


Subject: Human Resource Management

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Paper 14 Contemporary Issues in HRM & Future Trends
Module 18 Building Gender Diversity



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Module 18: Building Gender Diversity

1. LEARNING OUTCOMES:

After completing this module the students will be able to

- Understand the uniqueness of each individual in the organization



- Treat women and transgender employees with equality and equity
- Eliminate bias towards women at workplace

Source: <https://womanatwork.in/wp-content/uploads/2016/08/workforce-gender-diversity..-1.jpg>

2.Introduction

Gender diversity is equitable or fair representation between genders. Gender diversity most commonly refers to an equitable ratio of men, women and transgender. More companies are realizing the value of having a diverse workforce. McKinsey research—including a new report, *Women Matter 2016: Reinventing the workplace to unlock the potential of gender diversity*—shows many companies are struggling to ensure women are represented fairly in top management. Progress toward parity remains slow in most of the nations of the world. In Western Europe, only 17 percent of executive-committee members are women, and women comprise just 32 percent of members of corporate boards for companies listed in Western Europe's major market indexes. In the United States, the figures are 17 percent for executive committees and just under 19 percent for boards.

A recent Gallup study finds that hiring a demographically diverse workforce can improve a company's financial performance. The study of more than 800 business units from two companies representing two different industries -- retail and hospitality -- finds that gender-diverse business units have better financial outcomes than those dominated by one gender:

- Gender-diverse business units in the retail company have 14% higher average comparable revenue than less-diverse business units (5.24% vs. 4.58%).
- Gender-diverse business units in the hospitality company show 19% higher average quarterly net profit (\$16,296 vs. \$13,702) than less-diverse business units.

And if the gender-diverse business units are also highly engaged, financial performance improves dramatically. Retail units that are diverse *and* engaged have a 46% higher increase in comparable revenue. Similarly, diverse and engaged units in the hospitality company have a 58% higher net profit than single-gender and less-engaged units. These results show the additive effect of gender diversity and engagement on a company's bottom line.

3.Advantages of Gender Diversity

- **WIDEN YOUR TALENT POOL**

We all have different talents, different attributes and bring different skills to the table, without this diversity businesses wouldn't develop, adapt, innovate and progress. By eliminating, decreasing or not engaging female representation within your workplace you are loosing out on half of the talent pool available to you, and the unique attributes that female workers can bring from entry level through to boardroom.

- **DECREASE TURNOVER...**

Employee turnover and retention is one of the key challenges businesses face on a daily basis, and also one of the most costly. Inclusive cultures are reported to have 22% lower turnover rates due to increased morale, opportunity and equality (Gallup's Report) so a change in mind-set really can deliver long term staffing benefits.

- **INCREASE ENGAGEMENT AND PERFORMANCE**

Inclusive workforces breed higher satisfaction levels which in turn increases employee engagement thus resulting in increased performance....it's seems that simple and it really is. Equality is just important internally as it is externally and something that should never be overlooked.

- **ACT AS A TRUE REPRESENTATION OF YOUR DIVERSE CUSTOMER BASE**

It's a simple thought that engaging and retaining a diverse audience requires a diverse approach and workforce. Women currently influence over 85% of retail decisions so aligning direct representation within your workforce is almost imperative in order to retain and capitalise on this.

- **IMPROVE REPUTATION...**

Business reputation is more impactful today than ever before. How your business is represented to your audience, your employees, your investors and your future talent pool is undoubtedly a key definer of overall success. A recent study by PWC cited that 83% of women seek careers with businesses who demonstrate strong records of diversity and equality.

Why Gender Diversity is Important

- **Competitive Advantage**

The pace of change in today's global economy is rapidly increasing. Having diversity of thought at all levels, and especially in senior leadership positions, can help organisations effectively deal with the swiftly changing economic realities that this entails.

- **Diversity of Thought**

Men and women tend to think differently. They have different viewpoints, ideas and they approach problems differently. This diversity of thought enables better problem solving, leading to superior decision making which, consequently, leads to better performance.

- **Better Stakeholder Representation**

Having a gender-diverse workforce and board ensures that the company truly represents all its stakeholders – shareholders, employees, and customers. This in turn can help the company get a more complete picture of its customer base, the market situation and more.

4. The gender situation in India



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"Of course it isn't a case of sexual discrimination. We just don't think you're the right man for the job."

While the benefits of having women in the workforce are many, a sad truth of our times is that even today, women form less than 1/3rd of the total workforce in India - this despite women candidates often proving to be more employable.

Women also continue to remain underrepresented at top positions, accounting for an average of just 16 percent and 12 percent of the members of the executive teams of corporations in the United States and the United Kingdom, respectively. (Source: McKinsey) In 2015, women occupied only 15 percent of business leadership positions in India (and only 7 percent of board seats), making it the third lowest nation in having women in leadership roles (Source: The Hindu Business Line)

The aim of gender equality in the workplace is to achieve broadly equal outcomes for women and men, not necessarily outcomes that are exactly the same for all. To achieve this requires:

- Workplaces to provide equal pay for work of equal or comparable value
- Removal of barriers to the full and equal participation of women in the workforce
- Access to all occupations and industries, including leadership roles, regardless of gender; and
- Elimination of discrimination on the basis of gender

Achieving gender equality is important for workplaces not only because it is 'fair' and 'the right thing to do,' but because it is also linked to a country's overall economic performance.

Workplace gender equality is associated with:

- Improved national productivity and economic growth
- Increased organisational performance
- Enhanced ability of companies to attract talent and retain employees
- Enhanced organisational reputation.

5. Gender Pay Gap

The gender pay gap is influenced by a number of interrelated work, family and societal factors, including stereotypes about the work women and men 'should' do, and the way women and men 'should' engage in the workforce. Other factors that contribute to the gender pay gap include:

- Women and men working in different industries (industrial segregation) and different jobs (occupational segregation). Historically, female-dominated industries and jobs have attracted lower wages than male-dominated industries and jobs
- Lack of women in senior positions, and a lack of part-time or flexible senior roles. Women are more likely than men to work part-time or flexibly because they still undertake most of society's unpaid caring work and may find it difficult to access senior roles
- -women's more precarious attachment to the workforce
- -differences in education, work experience and seniority
- -discrimination, both direct and indirect.

Situation in India

- Men in IT services earn Rs 360.9 per hour, while women earn only Rs 239.6 per hour.
- Amid a raging debate over gender pay gap globally, a new report shows the figure for India stands as high as 27 per cent, where men earned a median gross hourly salary of Rs. 288.68, while women earned Rs, 207.85 per hour.

Reasons behind Pay differential:

- Preference for male employees - According to the report, some of the reasons behind gender pay gap could be the preference for male employees over female employees, preference for promotion of male employees to supervisory positions and career breaks of women due to parenthood duties and other socio-cultural factors. Worldwide, lack of pay parity has taken centre stage, with strong views being shared by sportspersons, political and business leaders alike.

Workplace diversity in the Indian setting: Baby steps in process

The definition of what diversity comprises for a place often varies from context to context. Organisations in different nations have different diversity challenges to moot. In the US, for example, the question may be cantered more on race; in the Philippines capital of Manila, where Sun Life Financial has one of its Asia Service Centres, the presence of a strong and open LGBT community mandates diversity handlers to make the workplace open and discrimination free.

In India, currently very few organisations make a deliberate and concerted policy effort to imbibe these values into their blood. The human resource managements mostly focus on short term issues, target matters of immediate importance like hiring, retaining and placating. Not many show the foresight of looking ahead to cultivate an organisational fabric that cherishes diversity as the hallmark of its culture.

Low female representation in workplaces

In a way, when it comes to India, we are still taking baby steps towards this concept. Forget sexual minorities or physically different people, we still have very less representation of women in our workforce, particularly at senior levels of organisations.

If you look at the ratio of men and women at the entry stages of organisations, you will find a fair balance between the two sexes. However, as they graduate to senior levels, you see more and more women dropping out of the workforce due to a number of factors including personal situations, responsibility of raising children etc.

Not ready to deal with working mothers

This doesn't just reflect on our social conditioning but also on the lack of flexibility or consideration in organisations to allow working mothers a more amenable environment. Organisations in our economy in a way are not yet conditioned or conducive enough to embrace working mothers, and lack the system required to retain experienced and talented women employees.

Bias during hiring

When it comes to the industry, the ratio is still an abysmal 15-20 per cent (on representation of women). Other diversity challenges in India may include a resistance towards hiring from socially backward sections or freshers not too adept at English language communication. Workplaces may also do well to devise policies that allow incorporation of experienced senior citizens and home makers in part time work arrangements that are mutually beneficial.



Challenges of complete diversity acceptance and dealing with them:

While it has immense benefits, ushering in an absolutely diversity friendly workplace presents its own challenges:

Resistance to change:

Resistance to change is a common challenge. As with any new idea, ushering in diversity-friendly policies also faces resistance from the current participants. A workplace is an amalgamation of different people working together and not all may be interested or keen in becoming a part of this endeavour.

A change in policy or approach always brings in some amount of discomfort among the employees, some of whom may feel that the new policy unnecessarily favours a small segment (minority) of people.

Cultural predispositions often make the workforce feel that new ideas inhibit progress. Many may fail to understand the long-term implications of such policy changes, requiring discussion and convincing.



"I believe you wanted to see the man in charge."

The cultural challenge:

Ensuring a truly diversity friendly workplace is not just a policy issue, but also a cultural challenge. You cannot display a memo on a public notice board and expect the organisation to become diversity friendly from the next day. The culture of the organisation has to be changed and moulded along with policy changes, in order to make it acceptable to diverse groups of people.

Diversity and inclusiveness have to be built into the very culture of various organisations for them to become truly equal opportunity employers. Apart from ensuring that no policy discriminates or presents a challenge to hiring or efficient working of different people, the majority of people in the workforce have to be trained to see diversity as an asset, and embrace it wholeheartedly.

Orientation programs and diversity training for new joiners have to include a special component on diversity and gender sensitisation. Women would certainly feel more comfortable in organisations where the workforce is sensitised against sexist jokes or collared remarks. An organisation's work culture should be cultivated to ensure a complete assimilation and acceptance. The majority group should not be sidelining those in minority, men should not have an upper hand over women employees, or a gay employee shouldn't become the subject of ridicule!

Not just race, colour, gender, caste or sexual preferences, even individual personality traits add to the diversity of an organisation. Some employees will be more adventurous, and advocate risk taking, while others may be more cautious and may suggest safer routes. Some may be brilliant in ideation yet lax in implementation; others may be better executors.

Need for a top down approach:

The culture of an organisation is reflected in the approach of all employees, and this more effectively flows from the top to the bottom. New employees learn from the examples set by their seniors. Having people in leadership positions who have a vision and can lead by example can make much difference.

Therefore, the top management and the leadership of an organisation has to be completely aligned to the idea of diversity. As much as the new joiners, they need to be sensitised as well to shed their long-held cultural baggage and predispositions.

Communication issues:

Diversity also presents communication barriers at times, including language, cultural, and behavioural patterns. What is construed as a joke among north Indians may be something offensive for somebody from the south or vice versa. Diversity programmes therefore also need to overcome such barriers.

Sometimes, this may take more serious overtones and may involve ineffective communication on matters of importance, disrupt teamwork and create confusion. The answer lies in training employees to dispel barriers and pre-held perceptions through greater interactions and opening up to each other.

Ensuring diversity has to be an inclusive process:

As discussed above, new ideas spawn resistance. And the solution to quell resistance is to include the people themselves in the process of ushering in any change. For a new policy to be sustainable, every employee has to be responsible for it.

Therefore, while formulating diversity programmes, it is a good idea to provide a platform to people to be able to talk, express themselves, open up about their perspectives on the issue, put forth objections if any and make their own suggestions. This will allow them to feel a part of the change and help ward off resistance.

Transgender Issues

One of the transgender identities is that of transsexual—a person whose gender identity is different from his or her assigned gender. Transgender people may be straight, lesbian, gay, bisexual or asexual, and the term transgender is used to encompass a broad category of individuals.

Although the transgender population is small, employers must still be prepared to handle workplace issues related to transgender employees. How an employer handles an employee's transition has potential legal implications, as well as an impact on the transitioning employee and his or her co-workers.

For people transitioning from living—and working—as one gender to living and working as the other gender, no two transitions are alike. The specific steps of transition and their timing can vary, and

individuals have different preferences about how widely they want their transitions to be announced. How employers address transgender issues depends on many factors, including organizational culture, workforce composition, the type of work, the physical layout of the workplace, and the amount of interaction the transgender employee has with peers, superiors, subordinates, vendors and clients. Because of these variables, there is no single formula for managing gender transitions at work. The process must be uniquely tailored to meet the needs of each specific situation

6. How to improve gender situation

- Fixing possible intake bias – Using mixed-gender panels can help remove any possible intake bias. It is often believed that ‘men hire men.’ A panel comprising members from both sexes will help ensure that this unconscious bias is removed and all candidates get a fair chance when they apply for a job at your company
- Flexible work opportunities – Allowing mothers to work from home or to make use of flexible hours can make it easier for them to balance their work and family life.
- Gender sensitization in workplace design – Most office complexes are designed by men and for men. However, while you cannot change the layout of the office, you can take certain steps to ensure that your women employees feel more comfortable at work.
- Crèche facilities in or near office – Finding suitable day care facilities prevent mothers from resuming work. Having a day-care facility in or near the office can help take one major problem off your employee’s plate.
- Women-centric CSR initiatives – Funding initiatives to promote the education and care of the girl child; initiating campaigns to promote the inclusion of women in the workplace – these are but two of many possible ways you can utilise your CSR spend for gender-positive initiatives. While results may be slow in coming, such initiatives will help fight social stigmas.



8. Summary

Thus, we learnt in this module that organisations all over the world are still struggling to ensure gender parity in their workforce in terms of pay as well as seniority. A gender sensitization is a must in every organisation. Women should be provided with benefits and services that supplement their responsibilities at home. The mindset of society and particularly men should change. Equal opportunity should be given and bias towards working mothers should be eliminated. Their career break should not be linked with their competence and thus, they should be treated with equality.

