Understanding Aspects of DEI: the Indian Perspective

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Introduction

In recent years, the discussion around Diversity, Equity, and Inclusion (DEI) has gained ground in Indian workplaces. The surge in awareness can be attributed to various factors, including progressive judgments delivered by the Indian judiciary, advances in technology, the increased use of social media, a growing awareness of global initiatives, and the efforts of large multinational corporations and Indian organisations to promote inclusivity.

A number of factors have driven the surge in awareness around DEI policy initiatives in India.

| Progressive Judgments by Indian Judiciary | Advances in Technology | Increased Use of Social Media | Growing Awareness of Global Initiatives | Efforts of MNCs and Indian Organisations |

Various global firms and organisations have been at the forefront of conducting research, promoting awareness, and laying the groundwork to foster inclusive environments. These efforts have caused a ripple effect resulting in a changed view about diversity in a large number of Indian organisations, shaping the discourse around DEI in India.

Background

In the West, the concept of diversity, equity, and inclusion (DEI) can be traced back to the US civil rights movement of the 1960s. During this time, the movement sought to foster acceptance and integrate minorities into various aspects of society, including workplaces, schools, and communities. Originally focused on racial equality, the scope of DEI has expanded over the years to encompass other aspects of identity such as gender, sexual orientation, religion, and country of origin.

Even in India, governments have implemented several measures to promote equality and safeguard the rights of individuals with disabilities and different gender identities in both society and corporate governance. The Constitution of India plays an important role in protecting these rights. It directs that all persons are equal before the law, prohibiting discrimination on grounds of religion, race, caste, sex, place of birth, etc. It also guarantees equal opportunities in employment and appointment to any office under the State, ensuring that citizens, regardless of their socioeconomic background and gender, have the right to an adequate means of livelihood.
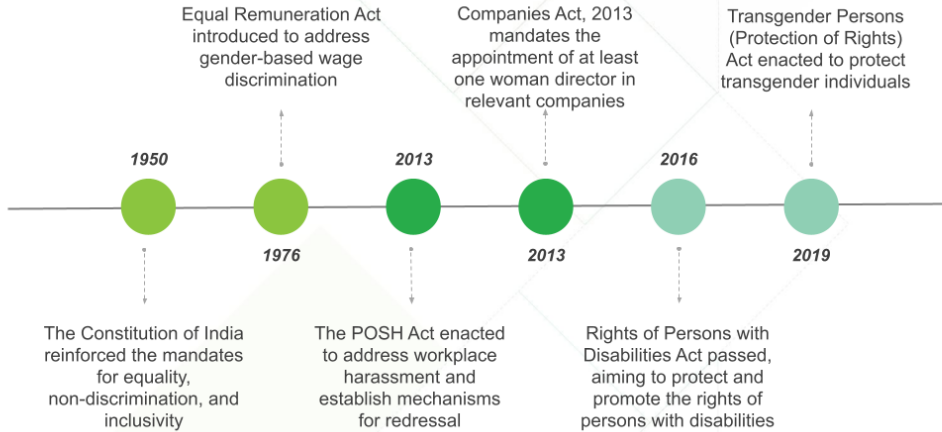
In addition to constitutional provisions, several social legislations have been enacted to uphold the constitutional mandates of equality, non-discrimination and inclusivity while celebrating the inherent diversity in the societal framework. The Equal Remuneration Act, 1976, prohibits gender-based wage discrimination and emphasises on equal pay for equal work. The Rights of Persons with Disabilities Act, 2016, aims to protect and promote the rights of persons with disabilities, ensuring equal opportunities, non-discrimination, and accessibility.

The Transgender Persons (Protection of Rights) Act, 2019, aims to protect and empower transgender individuals, prohibiting discrimination, ensuring equal rights, and providing for welfare measures. The Act recommended reservations in jobs and the right of transgender persons to declare their self-perceived gender identity without undergoing a sex reassignment surgery.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act enacted in 2013 to addresses workplace harassment and provides redressal mechanisms. With millions of Indian women entering the country's workforce, the Act mandates that it is the onus of employers to ensure safety and security of women in a work environment and remove any barriers that prevent women from productively participating in the workforce. This Act further mandates the establishment of internal committees within organisations to handle complaints of sexual harassment and ensure a safe working environment for all female employees, and a local complaints committee in every district to enable women from unorganised sector or small establishments to work in an environment free of sexual harassment.

Boardrooms have the power to change the future of a company. The Companies Act, 2013, mandates the appointment of at least one woman director in every listed company, public companies having a paid-up share capital of one hundred crore rupees or more, and companies with a turnover of three hundred crore rupees or more, to enable fostering a holistic outlook and representing the under-represented voices.

Timeline of Key Developments: India's Journey towards Diversity, Equity, and Inclusion.

Equal Remuneration Act introduced to address gender-based wage discrimination

Companies Act, 2013 mandates the appointment of at least one woman director in relevant companies

Transgender Persons (Protection of Rights) Act enacted to protect transgender individuals

1950   2013   2016

1976   2013   2019

The Constitution of India reinforced the mandates for equality, non-discrimination, and inclusivity

The POSH Act enacted to address workplace harassment and establish mechanisms for redressal

Rights of Persons with Disabilities Act passed, aiming to protect and promote the rights of persons with disabilities

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These measures demonstrate India's commitment to ensuring equal opportunities for all individuals, regardless of their gender, identity, or ability. Over the past few years, many Indian organisations have inculcated the values of diversity, equity, and inclusion into their hiring, promotion, and overall workplace policies, thereby striving towards creating a holistic and conducive workplace for all.

What is Diversity, Equity and Inclusion (DEI)?

Diversity, equity, and inclusion (DEI) are closely held principles aimed at creating a welcoming and supportive workplace environment for people of diverse backgrounds, experiences and beliefs. DEI efforts by organisations aim to increase workplace participation by creating inclusive policies, programmes and environments, where everyone can contribute effectively and thrive.[1,2] The concepts
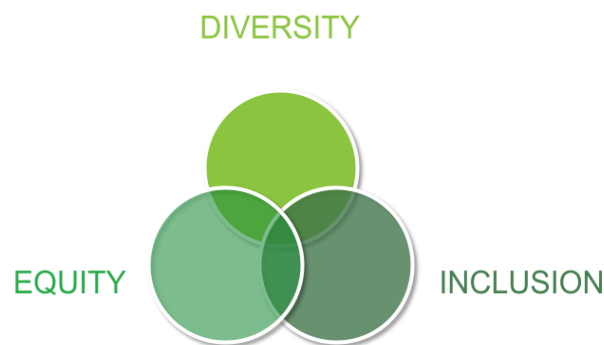
DIVERSITY

EQUITY   INCLUSION

Diversity, equity, and inclusion (DEI) are closely held principles aimed at creating a welcoming and supportive workplace environment.

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[1] Mckinsey (2022)

[2] Techtarget (n.d.)

of Diversity, Equity and Inclusion are often grouped as they are inter-related and are critical for creating a more equitable societal fabric.

Diversity represents the full spectrum of human differences. In the workplace, diversity refers to the presence of people from various castes, genders, ages, and socio-economic backgrounds. Equity encompasses the aspects of fair treatment, and access and advancement for everyone. An equitable workplace is one in which access to opportunities is not limited by one's identity, background, experiences, or belief systems.[3][4]

Inclusion indicates that the workplace has policies, programmes and processes that make the work environment welcoming for all individuals. In inclusive environments, individuals are appreciated for their uniqueness and therefore the organisation benefits from a multiplicity of viewpoints. In an increasingly globalised world, the multiplicity of viewpoints enables unlocking value and ensures that organisations can stay relevant. [5]

A diverse, equitable and inclusive workplace is one in which everyone's voice is heard and people feel valued at their workplace. Workplace policies aimed at diversity, equity and inclusion have a ripple effect on society. By promoting diversity, equity, and inclusion in the workplace, organisations are, in a way, helping mitigate the inequalities that are faced by individuals within marginalised communities. [6]

Source: Diversity, Equity And Inclusion Framework by The Greenlining Institute

Aspects of DEI in India

Given India's rich cultural heritage and diverse population, diversity, equity, and inclusion (DEI) encompass a wide range of aspects that shape individuals' identities and experiences. These include but are not limited to disability, caste, gender, and sexual orientation.[7]

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[3] Gallup (2022)

[4] McKinsey (2022)

[5] Deloitte (2018)

[6] The Greenlining Institute (2018)

[7] Sattva analysis of secondary literature

Disability — **Caste** — **Gender** — **Sexual Orientation**

The need for disabled-friendly physical and virtual infrastructure in India is often overlooked by the majority of corporations, despite the guidelines issued by the government, resulting in significant barriers that impede the employment of disabled individuals.[8] 2.2% of India's population lives with some kind of physical or mental disability. Of this number, around 1.3 crore individuals are employable but only 34 lakh of them have been employed.[9]

The government has a reservation policy for marginalised communities such as scheduled castes (SC), scheduled tribes (ST) and other backward classes (OBCs). While the representation of SCs and STs is more than the prescribed percentage of reservation, the representation of OBCs in the Central Government services is only 21.57%, which is less than the prescribed percentage of reservation for them.[10] Further, experts say that with the mass migration of workers from the organised sector to the informal sector, discrimination against Dalits or marginalised people is likely to increase.[11]

Less than 1/3rd of working-age women in India are engaged in the workforce, which can be due to a multitude of factors ranging from but not limited to the gendered division of work, biases that prevent women from excelling at the workplace, safety and security concerns, and the societal framework.

The social stigma surrounding lesbian, gay, bisexual, and transgender (LGBT) rights makes the Indian LGBT community more susceptible to socio-economic exclusion. Existing laws on workplace harassment, such as the Equal Remuneration Act, 1976 and the Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013, do not account for the rights of LGBT people. By failing to do so, they place no obligation on employers in the private sector to formulate inclusive workplace policies. Even anti-discrimination laws such as the recent Transgender Persons (Protection of Rights) Act, 2019, and Rules, 2020 are too weak to provide proper protection to informal sector employees. These laws use gendered language, require proof and certification of transgender status, and provide no remedy in case of violations.[12]

Why do we Need DEI in Indian Workplaces?

Numerous studies conducted globally have consistently demonstrated one trend - diversity helps organisations thrive. There is sufficient evidence that a link exists between diversity and the

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[8] Assocham (2022)
[9] Census (2011)
[10] Ministry of Personnel, Public Grievances & Pensions (2019)
[11] DownToEarth (2007)
[12] Georgetown Public Policy Review (2020)

profitability, level of innovation, and investment returns of companies. Diversity can bring in new ideas and act as a pathway to increase employee satisfaction, improve financial performance, and boost productivity in organisations.

Organisations that have prioritised gender diversity in top management not only create a fair and inclusive environment for women but also experience a remarkable boost in the number of women seeking employment with them. The gender composition of a company's top management positions plays a significant role in attracting a diverse pool of applicants.[13] By actively nurturing a diverse workforce, organisations can attract a greater number of interested applicants and can thrive in an environment that values all individuals.

Employees are also more likely to go the extra mile and remain engaged when organisations prioritise inclusion and diversity, with a combined focus on diversity and inclusion leading to the highest level of engagement.[14] Moreover, diverse teams and a culture of inclusivity and appreciation of individual differences increases employee satisfaction in their work and as a result a commitment to the company.[15]

Not only do employees feel more committed to their organisation, but when employees feel included they are more likely to be regular at work, thereby reducing the cost of absenteeism, presenteeism and employee attrition, which costs Indian employers around INR 1.1 lakh crore (USD 14 billion) per year.[16] A Deloitte report noted that when 10% more employees feel included, a company can increase work attendance by almost one day per year per employee.[17] Another study goes further to indicate that 20% of an employee's desire to stay at their organisation is linked to feelings of inclusion, thereby increasing the rationale for building inclusive spaces.[18]

Companies with more women executives (30% or more) were more likely to outperform companies where this percentage ranged from 10 to 30. This indicates that the higher the representation of women, the higher the performance of such organisations.[19] A study indicated that companies with inclusive workplaces thrived before, during, and after the Great Recession.[20]

Homogenous groups may be susceptible to groupthink, while diverse teams can leverage a greater variety of perspectives and are likely to consider information more thoroughly.[21] Therefore, diversity can be a key ingredient for better decision-making among teams and organisations.

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[13] American Psychological Association (2019)
[14] Deloitte (2013)
[15] Catalyst (2020)
[16] People Matters (n.d.)
[17] Deloitte (2013)
[18] Catalyst (2020)
[19] McKinsey (2018)
[20] Great Place to Work (2020)
[21] Gaither, S. E., Apfelbaum, E. P., Birnbaum, H. J., Babbitt, L. G., & Sommers, S. R. (2018)

Further, the employee perception of an organisation's commitment to diversity and inclusion also has an impact on the performance of the organisation. Organisations with strong D&I cultures have reported a better ability to innovate, higher responsiveness to changing customer needs and overall increased team collaboration.

Not only are such organisations generally more productive, but also perform better financially. In one study of Fortune 500 companies, it was found that the top 25% of the firms with women in senior management, actually yielded returns to their stockholders that were more than 30% higher than those of their peers. [22]

The positive correlation between the presence of women on boards and profitability was evident in a study commissioned by the Times of India group, which analysed the top 100 Indian companies listed on the Bombay Stock Exchange. The study revealed a significant impact of women's representation in top leadership and board positions on Return on Equity, further reinforcing the importance of gender diversity.[23]

Another study, from Boston Consulting Group, found that companies with more diverse management teams have 19% higher revenues due to innovation,[24] showcasing that diversity, equity, and inclusion are not just metrics but are an integral part of a business's success.

Understanding the Workplace Experiences of LGBT Employees

For lesbian, gay, bisexual, and transgender (LGBT) employees, many workplaces today fall short of full inclusion, even if there is visible corporate support for LGBT employees. The Indian LGBT community faces heightened economic exclusion due to social stigmatisation surrounding LGBT rights. Current laws addressing workplace harassment, such as the Equal Remuneration Act, 1976, and the Sexual Harassment of Women At Workplace (Prevention, Prohibition, and Redressal) Act, 2013, do not consider the rights of LGBT individuals. Consequently, these laws impose no obligation on private sector employers to develop inclusive workplace policies.[25]

Research indicates that workplaces that embrace inclusivity tend to outperform others. Prejudiced attitudes towards LGBT individuals and even indirect discrimination, such as the absence of affordable housing, can ultimately diminish workplace productivity and impact economic outcomes. Increased transparency and openness in hiring policies can also contribute to changing social narratives within the workplace.
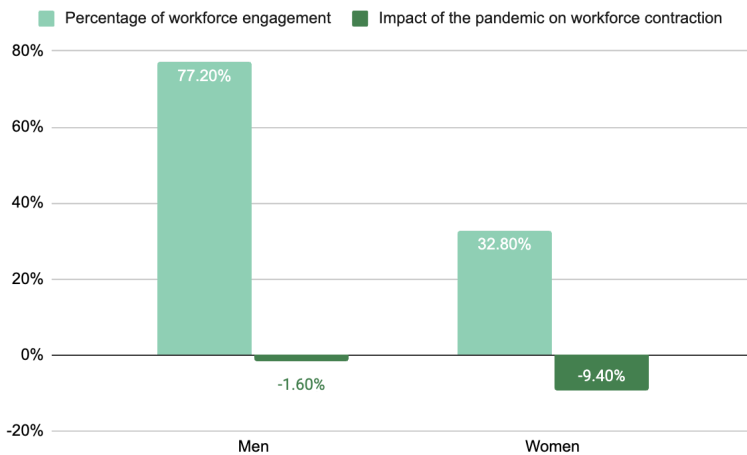
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[22] Catalyst (2022)
[23] Times of India (2014)
[24] BCG (2018)
[25] Georgetown Public Policy Review (2020)

Gender Gap: What barriers prevent women from engaging in the workplace?

According to estimates, India could add USD 770 billion to its annual GDP by 2025 by reducing gender inequalities and increasing female workforce participation.[26]

However, the current reality is that only 32.8% of working-age women are engaged in the workforce, as compared to 77.2% of working-age men of the same age group, highlighting a difference of 44.4%.[27] This statistic is worsened by the realities of women in the urban workforce, which is even lesser at 23.8%.[28] Moreover, CMIE data shows that women have suffered following the COVID-19 pandemic, with the women's labour force contracting by 9.4% for women as compared to only 1.6% for men.[29]

The rationalisation of why women are less represented in the workforce is attributed to myriad reasons. Women in India spend more time on unpaid care work, which includes household duties - such as cooking, cleaning, water and fuel collection, child care, or elder care[30] - than men. In India, for example, women spend 7.2 hours on unpaid domestic work compared to 2.8 hours spent by men.[31] Furthermore, women are 24% more likely to have less leisure time in comparison to men, resulting in a phenomenon called time poverty, which is the scarcity of choice of how to use one's time. Other than creating a situation where women experience time poverty, unpaid care work also forces women out of the paid workforce. In countries where women spend an average of five hours on unpaid care activities, 50% of women in the working-age population are active. However, in countries where women spend three hours on unpaid care work, 60% of women are active in the labour force. [32]

Even if women are engaged in paid employment, social norms, family expectations and gendered division of household roles result in women picking up domestic and other unpaid care

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[26] McKinsey (2018)

[27] Ministry of Statistics and Programme Implementation (2021-2022)

[28] Ministry of Statistics and Programme Implementation (2021-2022)
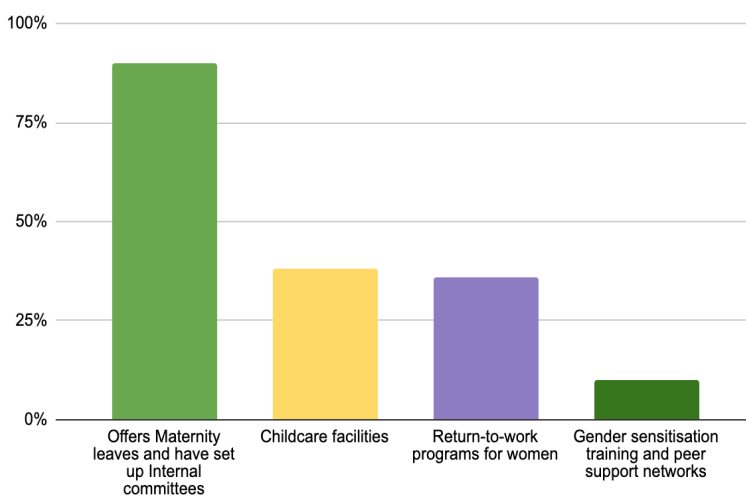
[29] EPW (2022)

[30] OECD (2014)

[31] Economic Times (2023)

[32] OECD (2014)

responsibilities[33], resulting in a double bind, where women are upheld by their employer as well as their families.

This double bind results in many women working from their own homes[34] or relying on public transportation, if commuting to the workplace is necessary. Since women rely more heavily on public transportation than men, they often bear the cost of poor mobility and transport services. Harassment on public transport and related safety concerns are other leading factors discouraging women from engaging effectively in paid employment.[35]

Other factors such as physical safety, workplace infrastructure gaps, long working hours, and risk of sexual harassment pose roadblocks for women entering the space. 90% of Nifty50 companies implement traditional DEI policies such as maternity leave and setting up internal complaints committees. However, only 38% of companies provide childcare facilities, just 36% have return-to-work programmes for women, and gender sensitisation training and peer support networks are only offered by less than 10% of companies.[36]

Conscious and unconscious biases also play a role in reducing the roles available for women.
Women are often perceived as not suitable for core engineering jobs and are restricted to desk jobs in corporate headquarters which also leads to slower career growth, finally leading to the exit of women from the sector. When faced with systemic gender bias and inequality, women internalise these beliefs and often have difficulty believing their success and achievements are a result of their skills and efforts.[37]

These multifaceted barriers create a disabling ecosystem for women. However, by recognising and addressing these barriers, India can harness the immense potential of its female workforce.[38]
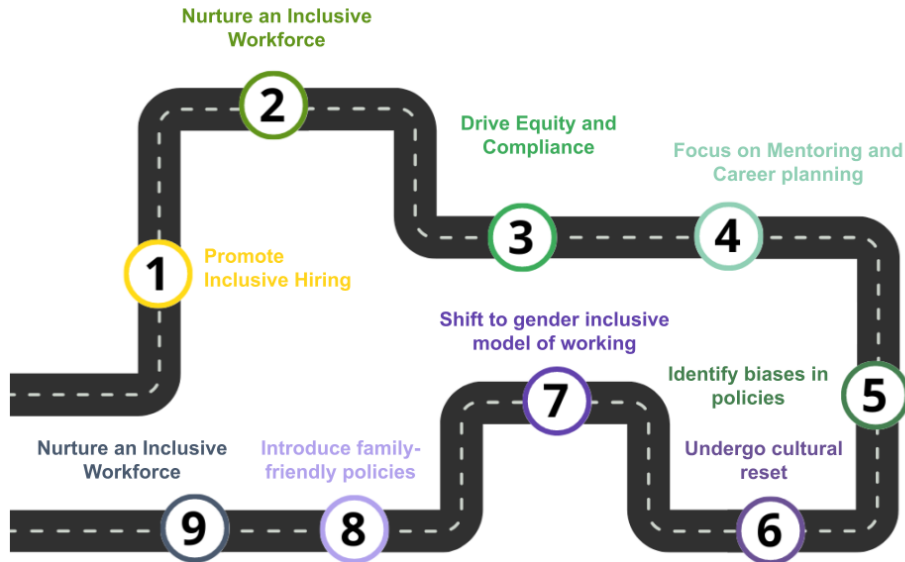
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[33] ILO (2009)

[34] IWWAGE (2021)

[35] IndiaToday (2022)

[36] SheThePeople (2022)

[37] Harvard Business Review (2018)

[38] ILO (2017)

The Way Forward: How can we make Workplaces Inclusive?

Despite progress made in recent years, there is still a significant gap in achieving inclusivity in Indian workplaces. To create truly inclusive workplaces in India, it is imperative to address the existing barrier and to institutionalise efforts, by eliminating bias and discrimination and creating accessible and accommodating environments.
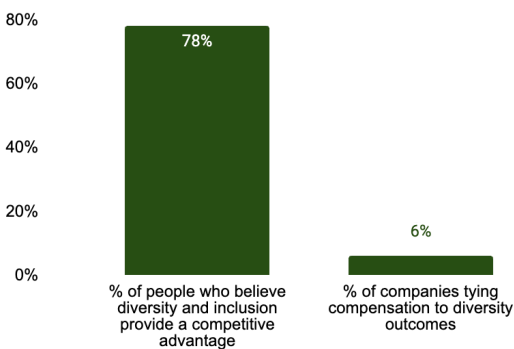
Deloitte's research indicates that 78% of respondents believe that diversity and inclusion adds a competitive advantage. However, only 6% of companies actually tie compensation to diversity outcomes. This disconnect highlights the complexity of addressing diversity challenges, which demand innovative and thoughtful solutions.[39]

For an organisation to be truly diverse and inclusive, it would need to integrate diversity, equity, and inclusion practices throughout various stages and areas of their operations. There needs to be an increased focus on implementing bias-free policies across talent processes, including hiring, promotion, performance management, leadership development, succession, and compensation.

Organisations need to implement inclusive hiring practices by ensuring diverse candidate pools, reducing biases in job descriptions and selection processes, and considering diverse perspectives when making hiring decisions. For example, some organisations are engaging in blind recruiting

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[39] Deloitte (2017)

practices. In 2015, Deloitte, the professional services firm, introduced blind interviews in certain recruiting practices in the United Kingdom to ensure that offers are made on the basis of present potential, rather than past personal circumstances.[40] Some countries have passed laws to ensure inclusive hiring practices. France has been an early adopter of this trend and passed a law in 2006 mandating companies with over 50 employees to anonymise job applications, removing personal details such as name, age, and gender.[41]

Once employees are onboarded, it's imperative for organisations to provide training and onboarding programs that promote the concepts of DEI. Deloitte's 2017 Human Capital Trends research identified belonging as a top human capital issue organisations face, yet only 17% of surveyed organisations have the necessary initiatives in place. [42] Google collaborated with Performance Paradigm to develop their own diversity, equity, and inclusion programs, known as Examined Human and Digital Human, which focus on the themes of shared experiences and community building. The Digital Human platform offers a structured 12-week program consisting of workshops and exercises. Its content is designed as a four-season show, incorporating art and experiential learning techniques to deliver comprehensive and impactful material. One of the engagement

Source: Performance Paradigm

activities within the program is called '2, 24, 25.' It involves each participant selecting two individuals from their team - one they are familiar with and one they don't know at all. Within 24 hours, they schedule a 25-minute meeting to discuss and learn about each other, emphasising the importance of creating a sense of belonging for all individuals.[43]

Organisations should constantly review and update policies and procedures to ensure they are fair, unbiased, inclusive, and pertinent to the law of the state. For example, the Indian government has implemented a reservation policy to provide opportunities and representation for historically marginalised communities, such as Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Classes (OBC), in public sector employment.

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[40] Deloitte (2015)
[41] France24.com (2014)
[42] Deloitte (2021)
[43] Forbes (2021)

Other legislations enforced by the Indian government that companies must adhere to:

Every public or private sector employer and organisation employing 10 or more people must set up an (ICC) internal committee for receiving complaints of sexual harassment as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

The Maternity Benefit Act, requires that organisations employing 50 or more employees are required to provide a crèche facility. The act also mandates organisations allow mothers to visit the crèche four times per day.

The Rights of Persons with Disabilities Act, 2016 imposes responsibilities on central and state governments, local authorities, and private entities to ensure the rights of persons with disabilities are upheld. It includes obligations such as providing reasonable accommodation, ensuring accessibility of public buildings and transportation, offering accessible information and communication, supplying assistive devices and technologies, and delivering rehabilitation services.

Organisations must also establish clear pathways for career development and advancement, ensuring equal opportunities for all employees. IBM's Level Up program is an example of a career development program designed to develop executive potential women for leadership roles. For IBM women in India, the Tanmatra program helps participants develop personal, functional, and strategic leadership skills to help prepare women to become executives through job shadowing and networking sessions with business leaders.[44] Establishing mentorship programmes to support the professional growth and advancement of underrepresented groups can help accelerate their growth in organisations, and conducting regular workshops, seminars, and awareness campaigns can keep employees engaged and informed.

Often, organisations overlook biases in their performance evaluation processes. It is crucial for organisations to proactively acknowledge these biases and provide training to managers on how to avoid engaging in feedback sessions that are influenced by unconscious biases. Sutherland discovered concerning data regarding the promotion dates of employees with disabilities and recognised the presence of unconscious bias among managers. This realisation led them to initiate two in-house mentoring programs: Project PAL (PersonsWithDisabilities Acceleration with Leaders) and Project LEAD (LGBTQ Enablement And Development). In these programs, the organisation paired high-performing employees with disabilities and LGBTQ+ individuals with senior leaders. During these sessions, leaders provided mentoring for 50 minutes, while the remaining 10 minutes involved reverse

Project PAL (PersonsWithDisabilities Acceleration with Leaders)

1. High-performing employees with disabilities paired with senior leaders
2. 50 minutes of mentoring by leaders, focusing on development
3. 10 minutes of reverse mentoring, educating leaders on diverse challenges

Project LEAD (LGBTQ Enablement And Development)

1. LGBTQ+ individuals paired with senior leaders
2. Similar structure of mentoring sessions as in Project PAL

Facilitates inclusive perspectives in people and process decisions.

Supports the professional growth of underrepresented groups

Fosters understanding of daily challenges faced by diverse cohorts

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[44] IBM (2023)

mentoring, where employees educated leaders about the daily challenges faced by these diverse cohorts and how leaders could adopt an inclusive perspective in people and process decisions.[45]

Organisations would also need to undergo a cultural reset to become truly inclusive.[46] Such a reset involves challenging workplace norms, and embracing diversity of thought. A diverse leadership team will accelerate the change, as leaders play a pivotal role in setting relevant examples. By adopting a top-down approach led by leadership, the wave of change can permeate through middle-level management, enabling them to embrace the organisation's shared purpose and values.

Shifting from an urban male-centric organisational model to one that is more gender inclusive can also help organisations become more diverse and inclusive. This includes making the physical and virtual workspaces accessible to all individuals. Organisations can achieve success by prioritising the creation of an inclusive workplace infrastructure through accessible ramps, elevators, assistive technologies, creches, lactation facilities, feeding rooms, separate and exclusive washrooms for the transgender community, and the provision of sanitation and hygiene facilities.

Introducing family-friendly policies such as paternity leave and parental leave helps reduce the burden of caregiving responsibilities on women and promotes work-life balance for female employees. [47]

Recognising the patterns of harassment is key and implementing robust policies and procedures to prevent and address harassment becomes very important. While the provisions under the POSH Act are elaborate, its proper implementation continues to be a challenge, and there is a need for continuous efforts to ensure that workplaces are free from harassment and that victims are provided with effective support and redressal through the established internal complaints committees.

In conclusion, achieving true inclusivity in Indian workplaces requires a concerted effort to address biases, institutionalise inclusive practices, and create accessible environments. By implementing inclusive hiring practices, providing training and mentorship programs, reviewing and updating policies, and fostering a cultural reset, organisations can pave the way for a diverse and inclusive workforce. It is only through these collective actions that we can create workplaces where every individual feels valued, heard, and empowered to thrive.

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[45] Assocham (2022)
[46] Deloitte (2018)
[47] Forbes (2018)

Recommended Reading list

To further enhance your understanding of DEI and its impact on organisations, we have compiled a collection of insightful and thought-provoking articles. This list offers a range of perspectives, research, and practical strategies for individuals and teams looking to deepen their understanding of DEI, challenge biases, and promote inclusive practices.

1. *[Deloitte. The diversity and inclusion revolution: Eight powerful truths (2018)](#)*

2. *[Mckinsey Global Institute. The Power Of Parity: Advancing Women's Equality In Asia Pacific (2021)](#)*

3. *[Catalyst. Getting Real About Inclusive Leadership Why Change Starts With You (2020)](#)*

4. *[Deloitte. Unleashing the power of inclusion: Attracting and engaging the evolving workforce (2017)](#)*

5. *[Gallup. Advancing DEI Initiatives: A Guide for Organizational Leaders (2022)](#)*

Contact Us

To discuss any of the ideas presented here, please send an email to: **dei@sattva.co.in**