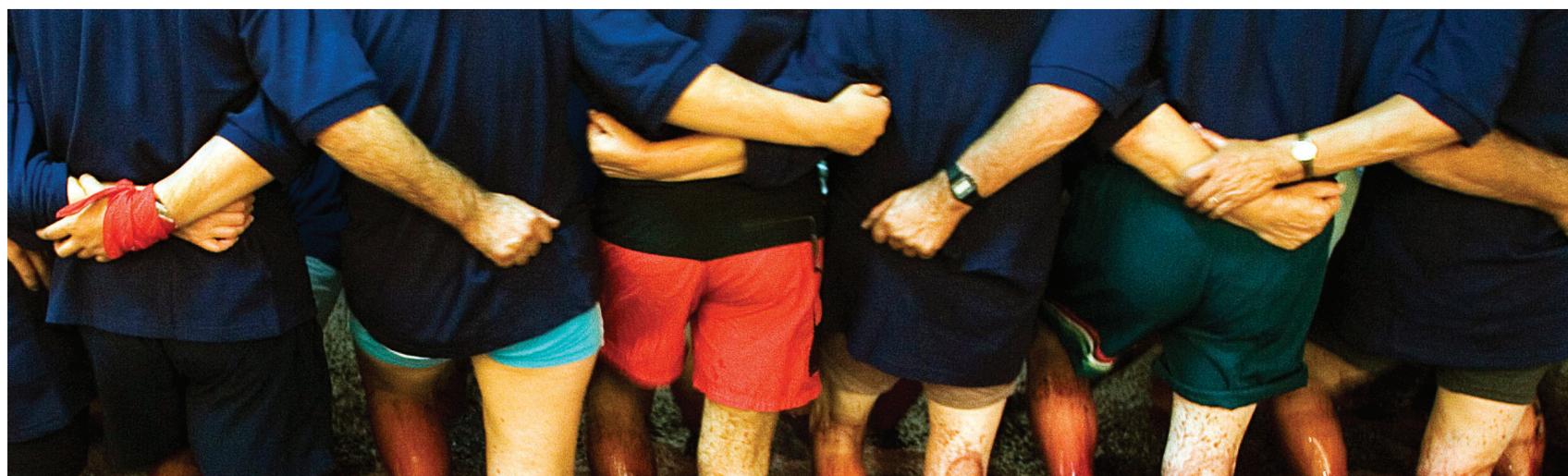
A majority of employees surveyed agreed that diversity initiatives benefited the society. A small proportion of respondents, predominantly below 30 years of age, felt there was no such benefit.

Despite minor disagreements, the majority of the respondents agreed with the following aspects with respect to their organisation:

- A fair recruitment process that does not discriminate on gender
- Treats men and women employees equally for career growth opportunities
- Follows pay parity and does not discriminate on gender

- Provides facilities and infrastructure support to women
- Proactively facilitates the employees' development and is supportive of their need for growth
- Offers flexible policies that help its employees, especially women, to have a better work life balance.

It is indeed creditable that *organisations have been able to create an understanding of the business rationale and the social benefit of diversity* while being fair and supportive. However, the proportion of dissent, though small, shows that more needs to be done on sensitisation and communication. Going ahead, communication will need to show the companies' commitment to a merit culture while ensuring their focus on diversity and inclusion. This is likely to pose challenges that all organisations may not yet have the maturity to address.



# Summary

Five years ago, talent shortage in the workplace that threatened growth and business success initiated the gender inclusion debate. To a large extent, this is still valid. However, the *impetus has clearly moved to having more women leaders at senior levels*. This is again driven by the business rationale to use internal talent to achieve growth. The focus on developing women leaders signals the existence of mature practices for broader and more basic issues such as attraction and retention of women. Feedback and correction mechanisms are also in place for improvisations.

While there is focus and investment on developing women leaders, companies realise that to sustain the initiative, *women need to take ownership for their career development and make the most of the opportunities provided*. The support offered includes, role model sessions to inspire, networking sessions to increase visibility and awareness of opportunities, mentoring sessions to build confidence and identify development need. In some cases advocacy for career progression is in place.

The PwC site survey indicates a strong association with working for an equal opportunity employer. While initiatives and practices with respect to attraction and retention have been accepted and appreciated, career progression is a more sensitive area. Organisations recognise the sensitivities and are working closely with their leadership teams to build buy-in and get the message right. Their success in managing this well is going to be critical to the diversity initiative.

While the industry is benefiting from global experience and learning, there is a need to adapt practices to the Indian scenario. *Diversity and inclusion in India are complex issues with their own set of challenges*, given our geographical, cultural and social diversity and milieu. Global organisations operating in India have the benefit of tried and tested practices which they have been able to adopt. However they have had to contextualise and rework practices to suit the Indian environment. Indian multinationals have had the advantage of adopting best practices and though they have not had the benefit of experience that their global counterparts have had, they are showing impressive progress.

The industry has achieved commendable progress by experimenting and using learnings to constantly improvise. More importantly, it has taken on the onus to bring in internal and external change. However, given the immensity of the agenda and the impact of long entrenched societal and cultural beliefs, change is likely to require continued efforts over the next few years. It will also require constant revisiting of appropriate models and frameworks. Ultimately, the *goal would have been reached when an organisational culture has been built that does not require special efforts or focus on diversity because inclusion is the norm*.

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