

DIVERSITY AND INCLUSION

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Abstract:

Diversity and inclusion is a business strategy which is driven by HR managers of a company. Diversity is perceived differently by different generations. Millennials view workplace diversity as the combining of different backgrounds, experiences, and perspectives, and they believe in taking advantage of these differences is what leads to innovation. Gen Xers and Boomers, on the other hand, view workplace diversity as equal and fair representation regardless of demographics without necessarily considering diversity's relationship with business results. This article highlights the importance of having a diverse workforce, how it leads to innovation, the barriers which exist in diverse cultures and how different companies adopted the diversity inclusion mode

Introduction to Diversity and Inclusion.

The term diversity refers to an individual is unique, and recognizing individual differences. These can be along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies. It is the exploration of these differences in a safe, positive, and nurturing environment. It focuses on

understanding each other and moving beyond simple tolerance to embracing and celebrating the rich dimensions of diversity contained within each individual. There are two major forms of workplace diversity¹.

- Surface Level Diversity

- Deep Level Diversity.

Surface level diversity refers to demographic characteristics such as age, race, gender, ethnicity, religion, disability status. It helps individuals to perceive one another stereotypes and assumptions. Some of the recent studies suggest that when people get to know each other better, they become less concerned with demographic characteristics. Deep level diversity -Deep level diversity implies the sharing important characteristics like personality, beliefs, attitude and functional expertise values which shadows superficial differences.

The relationship between surface-level and deep-level diversity impacts the emotional and behavioural reactions of dissenting group members and the effectiveness of decision-making groups. Many managers of the various organisation believe that Diversity surface-level diversity is more beneficial for group decision making. In a typical surface-level diverse group, the agreement between socially similar and dissimilar group members might give greater credibility to the majority position and make it harder for dissenting group members to express their views.

Inclusivity

SHRM(Society for Human Resource Management) which is a body of knowledge for all HR professionals describe Inclusion as "The achievement of a work environment in which all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and can contribute fully to the organization's success".It helps to bridge the gap between diverse workforce which is a major concern for many organizations. When is a person is treated equally just like other members of a team, the individual portrays a positive effect on his or her actions.

¹ <https://www.futuremindslab.com/blog/2018/10/2/solving-innovation-challenges-through-the-power-of-cognitive-diversity-part-1-surface-vs-deep-level-diversity>

Inclusion helps to instil a culture in the organisation that creates a workplace culture and enhances overall productivity.²

Diversity and Inclusivity go hand in hand. The modern management theory supports the fact that a company requires a culture which involves a blend of various individuals from race, ethnicity, gender, religion and various other demographic factors. When an organisation gets accustomed to hiring individuals from various backgrounds it helps an organisation to develop a workforce who will be strategically inclined towards achieving the organisational goals. Gender diversity and inclusion has become one of the highly debated topics in 2019. This article focuses on how companies adapt themselves to diversity and inclusion and what are the various challenges faced by the organisation in dealing with this situation.

LGBT Movement in India.³

In India transphobia was criminalised in the year 1871. However, with the involvement of various activists coming into the picture, some of the rigid policies relating to sexual orientation were removed. In 2014 Nalsa Judgement was passed to legally recognize persons who fall outside the male/female gender binary, including persons who identify as "third gender". Transgender Protections of Bill was passed in the year 2019. A recent study revealed that 58% of transgenders are Postgraduates and 52% transgender are not accepted by society. When Sec 377 was passed by the Supreme Court of India, the whole nation was awestruck. The human rights of lesbian, gay, bisexual, transgender and intersex people (LGBTI) are coming into sharper focus around the world, with important advances in recent years, including the adoption of new legal protections. The preamble of the Indian Constitution mandates on the social, economic, and political equality of status for all. With this enforcement of this law, many individuals have come forward to speak up about their truth on their sexual orientation. Even though the law has lifted this ban the stigma associated with this in the society has not changed the perceptions of the people. India is known for its traditional culture which has greater value in getting a good name in the society and doing this against society is considered to be a hideous

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<https://www.google.com/search?q=Inclusion+definition+SHRM&oq=Inclusion+definition+SHRM&aqs=chrome..69j57j0l2.9553j1j4&sourceid=chrome&ie=UTF-8>

³ <https://www.in.undp.org/content/india/en/home/blog/lgbtequalityindia.html>

crime. However, 200 vaccines were filled up by companies after implementation of LGBT rights, and transgender equality policies.

Diversity and Inclusivity at Workplace⁴

A survey by *Forbes Insights* of more than 300 senior executives – 32% who were in HR or talent management – found their companies' diversity and inclusion priorities include:⁵

- 65% said the recruitment of diverse employees.
- 44% said the retention of diverse talent.
- 35% said ensuring diversity in the workplace.
- 29% said developing a robust pipeline of diverse talent.
- 28% said managing cross-generational issues.

The above figures tell us how diversity and inclusion are taking its shape in various organisations. Even today some of the management finds themselves in a dilemma of how to integrate a diversified and inclusive organisation.

Key to Innovation

Diversity and inclusivity can be linked to a company's innovation strategy. With the assistance of multiple voices who have a wide range of experiences, the company can generate ideas which are crucial for innovation. It seeks to ensure that a company's products and services are respectful of their client's culture. Certain companies adopt a system called Employee Resource Groups who becomes the driving force of a company in defining products for different regions and different demographics. The diverse employee groups at times save the company from committing embarrassing mistakes. This is due to good reasoning and analytical insights portrayed by employees. It enables the companies to have different brands which meet the diverse needs of the clients. A company can do so much better in an environment where all

⁴ Forbes Insights "Global Diversity and Inclusion Fostering Innovation Through a Diverse Workforce"

opinions are equally valued and respected. It brings in harmony and peace and seeks to focus more on leveraging diversity for innovation and other business goals.

Talent Management.

Diversity is considered to be a recruiting and retention tools to broaden the pool of talent a company can recruit from, which helps to build an employment brand which is seen as fully inclusive. To attract the best talent the company must be reflective of the talent in that market. Companies engage themselves in various tactics to engage in a diverse population. The employee's groups become the ambassadors of the organisation. These groups reach out to talent by attending external job fairs, conferences, and community events to create a pool of talents. The more they reach out to the public the better it helps in filling the talent pipeline. Some organisations conduct employee outreach efforts, for maintaining long-standing relationships with universities to tap into talent, while many others also rely on other outsourcing channels, including vendors, to reach a broad range of candidates. Outward-facing recruitment is one of the dominant methods that still exist which is essential for recruiting support groups or events which cater to diverse job candidates. There is a link between recruitment and development programs; a company's ability to recruit diverse talent successfully often depends on its ability to execute on its promise to provide solid job advancement opportunities. It varies programs can range from continued skills training to tuition reimbursement to active mentoring by senior management. One such program is AT&T's "Know and Grow" initiative. The company ensures that all high-potential candidates in the program, particularly females and minorities, are exposed to senior executives who spend a significant amount of time advising and mentoring them.

Goals and Priorities.

Companies spend a huge amount of money in recruiting, selecting and training employees to maintain their top priorities as retaining and developing a diverse workforce. A study conducted by Forbes Magazine revealed that 43% cited retention and development of talent, followed by ensuring diversity in the workplace in general (35%), developing a robust pipeline of diverse talent (29%), and managing cross-generational issues (28%). Innovation is seen to be a leverage factor for maintaining diversity in business goals. A company filled with diverse teams makes a

decision that best suits the organisation. Many large companies give importance to customises the diversity policies to imply the trends of regions where the large companies operate. For example, one executive pointed to how the company's efforts in Asia differ. Hong Kong is very multicultural, so diversity and inclusion efforts there resemble those in the U.S. However, in China, the company's diversity efforts are focused more on persons with special needs, people with disabilities, and people from different socio-economic backgrounds. Forbes Study revealed that Similarly, Deutsch Bank's India diversity efforts are focused on individuals with disabilities. The company is working with a Non-Governmental Organization (NGO) to train people with disabilities to work at the company. "In India, disability is a big issue. People with terminal diseases are not recruited into the organisation.

C-Suite Involvement

When a company decides to invest in any program or project that involves diverse workforce the strategy and decision implementation lies in the hands of the top management. Most companies accountability lies with the CEO.C-suite employees act as a role model for highlighting the importance of gender diversity and inclusivity to the company. The Board of Directors is involved in determining how to measure a company's success. One such important measure to have an Internal Committee which is one of the major strategies for implementing diversity at the workplace.

ICC (Internal Control Committee)

The Internal control committee is tasked with overseeing the operation of the internal control system, the efficiency of company operations, the reliability of financial information, compliance with the law and with regulations, and protection of company assets. It is also in charge of maintaining relationships with related parties and expresses opinions that might be binding in cases of large-value transactions. The core activities of ICC are given below

- Constitute the ICC-
- Provide safe and working conditions
- Conducting awareness and training programs
- Communicate and display regulation

· Conduct a board meeting of the ICC

· Record the minutes

· Document the offences

· File a NIR (No Incident Report)-This is applicable only if any incident has not occurred.

Some of the major guidelines for having an ICC in an organisation are as follows.

· The members of the ICC must be changed once every three years.

· When multiple branches of a company exist,multiple ICC's exist.

· There must be a minimum of 7 members.

· Among 7 members their proportion include 50% women,4 internal members of the company,1 NGO, 1 circle inspector,1 social worker or an advocate.

· The meeting must be held once in six months and the proceeding must be recorded.

· Every member of ICC has the power to the magistrate.

· In case ICC member is an offender the case is transferred to LCC.

· In case the issue is not redressed in a year it is transferred to CBI, where the case is resolved under the rule of thumb of 70:30:90.

· Failing action of ICC will attract a penalty of 20000 or 6 months imprisonment for each member.

· False or Malicious complaint will result in a penalty or imprisonment up to 2 years.

The companies must focus on adhering to the above rules as it helps foster and nourish a good deal of diversity and inclusivity in the organisation.

Real life examples of companies involved in diversity and inclusivity⁶

1.**Tata Steel**- Tata steels reserves 5% of their vacancies for LGBT. Tata steel has vouched to educate people about LGBT issues. Tata Steel is the first one from the steel/manufacturing

⁶ <https://economictimes.indiatimes.com/topic/LGBT>

industry to start an ERG for LGBTQ employees, and this will resonate throughout the country and inspire other companies in India to lead similar changes.

2. **Godrej-Godrej** has provided opportunities for people with hidden disabilities. Godrej India has a cultural lab which exists to challenge the notions of culture through innovative programs. Their major focus on emphasizing the talent and skills displayed by disabled people and how to motivate them and guide them and helping to excel in organisational activities. This club conducts events like Friday Funda, Pop up Museum of memories.

3. **IIT and IIM-IIT and IIM** have a network of LGBTI alumni. Apart from alumni network IIM(Bangalore) conducted conversations were built on the LGBT topic as a part of their orientation program to their students. LGBT support groups were also started in IIT's like Kharagpur and Gandhinagar.

4. **Humsafar Trust**-Humsafar is an NGO in Mumbai which supports LGBT rights. Companies like World Bank and Infosys provides LGBT support funding. Infosys has IGLU group(Infosys Gay Lesbian and You is an employee resource group brings employees from the LGBT community to have conversations relating to internal policies and processes that affect them.

5. **Goldman Sachs**-Goldman Sachs believes that diversity and inclusivity is an integrating driving force that enables in the execution of their strategy. They realised the importance of valuing people and accepting everyone irrespective of race, ethnicity, gender, sexual orientation or disability. The company is involved in conducting events like Rainbow Friday, where the employees wore pink and rainbow colour dresses for supporting their LGBT co-workers. Aravani Art Project which is a four-story mural to support eradicate the barriers associated with transgender stereotypes. Stonewall Forever was a forum conducted to in order which involved discussions relating to the importance of preserving LGBT history.

6. **eBay and Myntra**- E-bay was the first Indian Commercial to feature two men a homosexual relationship. Myntra was the first e-commerce company to involve a lesbian couple in their advertisement. These advertisements imply to what extent onscreen representation of homosexuality has changed over the last few years.

7.L'Oreal -L'Oreal has been a leader in gender equality for a very long time. Worldwide as of 2018 women account for 69% of the workforce, 47% of management committee members, 31% of our Executive Committee members and 54% of key positions the organisations.L'Oreal has been certified by the EDGE (Economic Dividends for Gender Equality) and GEEIS (Gender Equality European and International Standard) in 29 countries.

8. Air France-Air France received a score of 89/100 for Gender equality Index. It indicates the efforts put in by employees of Air France to achieve professional equality and they seek to continue this working pattern. They are involved in promoting an inclusive workplace and boycott sexism. They celebrated their first Women Network Anniversary on March 8 2019.

Companies aren't the only ones that promote diversity and inclusivity, there are various films which highlight the essentials of adopting gender diversity and inclusion in society. In 2018

Ek Ladki Ko Dekha Toh Aisa Laga(How I felt when I saw that girl) was released starring Sonam Kapoor and Anil Kapoor which highlights the issues a girl faces when she gets into a homosexual relationship and how the society on large should come up and stop the discrimination against sexual orientation.

Barriers to Diversity and Inclusion.⁷

Barriers refer to obstacles faced by individuals in an environment. Environmental barriers may be internal or external to an organisation. Barriers act as a hindrance in achieving organisational goals and disturbs the productivity. Several companies are facing a lot of problems with developing a workforce with diversity. Although many companies have come up with measures to curb gender diversity issues, yet there are constraints which limit many organisations to adopt diverse workforce model. Some of the constraints associated with diversity and inclusion are as follows.

⁷ Lumen Learning.com

1. Communication Barriers-In every organisation there exists dominant groups who often suppresses the voice of minorities during team projects. This occurs due to greater variation in employee backgrounds and cultural differences. Solving these issues involves inculcating self-monitoring and empathy practices.

2. Resistance to Change- In many corporates, the minorities present are forced to bear the burden of changing the fit into an existing culture which limits the initial value of having new perspectives. These individuals fail to express their concerns and challenges they face coming in terms of new policy or norms.

3. Cognitive Biases and Stereotypes.-One of the major challenges faced by students in most of the companies are incorporating different groups. Cognitive biases in the organisation seek to leads to individuals having different perceptions of each other.This results in stereotyping which narrows the view of individuals with the organisation.

4. Homophily-It is a challenge which can be related to social behaviour where individuals prefer to work with people from the same background. They are reluctant to work with different kinds of people. This also affects a company's recruitment process. Employees with similar backgrounds or beliefs form bonds and use these bonds to create preferential group settings. Managers must tackle this challenge through awareness, promotion of grouping based on differences, and clever delegation.

5. Interpersonal Conflict-Managers must cater to create a well-diversified workforce in managing a diverse population. It is beyond understanding the differences in people. Managers must understand the customs and cultural predispositions of their subordinates and carefully ensure they do not violate crucial cultural rules. Thus managers must play a crucial role in converting existing culture to a diverse one.

Suggestions and Conclusion⁸

Diversity and inclusivity is a major investment in bringing talent into the organisation. Culture creation that involves respecting the opinion, appreciating efforts, valuing sentiments of

⁸ SHRM

employees are the major challenges faced by organisations in the contemporary world.

According to SHRM Economic Unit " When employees who are different from their colleagues are allowed to flourish, the company benefits from their ideas, skills and engagement" The retention rates also rise.

To derive the benefits of a diverse workforce the companies must focus on educating their leaders because they work in line with front line managers. It involves providing mandatory training to the employees. Small groups can focus on discussing strategies to foster the company. Employees who undergo training in unconscious bias, where employees make judgments about people based on gender, race or other factors without realizing they're doing. This helps in understanding different types of biases which takes place in many companies. Professional development offerings provide a platform that helps managers to understand how to manage a workforce.

Inviting employees to share their opinions is a sign which indicates the respect shown by the management towards its employees. Creating an enhanced HR presence for isolated employees where they can have private conversations with their managers. Benchmarking organisational culture and understand employee experience before making any changes to promote inclusivity. It is also important to identify the needs of underrepresented groups and provide them with the necessary resources and support.

Employee surveys and convenes focus groups to find out engagement and inclusion issues prevailing in the organisation. A comprehensive assessment of the organisation's demographic and people processes to develop inclusion strategy. Conducting a full audit recruiting hiring and retaining employees plays a pivotal role. Moreover, it is also important to establish specific, measurable, attainable, reliable and time-bound goals.

Moving forward in the upcoming years the companies must prioritise diversity and inclusion efforts at the top of their priority list. Last but not the least the companies must also engage in activities which helps to eradicate the stigma attached to diversity and inclusion.

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