

# **Project Dissertation**

## **STUDY ON DIVERSITY AND INCLUSION**

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**2K13/MBA/07**

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### **Certificate from the Institute**

This is to certify that the Project Report titled “**Study on Diversity and Inclusion**”, is a bonafide work carried out by Ms. Ankita Sethi of MBA 2013-15 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfilment of the requirement for the award of the Degree of Masters of Business Administration.

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## **Declaration**

I, **Ankita Sethi**, student of MBA 2013-15 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that the dissertation on **“Study on Diversity and Inclusion”** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This Report is not being submitted to any other University for award of any other Degree, Diploma and Fellowship.

**Place:**

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**Date:**

## **Acknowledgement**

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**Ankita Sethi**

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## **Executive Summary**

Workplaces nowadays are becoming increasingly diverse with employees from different cultures, genders, races and ethnic backgrounds are working together in order to achieve the common goals and objectives. This increases the importance of understanding diversity and inclusion at the workplace.

Present researches highlight that the importance of managing diverse workforce has significantly increased due to globalization. The organizations are establishing their business operations in different countries of the world which requires them to recruit the employees who belong to different cultures and backgrounds; and encouraging diversity is helpful for the businesses to grow and achieve the strategic competitive advantage.

Diversity in very simple words can be described as the composition of groups or workforces. It is the differences in culture as well as identity differences among group members in relation to other groups. Diversity can be explained in terms of observable and non-observable characteristics. The former includes characteristics like gender, race, ethnicity and age and the latter includes cultural, cognitive and technical differences among employees.

The objective of this study is to obtain an insight into the views and opinions of managers on this issue of meaning and understanding of the Diversity and Inclusion in their workforce.

The objectives of the project will be achieved through primary and secondary research. Questionnaire is used to collect information regarding the current workplace diversity structure in different organizations. Results aim to reveal the effect that diversity has on any organisation and how it is linked with individual, group and organizational outcomes.

It is expected that the survey will generate actionable insights from the participants and to stimulate a thought process around the benefits of a diverse and inclusive workforce in the organization.

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# CHAPTER 1

## INTRODUCTION

### 1.1 Introduction of the Project

*“Diversity and inclusion in the workplace are essential business tools today.”*

In theory, diversity has been used to describe the composition of groups or workforces. Various authors have defined diversity in their own manner. Some of the insights on the same are:

- According to Berdahl and Arrow (1995), diversity is considered to be a characteristic of groups that refers to demographic differences among members.
- Larkey (1996) defines diversity as differences in perspectives resulting in potential behavioral differences among cultural groups as well as identity differences among group members in relation to other groups.
- Diversity may be defined in terms of observable and non-observable characteristics as stated by Milliken & Martins (1996). Observable dimensions include such characteristics as gender, race, ethnicity and age while non-observable characteristics include cultural, cognitive and technical differences among employees

Currently there is not much attention paid to inclusion in the organization. More specifically, companies approach diversity management only as activities related to the hiring of workforce from different cultural and social backgrounds (Cox & Blake, 1991), and the inclusion of those employees in the organisation is considered to be implicit. It has been seen that individuals from diverse social and cultural groups are often excluded from networks of information and opportunity in organizations (Ibarra, 1993; Pettigrew & Martin, 1989) where as in some places; inclusion has been used to describe worker participation and empowerment. Inclusion is defined as the extent to which individuals can access information and

resources, are involved in work groups, and have the ability to influence decision-making processes. Rather than emphasizing difference as an organizational commodity that has exchange value in terms of economic performance, inclusion is focused on the degree to which individuals feel a part of critical organizational processes. Thus, inclusion represents a person's ability to contribute fully and effectively to an organization (Miller, 1998; Mor Barak & Cherin, 1998).

### Relevance

Workplace diversity and inclusion is nothing but participation based on equality, working relationships, and shared values. It is directly related to the success of a business bottom line. Some people identify with diversity as the quotas, mostly reservations for minority and female in the firms; however, now it has expanded to areas such as sexuality, age, qualification, location, and military as well as disability status. There are many community advocates having a strong consideration about diversity and inclusion programs for minority owned small businesses, drawing attention of government officials to challenge the authenticity of their diversity programs.

Diversity programs aim to break the barriers of discrimination in any organization and business environment. Human resource managers can help the firm in embracing diversity through written policies, guidelines and programs signifying the importance of equal employment opportunity.

Studies have been conducted to justify the business case for diversity in the workforce and have shown astonishing results. Research indicates a link between diversity, engagement, retention and productivity. Diversity programs not only have a positive impact on employee motivation but also noted an increase in customer satisfaction and an improvement in brand image. A diverse group outperforms a homogenous more capable group. Still the pipeline is low and in some cases decreasing. While women make up 57% of the professional workforce, South Africa has less than 20% women in ICT sector, Canada only 21% and in the US women in engineering is at 13%. The percentage for same in India is below 10%.

Companies with diversity programs show increase in employee motivation and efficiency. In larger study of more than 50,000 employees in 27 countries, diversity was ranked 5th for the highest-impact driver of engagement. Studies have found a strong connection between how well diversity and inclusion is managed and employees' intentions to remain with or leave the organization. Innovation is to empower people, business and society. Diverse groups, when properly managed, make more innovative business decisions. Optimal gender balance for innovative teams is 50:50. Study shows that teams comprising women and men produce IT patents that are cited 26-42% more often than the norm for similar types of patents. Also diverse organizations show higher operating margins and market capitalization.

#### Researches Supporting Diversity:

1. Companies are stronger, better-positioned to tackle external and internal challenges and more focused on the bottom line when their boards embrace gender diversity. (**Board Brief, Why Gender Diversity Matters, The Jaquelyn and Gregory Zehner Foundation, and Silverleaf Foundation, 2012**)

2. In a more diverse and inclusive workforce, individual discretionary effort improves by 12%, intent to stay improves by 20%, and team collaboration and commitment improve by about 50%. Seven imperatives for organizations that want to drive action—and results—from their value statements on diversity and inclusion.

First, we need to define locally relevant and globally consistent objectives and assess and reward progress—not just final outcomes. The second set of imperatives focuses on building a more diverse and inclusive workforce by influencing the influencers, testing for inclusive behaviors in the hiring process, and reinforcing inclusive behaviors during critical interactions.

Finally, organizations that want to create a more diverse leadership pipeline should reawaken and support the aspiration of diverse talent by improving their perception of the leadership value proposition. If qualified, diverse candidates

are not getting due consideration for leadership roles, implement mechanisms or processes to neutralize biases in selecting for key talent management positions. **(Creating Competitive Advantage through Workforce Diversity, White Paper, CEB, 2012)**

3. Companies with the most women board directors, especially those with three or more women board directors, had better financial performance than those with the fewest women board directors.

Companies with more women board directors outperformed those with the least on three financial measures: return on equity (53 percent higher), return on sales (42 percent higher), and return on invested capital (66 percent higher). Catalyst also showed that stronger-than-average results prevailed at companies with three or more women on their corporate boards. **(Why Diversity Matters, Catalyst Information Center, 2013)**

## **1.2 Objectives of the study**

The objective of this study is to obtain an insight into the views and opinions of managers on this issue of meaning and understanding of the Diversity and Inclusion in their workforce.

It is expected that the survey will generate actionable insights from the participants and to stimulate a thought process around the benefits of a diverse and inclusive workforce in the organization.

The study has been conducted to answer the following:

1. Whether the participants from various industries are aware of the D&I vision of their company?

2. Whether they fully understand the meaning of diversity and inclusion and what are the expected benefits of having a diverse workforce and environment?
3. Whether they are aware of the difference in expectations of their direct reportees/ subordinates in different age groups and knowledge of the gender mix of their teams?
4. Their perception regarding their organization in the industry towards management of diverse and inclusive workforce and environment.

We are looking up to the primary data collected through structured questionnaire mailed to the respondents (i.e. managers) from different industries and have been able to collect 103 responses from organization from 7 different industries.

## **CHAPTER 2**

### **LITERATURE REVIEW**

In broad terms, diversity is any facet that can be used to set apart groups and people from each other. It advocates the belief of equal respect and appreciation for every ethnicity, gender, age, national origin, disability, sexual orientation, education, and religion.

But it does not end here. It also includes diverse perspectives, work experiences, life styles and cultures. As a source and driver of innovation, it can be stated as a “big idea” in business and in society.

Whereas, inclusion is a state of being valued, respected and supported. It’s about focusing on the needs of every individual and ensuring the right conditions are in place for each person to achieve his or her full potential. Inclusion should be reflected in an organization’s culture, practices and relationships that are in place to support a diverse workforce.

In simple terms, diversity is the mix; inclusion is getting the mix to work well together.

#### **2.1 Diversity and Inclusion**

The traditional definition of diversity was in terms of the ‘visible’ differences between people, such as gender and race. Diversity is about those differences, but

this narrow definition eventually short-changes what it really means. Diversity is about what makes each of us unique and includes our backgrounds, personality, life experiences and beliefs. In fact, it is all of the things that make us who we are.

The broader view preaches the idea that diversity is really about assortment of different ‘thoughts’ – where different perspectives and capabilities are the point of distinction, rather than our visible characteristics. It creates a new line of thinking for the businesses, changing the question from ‘*How can multi cultural workforce help in improving business outcomes?*’ to ‘*How extensive is the knowledge bank?*’, ‘*Is the variety of outlooks necessary to deal with intricate problems and create innovative solutions present?*’ and ‘*Are the employees being harnessed to their full potential?*’

Diversity is influenced through inclusion – the extent to which employees feel appreciated and included by an organization.

More than that, focusing on diversity of thought helps in seeing people as individuals rather than as group members and this helps in finding common ground when working together. It provides a central point that is valid across different cultural and national contexts. And while research on diversity and performance often focuses on noticeable diversity, the case connecting diversity of thought to engagement, innovation and risk calculation is growing.

Demographic diversity has now become a ‘test’ metric, just like moment of truth. In core, demographics act as a lead indicator on whether organizations are extracting from the full knowledge bank and making merit-based, rational decisions.

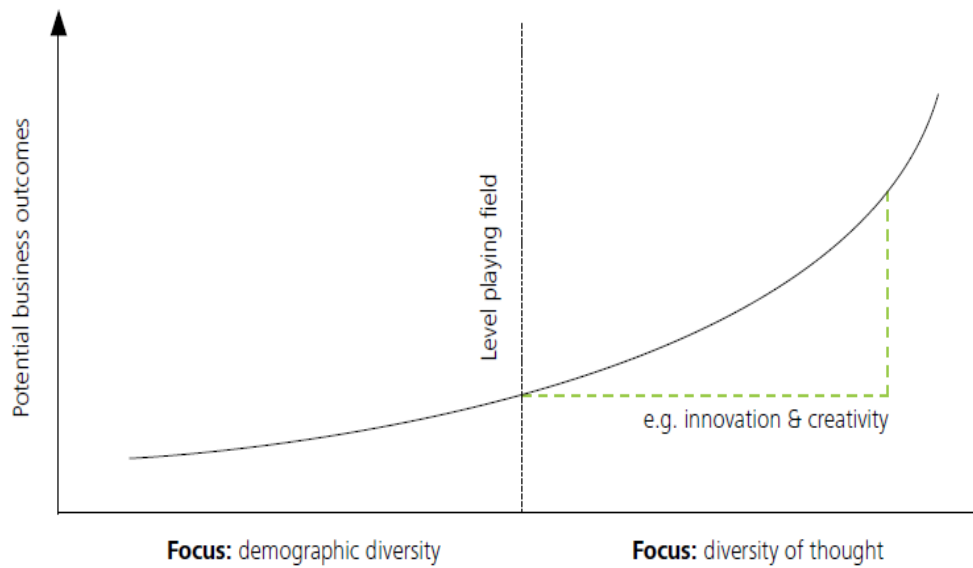


Figure 2.1: Diversity and inclusion lead to improved business outcomes

### Simply ‘Having’ Diversity is not Enough

Inclusion helps in implementing diversity to its full extent. This is attained through inclusive leadership, which is done by ensuring equal opportunity for all employees so that they can reach their individual and combined potential. According to Miller and Katz (2002), “Inclusion increases the total human energy available to the organisation. People can bring far more of themselves to their jobs because they are required to suppress far less”.

Diversity and inclusion are therefore related but different concepts. You can have a diverse workforce without inclusion; and inclusion without diversity. But one being used without the other is only half of the business performance concept. To say directly,

$$\text{Diversity} + \text{inclusion} = \text{improved business outcomes}$$

If business leaders identify this link between diversity and business outcomes through the idea of inclusion, then the business case for diversity will be more tangible. And this will help to close the perception gap between diversity and the bottom line.



## **2.2 Inclusive Leader**

Here's introducing an Inclusive Leader:

- Pioneers in diversity initiatives
- Creates an open and comprehensive environment
- Demonstrates a collaborative leadership style
- Uses value- based decision-making
- Always open to employees' contribution
- Creates a sense of team and company loyalty
- Possesses cultural proficiency
- Easily handles conflict.

## **2.3 Moving From Diversity to Inclusion**

Two major themes emerging that can help companies transition from simply meeting minimum regulatory requirements for diversity to building an inclusive workplace that inspires all employees to perform at their highest level:

1. Diversity of thinking as a business imperative
2. A focus on inclusion as well as diversity itself

### Diversity of thinking as a business imperative

Organizations can start by focusing on diversity of thinking as well. This means finding out different ways to solve one particular problem by taking inputs from everyone. In the era of globalization and extreme competition, maximum participation is needed from every employee from all the levels of hierarchy. This helps organizations to see value and to be aware of the risk. Thus, implying that diversity is not a “program” to be managed but it is a business essential.

### Uncovering talent: A new model of inclusion

It has been suggested through recent research reports that inclusion initiatives being taken by the companies at present are formal in nature without identifying how that inclusion is predicated on incorporation. In response to pressures to assimilate, individuals downplay their differences. These actions are referred to as “covering” and they include how individuals behave along the following four dimensions:

- **Appearance:** Blending into the mainstream through self-presentation.
- **Affiliation:** Avoiding behaviors associated with identity, culture, or group.
- **Advocacy:** Avoid engaging in advocacy on behalf of the group any individual belongs to.
- **Association:** Steering clear of associating with individuals of the same group.

### Linking diversity of thinking and inclusion

To meet specific goals and objectives, companies should link inclusion and diversity of perspectives, only then can the benefits of diversity be harnessed. These goals could be:

- **Acquiring top talent:** Companies should recruit top people from a globally diverse workforce. In order to attract the best people, organizations must create a diverse workplace. The candidates while researching a prospective employer online, interacting as customers, or interviewing with the company, should feel as if they would “fit” into the work environment.
- **Driving performance and innovation:** When teams are culturally different and have varied thoughts, it leads to innovation and high performance levels. New ideas are generated; more discussions take place and, ultimately, better business decisions are taken.
- **Retaining key employees:** When people are not able to identify themselves with the company, they tend to leave. A company that fails to create a diverse and inclusive workplace risks alienating or excluding key employees and eventually losing them to some other organization.

- **Understanding customers:** The best way to tap customer needs is by looking into diverse employees. But the problem comes in when the homogenous teams make decisions on their own and fail to fully include diverse perspectives. In a broad range of industries—including retail, hospitality, food service, oil and gas, insurance, and even banking—a diverse workforce creates opportunities to appeal to a more diverse customer base.

Diversity is the measure and Inclusion is the mechanism

It has to be seen that the aim of diversity is not just meeting agreement targets, but also tapping into the diverse view points and approaches each individual employee brings to the workplace. To focus on inclusion a company needs to examine how fully the it embraces new ideas, accommodates different styles of thinking, creates a more flexible work environment, enables people to connect and collaborate, and encourages different types of leaders.

Only one-fourth of executives believe that their companies have done an “excellent” job in creating a culture of inclusiveness. Clearly, there is much more to be done to turn the vision of diversity and inclusion into a daily reality. It needs to focus on cultural change: behaviors, systems and symbols, and an explicit understanding of the extent and causes of “covering” in organizations.

While building a strategy of inclusion, the most important component is recognizing the biases in the way each of us receives and processes information and the historical biases in our systems of work. Addressing these is necessary because leaders often do not understand levels of estrangement in an organization. Inclusion, thus becomes a critical success factor for any company.

## 2.4 Where Companies Can Start

Many organizations do not put enough effort in knowing what makes people feel included. They do not focus on arising a sense of belongingness in employees. To build a more inclusive environment, following steps can be followed:

- **Inclusion labs for leaders:** Encourage leaders to respect other people's opinions and promote live positive discussions.
- **Embed diversity and inclusion in leadership pipelines and programs:** Include these points in leadership development programs, new manager programs, and talent acquisition programs.
- **Gap analysis of systems and processes:** The transparent placement of merit based decision making in systems, from recruitment, remuneration, and training to career development opportunities and succession.
- **Develop a business impact scorecard:** Define responsibility and accountability for everyone for proper measurement of success in business by using diversity and inclusion.
- **Effective installation of governance and resource:** Create a council with representatives from different parts of the business so that change initiative can be proactive instead of reactive.

## 2.5 Why D&I Matters

Companies are stronger, better positioned to tackle external and internal challenges and more focused on the bottom line when their boards embrace gender diversity. There can be three main factors on which it can be analyzed the diversity and inclusion benefits the business and increases the number of business outcomes achieved:

- I. The diverse group almost always outperforms a homogenous (and potentially more capable group) by a substantial margin.
- II. There is a strong business case for diversity – gender diverse leadership gives businesses a distinct competitive advantage that translates directly to the bottom line.
- III. Organizations that focus on diversity experience improved talent retention and corporate image.

A number of propositions exist for the business case for diversity on boards:

- ❖ Diverse boards tend to be more independent and, with fewer ties to management, can have a greater ability to **monitor** managers objectively.
- ❖ Diversity improves board **decision making** as a result of unique perspectives, increased creativity, and non-traditional innovative approaches.
- ❖ Diversity improves **information** provided by the board to managers due to special skill sets, experience and complementary knowledge held by diverse directors.
- ❖ Diverse directors provide **access** to important constituencies and resources in the external environment.
- ❖ Board diversity sends important **positive signals** to the labor, product and financial markets.
- ❖ Board diversity provides **legitimacy** to the corporation to both external and internal constituencies.

Figure 2.2: Advantages of Diversity on Boards

These three points will be discussed in detail by supporting these statements with research that has been done on the matter.

A. The diverse group almost always outperforms a homogenous (and potentially more capable group) by a substantial margin.

- In a recent report by Ernst and Young, researchers demonstrated that groups with greater diversity tend to perform better than homogeneous ones, even if

the members of the homogeneous groups are more capable. In fact, the diversity of the group's members matters as much as their ability and brainpower, if not more. Their conclusion: "The diverse group almost always **outperforms** the group of the best by a substantial margin."

- Further, research on group behavior demonstrates that diverse groups, when properly managed, make more **innovative business decisions** than non-diverse groups.
- A recent study conducted by researchers at Carnegie Mellon to measure the "**collective intelligence**" of a small group of people found that, all else being equal, teams with more women scored higher than teams with fewer women. What distinguishes high-IQ teams from lower-IQ teams includes factors such as the proportion of women, an individual's social perception abilities, the group's ability to take turns contributing rather than be dominated by a single member and the IQ of individual team members.

B. There is a strong business case for diversity – having women at the top give businesses a distinct competitive advantage that translates directly to the bottom line.

- McKinsey & Company research on the relationship between organization and financial performance and on the number of women managers at companies suggests that companies with higher numbers of women at senior levels are also companies with **better organizational and financial performance**. Specifically, this research showed that companies around the world with the highest scores on nine important dimensions of organization—from leadership and direction to accountability and motivation—are likely to have **higher operating margins** and **market capitalization** than their lower-ranked counterparts. Secondly, among the companies for which information on the gender of senior managers was available, those with three or more women on their senior management teams scored higher on all nine organizational criteria than did companies with no senior level women. It is also notable that performance increases

significantly once a **critical mass** is attained; namely, at least three women on management committees for an average membership of 10 people. Below this threshold, no significant difference in company performance is observed.

- Research by professors at the business schools of Columbia University and the University of Maryland also supports these findings. Using data on 1,500 U.S. companies from 1992 to 2006, results of another study demonstrate “strong positive association between Tobin’s Q, **return on assets** and **return on equity** on the one hand and the \*female top management+ participation rate on the other.” The authors add that they found “at least indicative evidence that greater female representation in senior management positions leads to—and is not merely a result of—**better firm quality and performance**.”
- Michel Ferrary (CERAM Business School, France) has also found a **direct correlation** between the proportion of women in top management at a corporation and its **stock price** during a time of general economic downturn. He found that, “\*the more women there were in a company’s management, the less the share price fell in 2008.” Ferrary suggests that women managers tend to **balance** the risk-taking style of their male colleagues, a trait especially important in **protecting profits** in bad times.

C. Organizations that focus on diversity experience improved talent retention and corporate image.

- **Attract and retain talent.** The business case for diversity asserts that companies that recruit, retain and advance women will benefit for a number of reasons. Ultimately, companies that have diversity and manage it properly make better decisions, produce superior products and retain several key business advantages over more homogenous companies. Further, as one study has shown, there is a direct and positive correlation between the percentage of women board directors in the past and the percentage of women corporate officers (as well as other line positions) in a company in the future. Put simply, companies with more women on their boards five

years later also had more women in senior leadership, especially in P&L roles. And besides helping companies to fill shortfalls of talent, gender diversity can allow them to attract and retain it and meet other business goals. One European Commission study showed that 58% of companies with diversity programs reported higher productivity as a result of improved employee motivation and efficiency, and 62% said that the programs helped attract and retain highly talented people.

- **An asset for corporate image.** Gender diversity is an asset for corporate image and helps bring a company, its employees, shareholders and customers closer together. The aforementioned European Commission study found that diversity programmes not only had a positive impact on employee motivation but also noted an increase in customer satisfaction (57%) and an improvement in brand image (69%). Another study has found gender diversity of boards to be one indicator of corporate trust, which in turn, is an essential element of reputation and brand value. It is also clear that capital markets and investors are paying greater attention to gender diversity as a driver of corporate performance. Investment funds such as Calpers and Amzone (Europe) now include this indicator among their investment criteria, while rating agencies (Core Rating, Innovest, Vigeo) and private initiatives (The Gender Equality Project) are developing tools to measure gender diversity.

## **2.6 Seven Imperatives for Creating a Diverse and Inclusive Workforce**

### **1. Neutralize Biases in Talent Management Decisions**

Despite organizational efforts to eliminate conscious or unconscious bias affecting talent management decisions, it's still a fact of life. We can focus on bringing in inclusive managers; we can build and reinforce inclusive behaviors, but that's not enough. To neutralize biases and eliminate the impact on key talent management



decisions, the best organizations modify talent management processes to increase the objectivity and equity of talent decisions.

Organizations can never completely eliminate the conscious or unconscious biases that individual leaders bring to talent decisions. The best organizations adapt talent processes to neutralize bias by creating a participant-independent method for equitable talent decisions.

## 2. Establish Your Organization's Framework for Diversity, but Enable Regional and Local Ownership

Companies in different countries and regions around the globe have unique challenges and needs. For example, in Europe, we hear a focus on gender and age issues. In Australia, it's about aboriginal representation as well as gender issues. Even within a single country, one industry or part of the business might be challenged by ethnic representation, another with a focus on gender, and another by multiple generations in the workforce.

Most multinational organizations identify enterprise-wide D&I goals to ensure consistent improvement across operations. To reflect local variances, though, organizations should enable regional leaders to set locally relevant objectives within that centrally determined framework. The best organizations identify business and HR strategies shared across operations. They guide leaders on how to assess and embed diversity and inclusion in these processes within their unique legislative, cultural, and operational environments.

Create relevance by enabling regional (or local) ownership of diversity and inclusion programs and goals within an organization-wide framework.

## 3. Assess and Reward Progress, Not Just Outcomes

Most organizations set global D&I standards or long-term objectives, but to most effectively drive D&I progress, local leaders need to be given incremental objectives that reflect differences in starting points and capabilities. To do this,

organizations should work with local business leaders to set feasible, short-term outcomes and visible milestones to assess progress. To implement D&I objectives relevant across the organization:

- Allow some flexibility for business leaders to define locally relevant objectives within an organizational framework and strategy.
- Measure progress against predetermined progress objectives, not just long-term final outcome goals.

It is difficult to measure progress against a final outcome that feels remote and intangible. Encourage progress against progress metrics, with managers setting incremental objectives integrated with overall company priorities.

#### 4. Use Sources Trusted by Candidates to Expand the Pool of Diverse Talent

Most organizations work to improve their diversity recruitment efforts by better targeting diverse candidates or making the organization more attractive to them. Companies are active in this area, working with diversity associations, targeting diverse job boards, using social media, recruiting from the “right” campuses, and so on. However, these channels aren’t delivering the expected results. CEB research shows that fewer than one in five HR executives are satisfied with their ability to effectively recruit diverse talent.

As it stands, companies are all competing for the same pool of diverse talent. What if you could increase the size of the diverse talent pool and attracting a larger share of this expanded pool? There are two effective ways to do that:

Use trusted, personal sources of information. We know from our data that 90% of diverse candidates turn to and trust more personal sources of career leads, such as referrals from people they know—teachers, career counselors, family, and friends. However, organizations tend to focus their diversity recruitment efforts on impersonal channels, such as job boards, print media, and social networking sites. Those impersonal strategies have the organization fighting to find the best talent in the same pool every other recruiter is targeting.

Influence the career influencers, such as teachers and career counselors, to draw diverse individuals into the talent pool and make the organization more attractive to those individuals.

#### 5. Hire for Inclusive Behaviors

Most organizations evaluate manager candidates' D&I knowledge and values to assess alignment with the organization's D&I values. The best organizations assess manager candidates' past demonstration of inclusive behaviors to determine their likelihood to demonstrate these behaviors in the future. To help accomplish this goal, organizations should ask manager candidates to identify specific inclusive actions and experiences that demonstrate their history of inclusive behavior, not just beliefs.

#### 6. Reinforce Inclusive Behaviors during Critical Moments

To foster inclusion, most organizations rely primarily on D&I training, which improves the perceived value of inclusion but does not necessarily result in a more inclusive work environment. An organization with 10,000 employees is likely to spend 40,000 person-hours in diversity training. Our research shows that this investment does have an effect on how workforces perceive the value of diversity; two out of three employees say diversity is important, and two out of three say their leaders believe it as well. Yet fewer than one-half of employees at companies around the world believe their organizations actually value diverse perspectives.

There are a lot of reasons why current diversity and inclusion training fails to create sustained improvements in the actual inclusivity of the work environment, but one reason is that it is often not reinforced. There's a one-off course, once per year at best, on inclusion and diversity training but little else across the year to make that real for employees. However, when that initial training is supplemented with periodic reinforcement of the right inclusive behaviors, behavioral change is sustained across time.

Companies can get a very real reinforcement dividend by reinforcing the right behaviors from managers and peers during critical moments in the employee life cycle.

#### 7. Promote a Leadership Value Proposition That Attracts Diverse High Performers

Despite marginal improvements in workforce diversity, organizational leadership remains homogenous. On average, 7 out of 10 executives in Fortune 500 companies are white males, while women and ethnic minorities have relatively small representation. In the European Union, female representation on executive teams varies from about 20% in Sweden but trails off pretty quickly to a low of 3% in Germany. To get ahead of potential legislation related to gender imbalance, organizations need to self-regulate and improve representation.

To achieve greater minority representation in the leadership pipeline, most organizations focus on improving the skill sets of diverse talent. However, even with the right skills, these employees don't often see a match between themselves and their perceptions of what is expected from company leaders. Many companies have discovered that diverse talent doesn't lack the ability to move up; they just don't perceive the proposition as attainable or valuable enough. Even high-performing women are 25% less likely than men to view rising to a senior management position as important.

The best organizations improve the leadership value proposition for diverse talent by aligning personal goals of diverse high-performing employees to leadership opportunities and helping to reduce the personal sacrifices necessary to advance to leadership positions.

## 2.7 Some Global Company-Wise Trends

A research was conducted by Forbes Magazine titled, ‘Global Diversity Rankings by Country, Sector and Occupation’ in 2012. The key findings of that report are:

- The country index shows that the nations with the most diverse labor forces are Norway, New Zealand, Iceland, Australia, Switzerland, the Netherlands and Canada. Norway’s ranking is driven by particularly high levels of gender diversity. The Norwegian government has a gender quota system that requires a certain proportion of women to be on the board of each publicly listed company.
- Toward the lower end of the rankings are Italy, Japan and France. The least diverse countries are the Czech Republic, Turkey, Hungary and Pakistan.
- The United States scores reasonably well—it comes in ninth. If ethnic diversity had been taken into account, which wasn’t possible because most countries don’t collect that information, the U.S. would likely rank higher.
- The sector index ranks healthcare, hotels and catering, and education as the most diverse occupations. Construction, utilities and mining score the lowest.
- The C-level and senior management positions are woefully bereft of diversity. Out of 1.5 million chief executives in the U.S., just one-quarter are women and only one in ten are ethnic minorities.
- There are stark differences in employee diversity across different industries and occupations. More than seven out of ten HR specialists are women, and the percentage of African Americans and Hispanics in this field is well above average. Among software engineers, just one in five are women; Asians, meanwhile, are nearly six times as prevalent in this field as their population share would predict.

- Taken together, the data reveals the power of long-established cultural norms in shaping individual career choices, and that, in turn, affects companies' global diversity efforts. Tackling these diversity challenges in the U.S. and abroad is going to be extremely challenging.

Another research was conducted by Forbes titled, 'Fostering Innovation through a Diverse Workforce'. The key findings of this report were:

- **Diversity is a key driver of innovation and is a critical component of being successful on a global scale.** Senior executives are recognizing that a diverse set of experiences, perspectives, and backgrounds is crucial to innovation and the development of new ideas. When asked about the relationship between diversity and innovation, a majority of respondents agreed that diversity is crucial to encouraging different perspectives and ideas that foster innovation.
- **A diverse and inclusive workforce is crucial for companies that want to attract and retain top talent.** Competition for talent is fierce in today's global economy, so companies need to have plans in place to recruit, develop, and retain a diverse workforce.
- **Nearly all respondents reported that their companies have diversity and inclusion strategies in place.** However, not all of the plans are identical. About a third said their companies have global strategies that allow for minimal regional deviation, while half said that their organizations have a global plan that also allows for different strategies and programs in order to address regional needs or cultural differences.
- **Organization's diversity goals and priorities won't change significantly over the next three years.** When asked about their company's current diversity and inclusion priorities, 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%).

- **Responsibility for the success of company's diversity/inclusion efforts lies with senior management.** In order for a diversity/inclusion plan to have real meaning, there needs to be accountability and oversight. Seven out of ten companies reported that the buck stops at the C-level and their board of directors.
- **Significant progress has been made to build and retain diverse workforces, but there are still some impediments to companies' efforts.** Respondents feel they've made progress in gender diversity, but they feel they've fallen short in areas such as disability and age.

## CHAPTER 3

### RESEARCH METHODOLOGY

#### 3.1 Defining the problem

Defining the problem and research objectives is often the hardest step in the research process. Thus, the formulation of the research problem will be done in respecting the general problem of the dissertation which is *“how well aware are the managers working in some of the major industries about diversity and inclusion and its benefits related to business outcomes?”*

Indeed, the analysis has to give answers to questions such as *“Whether they are aware of the difference in expectations of their direct reportees/ subordinates in different age groups and knowledge of the gender mix of their teams?”* In short, it is sought to know how diversity and inclusion, which are known in a theoretical way, are used in the real professional world to achieve business targets.

#### 3.2 Nature of Research

Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. Descriptive research answers the questions who, what, where, when and how.

Although the data description is factual, accurate and systematic, the research cannot describe what caused a situation. Thus, descriptive research cannot be used to create a causal relationship, where one variable affects another. In other words, descriptive research can be said to have a low requirement for internal validity.



The nature of this project requires the respondent to generate actionable insights and make the managers delve into the topic of discussion even after the survey is done. The respondents had been assured of the use of the data collected through the survey for an official study purpose and that no individual references will be tracked.

### **3.3 Medium**

The medium used for conducting the study through an online structured questionnaire. The questionnaire was developed after careful consideration of the objective of the study. The data was collected through primary source.

#### Primary Sources

Primary data are in the form of raw material to which statistical methods are applied for the purpose of analysis and interpretations. The primary sources are discussion with employees, data's collected through questionnaire. The target respondents were primarily managers and other senior employees managing teams of their own.

#### Sampling

A simple random sampling is used for this study. A sample of 103 respondents was obtained. The respondents were majorly from the following industries:

1. Consultancy
2. BFSI
3. IT
4. ICT/Telecom
5. Others, including, FMCG, Power and Manufacturing

For testing purposes, the last three industries were grouped together as 'Others' for ease of calculation. The respondents had been assured of the use of the data collected through the survey for an official study purpose and that no individual references will be tracked.

### Nature of questions asked

The questionnaire consists of open ended, dichotomous, rating and 5 point rating scale questions.

The weights allotted to the options on Likert scale are as follows:

<b>Rating</b>	<b>Weights Allotted</b>
Strongly Agree	5
Agree	4
Neutral	3
Disagree	2
Strongly Disagree	1

### Tools for Analysis

Appropriate tools like Variance, average and other statistical testing were used depending upon the nature of the data.

The testing was done using MS Excel where in all the obtained values were put and calculations were done to find the required values leading to specific findings and inferences.

## CHAPTER 4

### DATA ANALYSIS

Given the objectives of our study, the questionnaire was designed in such a manner so as to obtain the desired information. The data was collected through a structured questionnaire which was mailed to the participants online.

We were able to gather a total of **103 responses** from managers and senior leaders from a group of **5 industries**. These industries are:

1. Consulting
2. BFSI
3. IT
4. Telecom (ICT)
5. Others (Power, Finance & Manufacturing)

The data and analysis has been grouped into 5 parts

1. D&I Vision and Focus
2. Understanding the Meaning
3. Information and Understanding of the Diversity of the Direct Reportees
4. Perception regarding their organization towards management of diverse workforce
5. Views about Expected Benefits and ratings on Effectiveness.

We shall now move on to discuss these in detail.

## 4.1 D&I Vision and Focus

There are two questions in the survey that deal with this.

The first one asks the respondents if they are aware of the Diversity and Inclusion vision of the company. Here's what we got as a result:

Only 8 out of 103 respondents were not aware of the D&I vision of their company.

The rest 92.2% of the managers are aware of their D&I vision.

There is another question that then deals with the particular focus of the D&I vision of these companies. The respondents were asked to identify their focus out of: Gender, retention and flexibility.

The results that were obtained are shown below:

Industry	Women/ Gender	Flexibility	Retention	Total Response
Consulting	50%	60%	50%	20
BFSI	19%	38%	71%	21
IT	61%	48%	10%	31
Telecom	100%	13%	0%	16
Others	53%	47%	7%	15
<b>Total</b>				<b>103</b>

Table 4.1: D&I Vision and Focus

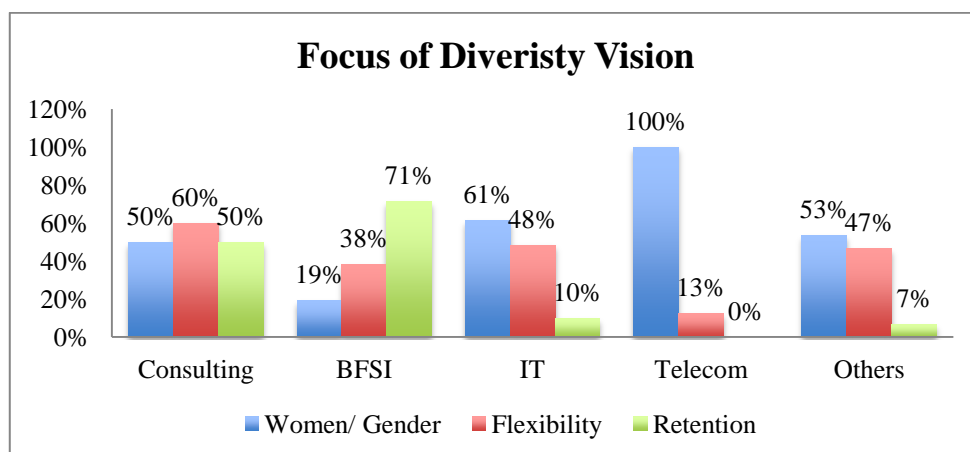


Figure 4.1: Focus of Diversity Vision

From this, we can analyze that in a majority of industries i.e. IT, Telecom (ICT) and Others, a major focus has been put on Women or on Gender. Even in Consulting Industry, an equal focus has been put on both Gender as well Retention of talent.

In BFSI however, we see an increasing trend towards the shifting focus towards Retention of talent with almost 71% focus, while there is a contrasting low focus.

In Consulting industry, a slight more focus is on providing Flexibility of work options to the employees.

## **4.2 Understanding of the Meaning**

The second part moves on finding out if the meaning of the terms Diversity and Inclusion is clear among the respondents. Their responses were judged on the basis of the pre-determined answer choices in the questionnaire.

### Diversity

The first two definitions provide a narrower view to the meaning of diversity, while the latter two signify more of a broader sense. The narrow definition limits the discussion to race, ethnicity and nationality. Others use a “broad definition of diversity” which includes the many ways we identify ourselves that are important and meaningful. A proper definition of diversity goes beyond gender, race, religion, ethnicity, disability, sexual orientation, age and other established parameters, to include diverse experiences, family situations, functional backgrounds, and more. It refers to the management of visible and invisible differences each individual brings to work.

## Diversity Meaning

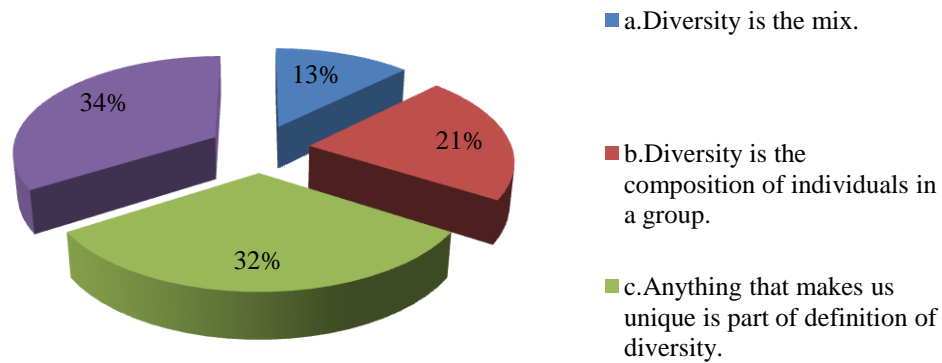


Figure 4.2: Diversity Meaning

From this we can observe that only about 34% of the people observe the narrower vision while the others believe in the broader vision i.e. 66%.

This shows that people are now gaining more understanding of the visible as well as invisible differences that exist among individual employees which is a good move towards improving the scenario.

The respondents were then provided an almost exhaustive list of the various **Diversity attributes** and were asked to identify from amongst them.

The following results were obtained:

Gender	43%
Race	4%
Ethnicity	33%
Age	31%
Nationality	24%
Religion	32%
Disability	21%
Education	17%
Language	26%
Beliefs	18%
Profession	17%
Organizational Level	18%
All of the above	53%

Table 4.2: Diversity Attributes

A quick overview of this shows that majority of the respondents believe that individuals can differ on ‘All’ of these attributes. Maximum amongst these were Gender, Ethnicity, Age, Religion and Language.

### Inclusion

Inclusion involves bringing the mix together and harnessing these diverse forces and resources, in a way that is beneficial. Inclusion puts the concept and practice of diversity into action by creating an environment of involvement, respect, and connection—where the richness of ideas, backgrounds, and perspectives are harnessed to create business value. Organizations need both diversity and inclusion to be successful.

Amongst the choices given, only the first one gives a narrower view while the rest of them focus on the in depth perspective of an inclusive organization.

From Figure 3, it can be seen that only 12% managers believe in the narrower vision while the rest 88% share the broader perspective of the meaning of inclusion.

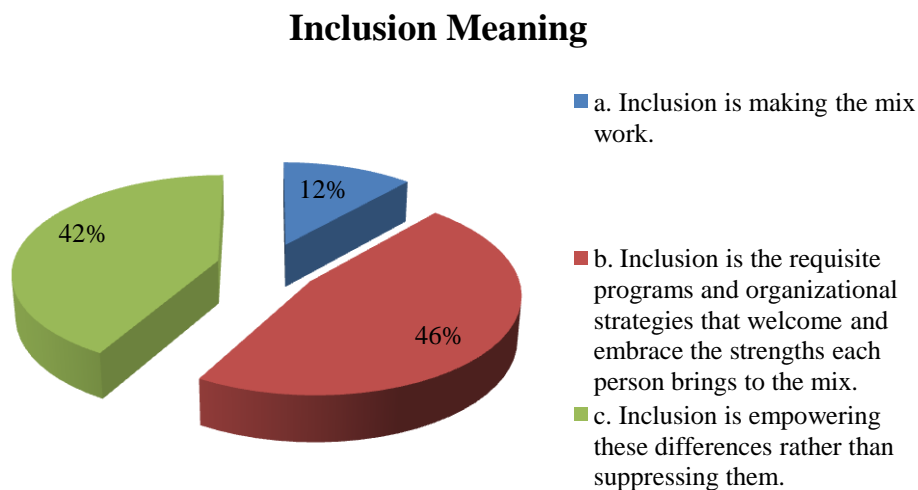


Figure 4.3: Inclusion Meaning

The respondents were then provided with a carefully constructed list of attributes of an inclusive organization such as Fairness of employment practices, Participation in decision making etc. They were asked to choose the 4 most important attributes amongst these.

a. Fairness of employment practices	53%
b. Participation in decision making	69%
c. Inclusive management and leadership	54%
d. Information access and open communication	61%
e. Integration of differences	50%
f. Learning Culture	59%
g. Transparent policies and procedures	30%
h. All of the above	6%

Table 4.3: Inclusion Attributes

This table shows the 4 most important attributes as per the data collected are:

1. Participation in decision making
2. Information access and open communication
3. Learning Culture
4. Inclusive management and leadership/ Fairness of employment practices

### **4.3 Information and Understanding of the Diversity of the Direct Reportees**

Under this section, the data has been grouped according to the industries.

**First** of all the respondents were asked to give the number of direct reports or subordinates under the managers under the age groups of 21-30, 31-40, 41-50 and 51-60.

**In Consulting industry**, the percentage of subordinates in the younger age group is more with an average of 4.5 employees in the age group of 21-30. There is very high variation in the number of employees or DR's among the age groups of 21-30 and 51-60/ 41-50 years.



	<i>21-30</i>	<i>31-40</i>	<i>41-50</i>	<i>51-60</i>
Mean	4.5	3.11	1.11	0.28
Standard Deviation	2.1	1.84	0.60	0.48
Sample Variance	4.47	3.39	0.361	0.24
Total subordinates	90	56	10	2
Count of response	20	18	9	7

Table 4.4: Consulting Industry Data

**In BFSI industry**, there is an almost equal number of DR's in the age groups of 21-30 and 31-40 with an average of around 3.9 to 3.7. Again there is very high variation in the number of employees or DR's among the age groups of 21-30 and 51-60/ 41-50 years.

	<i>21-30</i>	<i>31-40</i>	<i>41-50</i>	<i>51-60</i>
Mean	3.95	3.73	2.090	1.72
Standard Deviation	2.33	2.32	1.300	1.10
Sample Variance	5.44	5.42	1.69	1.21
Total subordinates	83	71	23	19
Count of response	21	19	11	11

Table 4.5: BFSI Industry Data

**In IT industry**, the percentage of subordinates in the younger age group is more with an average of 14.77 employees in the age group of 21-30. Also the number of subordinates is comparatively very high in the younger age group. Again there is very high variation in the number of employees or DR's among the age groups of 21-30 and 51-60/ 41-50 years.

	<i>21-30</i>	<i>31-40</i>	<i>41-50</i>	<i>51-60</i>
Mean	14.77	9.93	6.375	0.384
Standard Deviation	20.61	10.97	12.021	0.767
Sample Variance	424.78	120.52	144.51	0.589
Total subordinates	458	308	102	5
Count of response	31	31	16	13

Table 4.6: IT Industry Data

**In Telecom (or ICT) industry**, the subordinates only ranged in the age groups of 21-30 and 31-40. Since there are no DR's in the older age groups, there is bound to be very high variation in the number of employees or DR's among the age groups of 21-30 and 51-60/ 41-50 years.

	<i>21-30</i>	<i>31-40</i>	<i>41-50</i>	<i>51-60</i>
Mean	6.75	5.71	0	0
Standard Error	1.50	0.83	0	0
Sample Variance	35.8	9.60	0	0
Total subordinates	108	80	0	0
Count of response	16	14	2	2

Table 4.7: ICT Industry Data

**In Others**, the percentage of subordinates in the younger age group is more with an average of 7.6 employees in the age group of 21-30. There is very high variation in the number of employees or DR's among the age groups of 21-30 and 51-60/ 41-50 years.

	<i>21-30</i>	<i>31-40</i>	<i>41-50</i>	<i>51-60</i>
Mean	7.6	3.15	2.2	0.75
Standard Deviation	3.52	1.28	1.23	0.46
Sample Variance	12.4	1.64	1.51	0.21
Total subordinates	114	41	22	6
Count of response	15	13	10	8

Table 4.8: Others Industry Data

**Second**, the respondents were then asked to observe any difference in the expectation of employees in these age groups from their job.

<b>Industry</b>	<b>Yes</b>	<b>No</b>
Consulting	80%	20%
BFSI	76%	24%
IT	77%	23%
Telecom	88%	13%
Others	60%	40%
Total	77%	23%

Table 4.9: Difference in Expectations

The above table shows that a total of 77% people have observed difference in expectations. They believe that the younger people i.e. the employees in the **age group of 21-30** are more enthusiastic, energetic, flexible, and want results fast. They generally have a learning curve and have expectations that are set out for them by their superior but their outlook towards them is different. They tend to have a shorter vision, are more concerned about their individual growth, monetary benefits, status, opportunities. They suffer from high vulnerability and are more susceptible to change and generally of the nature of Individual Contributors.

However the older workforce i.e. **above 30**, want more stability and security. They tend to have a more mature approach towards their career since they are settling in their personal lives and have families to tend to as well. They are more realistic, have more clarity on the company's vision and growth and are able to take their own decisions. Their learning opportunities or competence domain is stable. These people generally have a temperament to tamper expectations and are ready to assume leadership roles.

**Third part:** The managers were then quizzed about the gender of these teams of subordinates that they are managing. They were asked to mention the number of men and women in their teams. The following results were obtained:

<b>Industry</b>	<b>Men</b>	<b>Women</b>
Consulting	68%	32%
BFSI	72%	28%
IT	69%	31%
Telecom	89%	11%
Others	50%	50%

Table 4.10: Gender mix of teams

By looking at this table alone, we can make a statement that the percentage of men is more in most industries.

#### **4.4 Perception regarding their Organization in the Industry towards Management of Diverse and Inclusive Workforce**

This part deals with asking the respondents to rate certain sentences regarding Diversity and Inclusion. The respondents were asked to rate them on a 5 point Likert scale of – Strongly Disagree, Disagree, Neutral, Agree to Strongly Agree.

For ease of calculation these were grouped. As in Strongly Disagree and Disagree were grouped together as ‘Disagree’ and Strongly Agree and Agree were grouped together as ‘Agree’.

These sentences related to diversity are:

- a. Transformation is the responsibility of the management.
- b. My company committed to addressing the management of diversity in the workplace.
- c. The management of cultural diversity impacts positively on productivity.

The sentences related to Inclusion are:

- a. My company promotes a management style that accepts and appreciates the unique differences in individuals.
- b. My company has a work environment that is free from discrimination.
- c. My company has a work environment with no barriers (e.g., communication, promotional opportunities, working relationships, etc.) created by cultural differences among individuals.
- d. My company provides opportunities to develop and grow at all levels without barriers or discrimination.

## Diversity Statements

1. Transformation is the responsibility of management.

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Consulting	20	79	3.95	0.576316
BFSI	21	79	3.761905	0.790476
Telecom	16	63	3.9375	0.8625
IT	31	118	3.806452	0.894624
Others	15	43	2.866667	1.409524

Table 4.11: Transformation

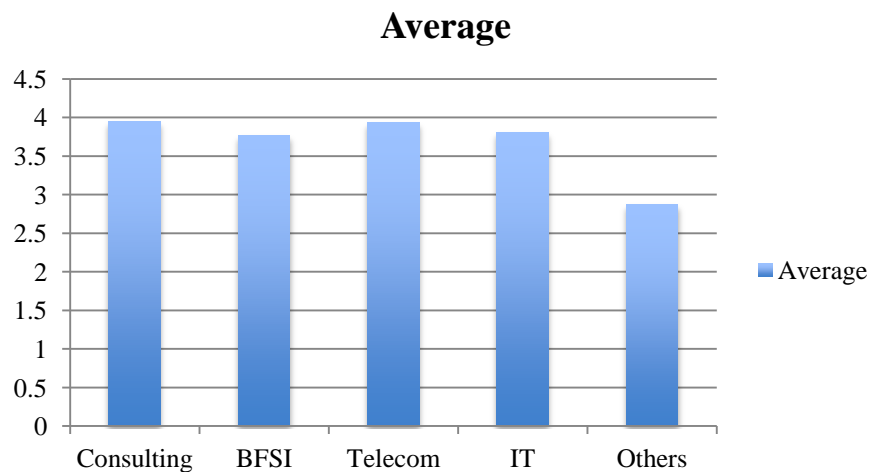


Figure 4.4: Transformation average of all Industries

We have statistically significant difference between employees of different industries regarding this statement.

Looking at the Average response in these industries, it can be said that there is statistically significant difference between Consulting industry (highest) and Others (lowest) in terms of agreeing to this statement.

Also, highest variance has been observed in the responses of other industries. The group with the highest degree of similarity amongst the responses of group members is Consulting.

2. My company committed to addressing the management of diversity in the workplace.

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Consulting	15	63	4.2	0.742857
BFSI	21	76	3.619048	0.647619
Telecom	16	68	4.25	0.466667
IT	31	132	4.258065	0.731183
Others	15	47	3.133333	0.980952

Table 4.12: Addressing Diversity at Workplace

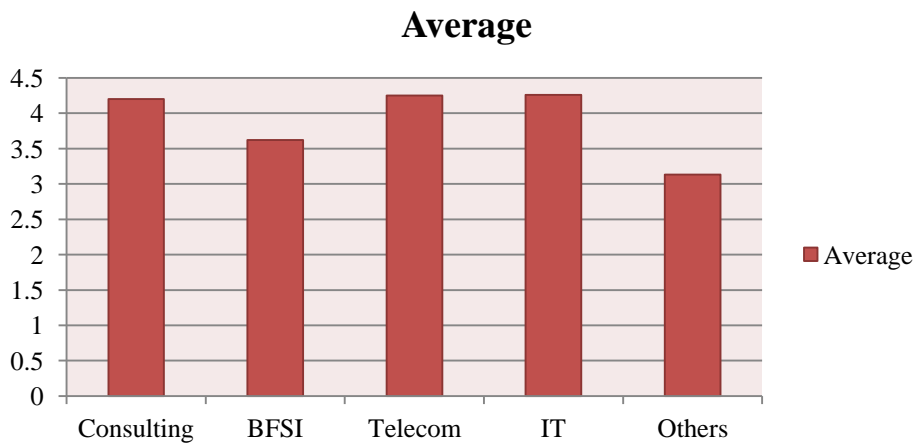


Figure 4.5: Average for Addressing Diversity

We have statistically significant difference between employees of different industries regarding this statement.

Looking at the Average response in these industries it can be said that there is statistically significant difference between IT industry (highest) and Others (lowest) in terms of agreeing to this statement that there companies are committed to addressing the issue of Diversity in the workplace.

The other industries have collected secured the least sum and at the same time are most divided in their opinion. The telecom sector has observed the least amount of variance to the response of this statement.

3. The management of cultural diversity impacts positively on productivity.

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Consulting	15	64	4.266666667	0.352381
BFSI	21	84	4	1
Telecom	16	65	4.0625	0.4625
IT	31	123	3.967741935	0.565591
Others	15	52	3.466666667	0.695238

Table 4.13: Impact of Diversity on Productivity

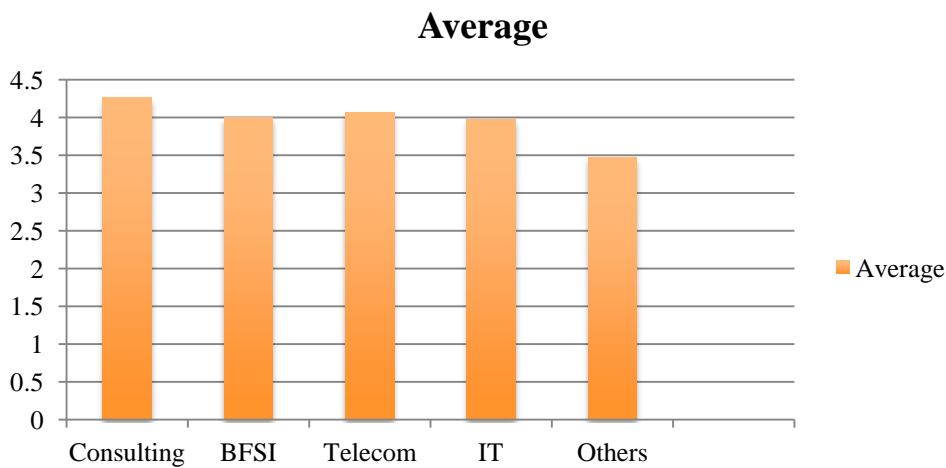


Figure 4.6: Average of Impact of Diversity

This implies that majority of employees believe that management of cultural diversity impacts positively on productivity regardless of the industry type.

Very high variance (1) has been observed in the responses provided by employees of BFSI industry whereas consulting has the least (0.3).

## Inclusion statements

1. My company promotes a management style that accepts and appreciates the unique differences in individuals.

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Consulting	15	60	4	0.714286
BFSI	20	79	3.95	0.681579
Telecom	16	68	4.25	0.2
IT	31	123	3.967742	0.698925
Others	15	49	3.266667	1.495238

Table 4.14: Promotion of Unique Differences

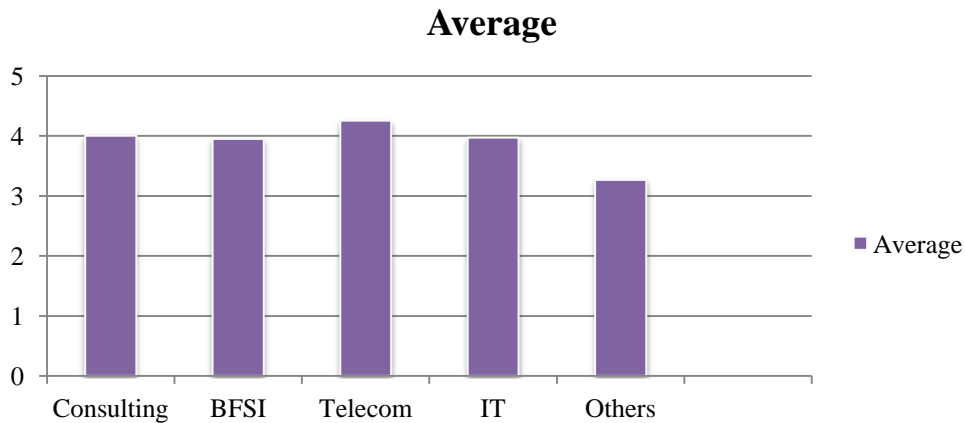


Figure 4.7: Average of promotion of unique differences

Looking at the Average response in these industries it can be said that there is statistically significant difference between Telecom industry (highest) and Others (lowest) in terms of agreeing to this statement that their companies promote a management that accepts unique differences in individuals.

The telecom sector employees are fairly unified (with an internal variance of only 0.2) in largely agreeing to this statement. The others have a very high degree of difference in opinions (variance of 1.49)



2. My company has a work environment that is free from discrimination.

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Consulting	15	61	4.066667	0.780952
BFSI	20	76	3.8	0.589474
Telecom	16	66	4.125	0.116667
IT	31	127	4.096774	0.890323
Others	15	42	2.8	0.6

Table 4.15: Discrimination Free Work Environment

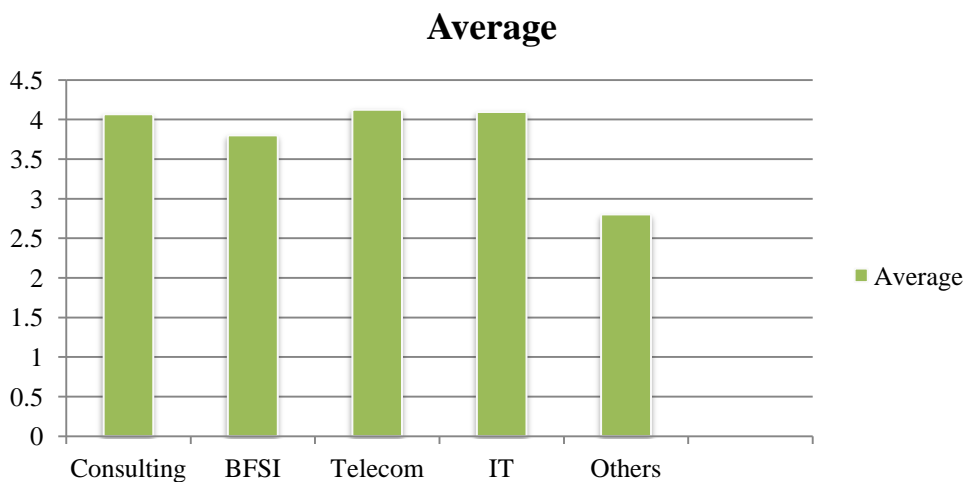


Figure 4.8: Average of Discrimination Free Work Environment

Looking at the Average response in these industries it can be said that there is statistically significant difference between Telecom industries (highest) and others (lowest) in terms of agreeing to this statement that their companies have a work environment that is free from discrimination. Further the employees of ‘Other’ industries don’t quite agree to this statement (average score being less than).

IT industry observes the highest variance of 0.89 whereas the telecom industry seems to be much unified in their responses with the lowest variance of 0.11.

3. My company has a work environment with no barriers (e.g., communication, promotional opportunities, working relationships, etc.) created by cultural differences among individuals.

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Consulting	15	62	4.133333	0.695238
BFSI	20	80	4	0.631579
Telecom	16	67	4.1875	0.1625
IT	31	119	3.83871	0.673118
Others	15	42	2.8	0.742857

Table 4.16: Barrier Free Work Environment

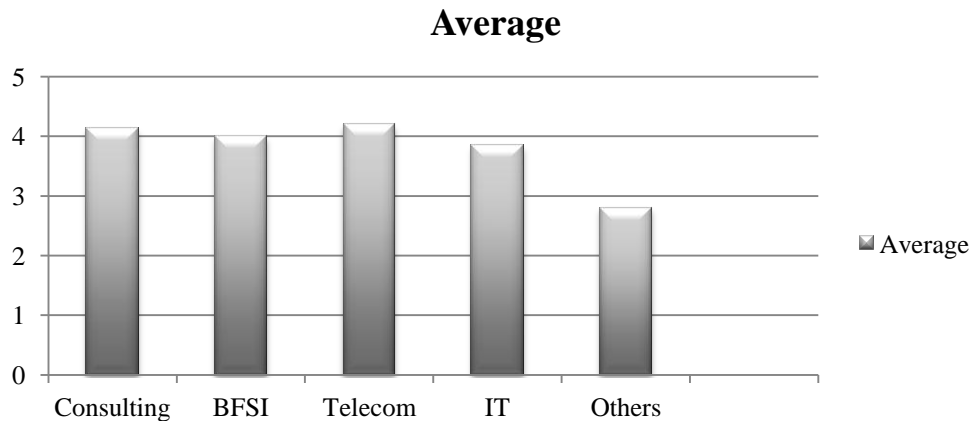


Figure 4.9: Average of Barrier Free Environment

Looking at the Average response in these industries it can be said that there is statistically significant difference between Telecom industry (highest) and Others (lowest) in terms of agreeing to this statement that their companies have a work environment with no barriers. Further the employees of 'Other' industries don't quite agree to this statement (average score being less than).

The least amount of variance has been observed in the views of employees of the telecom sector whereas the employees of all other industries surveyed are fairly divided on their views.

4. My company provides opportunities to develop and grow at all levels without barriers or discrimination.

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Consulting	15	59	3.933333	0.638095
BFSI	20	73	3.65	0.660526
Telecom	16	67	4.1875	0.1625
IT	31	125	4.032258	0.632258
Others	15	40	2.666667	0.52381

Table 4.17: Opportunities to Develop

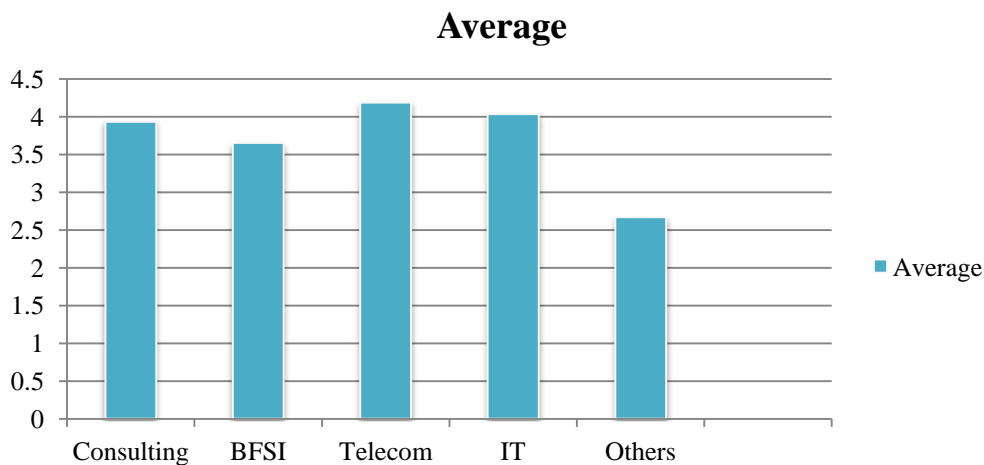


Figure 4.10: Average of Opportunities to Develop

Also looking at the Average response in these industries it can be said that there is statistically significant difference between Telecom industry (highest) and Others (lowest) in terms of agreeing to this statement that their companies provides opportunities to develop and grow at all levels. Further the employees of ‘Other’ industries don’t quite agree to this statement (average score being less than).

In general, all industries seem to be more unified while responding to this statement as compared to all other statements. The telecom sector here as well seems to be the least divided in opinion whereas the highest variance is observed in BFSI sector.

**Overall Conclusion:** Looking at the above results for Inclusion, it can be inferred that employees from FMCG, Power and Manufacturing industries seem to have a less inclusive work environment as their average rating for 3 out of 4 sentences are less than 3 i.e. Disagreeing.

## 4.5 Views about Expected Benefits and ratings on Effectiveness

The respondents were also asked about the expected benefits of having a diverse and inclusive workforce and environment. They were given 5 choices to choose from which were selected after the thorough study of the expected benefits. On the basis of employee data, following results were obtained:

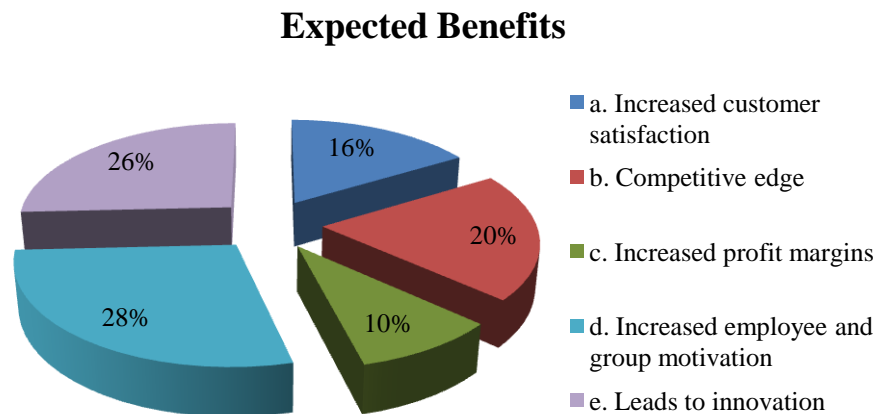


Figure 4.11: Expected Benefits

From the above we can see that majority of the respondents believe that having diverse and inclusive workforce leads to increased employee and group motivation and leads to innovation.

A surprising inference that could be drawn from this is only 10% of the respondents believe that it can lead to 'Increased Profit Margins'. We have seen from researches that this is true yet majority of the managers are not aware of this dimension of Diversity and Inclusion.

Also, it was asked if the managers have observed a change in the recruitment style of their company in alignment with the Diversity focus. Here's what was obtained:

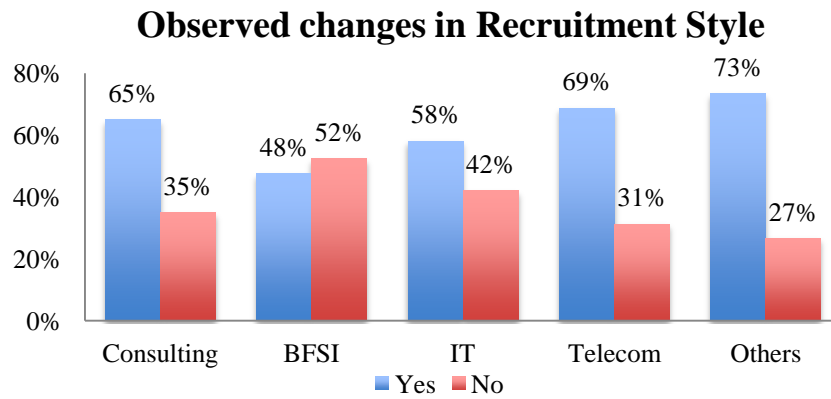


Figure 4.12: Observed Changes in Recruitment Style

From the above table we can see that Consulting, Telecom and ‘Others’ industry have observed a sharp change in their recruitment policies. Even the IT industry has seen a shift in the recruitment and hiring policy to match the diversity and inclusion profile.

Finally, the managers were asked to rate their company on a scale of Excellent, Good, Fair and Poor in management of diverse workforce. Following are the results:

Particular	No	%
Excellent	20	19%
Good	77	75%
Fair	6	6%
Poor	0	0%
<b>Total</b>	<b>103</b>	

Table 4.18: Company Effectiveness

We can observe that a majority of managers have rated their company as good. It can be seen that majority of the respondents feel their organization are good enough in managing diverse workforce and environment.

## 4.6 Summary of the Data Analysis

A workplace that attracts and retains diverse personnel will allow it to serve its customers more creatively, strategically, and productively. Successful inclusion and diversity initiatives will ensure these objectives, goals and priorities are achieved and maintained. Much work has been done by the leadership, raising awareness and establishing diversity and inclusion as important business objectives. Attention must now be directed toward its employee base, as it is critical that those who provide services and shape the policies and programs of the company share those goals and values of creating a workforce that is inclusive and diverse. It is important that the employees and frontline supervisors are brought into the process of establishing a common understanding and a mutual acceptance of each company's diversity and inclusion goals. Furthermore, the senior leaders and managers should be made aware of the financial impact and improved performance as a result of having a diverse workforce.

Looking at the objectives of doing the survey, we were able to generate quite a helpful analysis.

1. To answer the question, whether the managers were aware of the diversity and inclusion vision and focus of their company. We observed that majority of the respondents were aware of the diversity vision and the major focus issue in most industries was found out to be Gender o increasing the female count in their workforce, especially in the Telecom sector. While the BFSI industry was looking at the problem of retaining their talent owing to their high attrition rate.
2. When it comes to understanding the meaning and the attributable characteristics of the terms Diversity and Inclusion, we found that 66% of the respondents have a broader vision of the meaning of diversity which is 88% in for the meaning of inclusion. The most common attributes of

diversity came out to be gender, age, religion, language and ethnicity.

Whereas the top attributes of an inclusive organization came out to be:

- a. Participation in decision making
  - b. Information access and open communication
  - c. Learning Culture
  - d. Inclusive management and leadership/ Fairness of employment practices
3. Regarding the knowledge and understanding of the diversity of the Direct Reports/ subordinates we were able to generate sufficient data. The number of employees in the younger age group i.e. 21-30 was more in all the industries. Also we found high variations in the number of employee in age groups 21-30 and 51-60.

A total of 77% managers have observed difference in the expectation of these employees from their jobs. These were in the form of: the younger people i.e. the employees in the **age group of 21-30** are more enthusiastic, energetic, flexible, and want results fast. However the older workforce i.e. **above 30**, want more stability and security. They tend to have a more mature approach towards their career since they are settling in their personal lives and have families to tend to as well.

A hypothesis testing was applied to understand if there is any significant difference in the numbers of men and women in the 5 industry groups. After running a Chi-Square test on the data, we found out that there is statistically significant difference in the number of men and women in different industries with the most skewed difference in Telecom industry and most favorable balance in 'Others' industry.

4. We then tested the perception of the managers/ respondents regarding their organization in management of diverse and inclusive workforce. The views were divided into two categories, one for Diversity and other Inclusion. An Analysis of variance test was run on each sentence to see if the opinions varied significantly across industries.

For Diversity, managers from different industries seem to have a unanimous opinion on that management of cultural diversity impacts positively on productivity. Whereas the other views related to ‘responsibility of transformation’ and ‘management of diversity in the workplace’, the views varied according to industry but mostly had a positive view.

For Inclusion, the views of managers varied across industries on all parameters, be it ‘providing of opportunities’ or ‘providing a work environment free from discrimination’.

It can be inferred that employees from FMCG, Power and Manufacturing industries seem to have a less inclusive work environment as their average rating for 3 out of 4 sentences are less than 3 i.e. Disagree.

5. When looking at the expected benefits that the respondents believe are of a diverse and inclusive workforce, we found out that majority of the respondents believe that having diverse and inclusive workforce leads to increased employee and group motivation and leads to innovation. Whereas only 10% of the respondents believe that it can lead to ‘Increased Profit Margins’.

The Consulting, Telecom and ‘Others’ sectors have observed a sharp change in their recruitment policies. Even the IT industry has seen a shift in the recruitment and hiring policy to match the diversity and inclusion profile. Finally a majority (75%) of the respondents rated their respective organization as ‘Good’ in managing diverse workforce.



## **4.7 Conclusion**

Although the ground work on diversity and inclusion has been laid for the company's leadership, in many industries, additional work needs to be done with employees. The employee survey was a good step to raising awareness regarding diversity and inclusion. However, employees need to be given a voice and provided input to help the company develop effective diversity and inclusion initiatives that align with its business objective of providing superior services to a diverse community. The use of employee focus groups to help define priorities and to draft future surveys is a good second step. Ongoing education is needed on the underlying drivers and its impacts as well as the company's objectives.

Various researches and studies have been conducted to prove the financial and cultural benefits of having a diverse and inclusive workforce and environment. We thus need to educate the senior leadership in all the industries about the possible financial impact of this. Significant differences still exist across industries in the gender mix of the work teams which can be further improved by bringing out changes in the company's vision, goals and forming diversity focused strategy point for each senior leader.

It was, however, most encouraging seeing most companies delving into the right path of understanding the importance of diversity and inclusion at workplace. Yet again, reaping the business rewards of diversity will require focus and action.

## **4.8 Limitations of the study**

There are certain limitations to the study that is conducted.

1. The data has been collected through online questionnaire. A personal interaction would have gathered more insight into the object of the study.

2. The survey mostly gives qualitative data which has been converted into numbers so the validity of some conclusions might be challenged.
  
3. The responses from Power, Manufacturing and FMCG sectors were less in number as compared to those from other industries. So they had to be grouped together as 'Others' for ease of calculation and hence their individual analysis could not be conducted.

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## ANNEXURE

### Questionnaire

1. Name of the Industry
2. Are you aware of the diversity and inclusion vision of the company?  
 Yes  
 No
3. What does diversity mean to you?
  - a. Diversity is the mix.
  - b. Diversity is the composition of individuals in a group.
  - c. Anything that makes us unique is part of definition of diversity.
  - d. Diversity is all the ways in which we differ and all the ways in which we are similar.
4. What does inclusion at workplace mean to you?
  - a. Inclusion is making the mix work.
  - b. Inclusion is the requisite programs and organizational strategies that welcome and embrace the strengths each person brings to the mix.
  - c. Inclusion is empowering these differences rather than suppressing them.
5. What according to you are the various aspects of diversity?
  - a. Gender
  - b. Race
  - c. Ethnicity
  - d. Age / Generational
  - e. Nationality
  - f. Religion
  - g. Disability
  - h. Education
  - i. Language
  - j. Beliefs

- k. Profession
  - l. Organizational level
  - m. All of the above
  - n. Others [Please Specify]
6. Chose the 4 most important attributes of an inclusive organization according to you.
- a. Fairness of employment practices
  - b. Participation in decision making
  - c. Inclusive management and leadership
  - d. Information access and open communication
  - e. Integration of differences
  - f. Learning Culture
  - g. Transparent policies and procedures
  - h. All of the above
  - i. Others [Please Specify]
7. How many people in your direct team are in the age bracket of:
- a. 21-30 \_\_\_\_\_
  - b. 31-45 \_\_\_\_\_
  - c. 45-55 \_\_\_\_\_
  - d. 55-65 \_\_\_\_\_
8. Is there any difference in the expectations of the people in these age groups from their jobs?
- Yes
- No
- If  Yes,  No please specify \_\_\_\_\_
9. How many women are in your current team? / What is the gender mix of your current team?
- Men \_\_\_\_\_
- Women \_\_\_\_\_

Other \_\_\_\_\_

10. What is the focus of Diversity in your organization?

Flexibility \_\_\_\_\_

Women/gender \_\_\_\_\_

Retention of talent \_\_\_\_\_

11. Amongst People from diverse cultural backgrounds: Faith, Ethnicities & Gender, Have you observed any conflicts/ differences arising among such employees?

Yes

No

12. Have you, in your role as a Manager, hired a woman candidate in your team in the last 12 months?

Yes

No

13. Have you observed any change in the recruitment style/ kind of talent acquired by your company?

Yes

No

*{Rating Scale for question 15 and 16: 1-Strongly Disagree, 2- Disagree, 3- Neither agree nor disagree, 4- Agree, 5- Strongly Agree}*

14. Rate these : (Diversity)

a. Transformation is the responsibility of the management.

b. My company committed to addressing the management of diversity in the workplace.

c. The management of cultural diversity impacts positively on productivity.

15. Rate these: (Inclusion)

- a. My company promotes a management style that accepts and appreciates the unique differences in individuals.
- b. My company has a work environment that is free from discrimination.
- c. My company has a work environment with no barriers (e.g., communication, promotional opportunities, working relationships, etc.) created by cultural differences among individuals.
- d. My company provides opportunities to develop and grow at all levels without barriers or discrimination.

16. What according to you are the expected benefits of having a diverse workforce and inclusive environment?

- a. Increased customer satisfaction
- b. Competitive edge
- c. Increased profit margins
- d. Increase employee and group motivation
- e. Leads to innovation
- f. Others [Please Specify]

17. How would you rate the overall effectiveness of your company in creating a diverse and inclusive work environment?

- Excellent
- Good
- Fair
- Poor