



INCLUSION OR ILLUSION?

Decoding the D&I Paradox in India Inc.

Foreword: Navigating the Evolving Terrain of D&I

It is true that for some, the hope is to reach a point where Diversity and Inclusion (D&I) becomes a 'normal' part of everyday life and importantly, everyone's mindset. However, others are still grappling with its complexities and recognizing that it requires continuous effort and commitment. Moreover, it is vital to recognize that while some may feel that the topic has been discussed exhaustively, the lived experiences of many still reflect ongoing challenges. For organizations to genuinely progress, they must balance these varying perspectives and foster an environment where open dialogue is encouraged and valued. This includes acknowledging that D&I is not just a checkbox but a dynamic journey that requires continuous reflection and adaptation. The role of leadership is crucial in this context. Leaders set the tone and can influence organizational culture significantly. By embracing empathy, sharing their own experiences, and actively promoting D&I initiatives, they can inspire others to do the same.

The formal movement towards D&I globally began in the 1960s with new laws and societal reforms, setting the stage for what now has become an essential component of modern organizational strategy. Today, organizations are at varied stages in their D&I journey, but for most, D&I has become crucial for building innovative, equitable, and high-performing workplaces.

Nevertheless, one often wonders what happens when an organization starts its 'Diversity' journey. When does it transcend from being a 'compulsory action' to truly valuing & understanding 'Inclusion'? We conducted a comprehensive survey of nearly 100 leaders to unravel some of their organizational specific dynamics, and to understand their view on India Inc.'s journey from 'Diversity' to 'Inclusion'.

Our survey engaged CEOs, CHROs, and Chief D&I Officers from diverse sectors, including Banking & Financial Services, Business & Professional Services, Consumer & Retail, Diversified Business Groups, Education & Social, Healthcare & Lifesciences, Industrial & Manufacturing, Infrastructure & Real Estate, and Technology. This report consolidates our survey findings and analysis as well as key information from a few secondary resources. The paper further aims to capture the insights around the evolution of D&I as one of the core business ethos and to understand how far the Indian corporate sector has truly traversed on this journey.

“ **Businesses are elevating DEI as a strategic focus and transforming the workforce, one that will mirror India's social and demographic diversity and unlock its economic potential.** ”

Puneet Chhatwal
Managing Director & Chief Executive Officer, IHCL

“ **DE&I as an organizational philosophy needs greater awareness. Its impact on corporate goals & persona development must be well understood and clearly explained. Organizations must ensure that all employees have fair access to opportunities, resources and support, allowing them to contribute their best, regardless of their background.** ”

Shekhar Bharne
Director of Human Resources – International, Turner International

“ **D&I evolution has a lot to do with how our society acknowledges and accepts diversity, equity, and inclusion. At the end of the day, corporations are a microcosm of the society we live in.** ”

Raj Raghavan
Chief People & Culture Officer, CoreStack Inc.

D&I Today: Understanding the Shifting Dynamics



- “ *There is a high dependency on western constructs of DEI today. India has its own elements of DEI and therefore more localized constructs will evolve in the Indian corporate sector in the times to come.* ”

KS Harish

Country Group Human Resources Head – South Asia, Bayer

- “ *While the acceptance of D&I may be quicker in larger/ multinational organizations because of their wider exposure, it may shape up slowly for others who may require a paradigm shift towards accepting this concept.* ”

Chidambar Sirdeshpande

Chief Human Resources Officer, Brigade Group

- “ *As a country of many languages and ethnicities, the role and understanding of D&I at the workplace is complex in India. In the last few years, the government and private sector have taken conscious steps and initiatives to promote D&I at work, making it an infallible concept.* ”

Rohit Pandey

Vice President Human Resource, The Leela Palaces, Hotels and Resorts

- “ *DE&I currently is more gender-focused but with increasing conversations around mental health and wellbeing, LGBTQIA+ inclusion, and people with disabilities, the Indian corporate sector will need to start tracking metrics around these aspects as well.* ”

Sukanya Hazarika

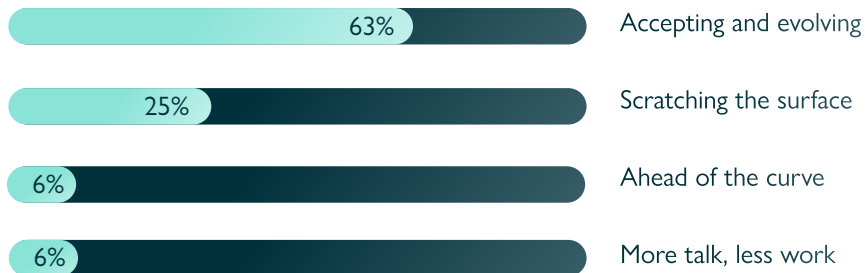
Director and Diversity, Equity & Inclusion Lead, Khaitan & Co

63%



of the surveyed leaders described the current status of D&I focus in their organizations as "Accepting & Evolving," and 74% of participants mentioned that they have formal D&I policies which are clear signs of progress within the Indian corporate sector.

Leadership Perspective on Current D&I Focus



Nearly 78% of the surveyed leaders who described their organization's D&I focus as "Accepting & Evolving", also mentioned that they engage in D&I conversations throughout the year, indicating a positive commitment towards fostering an inclusive culture.

However, on the other hand, about 22% of this subset mentioned that they do not have a formal D&I policy which indicates a gap in structured efforts towards D&I. An equal number of people described their organization's D&I policy focus as "Early Stage", suggesting that while some efforts are being made, they may not yet be fully developed or effectively implemented.

Our survey findings also indicated that D&I initiatives can often risk becoming overly inward-focused on specific targets, neglecting the broader context. Sometimes, different aspects of diversity – such as gender or disability – are viewed in isolation. This approach can limit a leader's role to mere responsibility, rather than fostering true accountability. This potential challenge was also highlighted in the recent BCG report, "Current State of Inclusion among Businesses in India" (June 2024), which stated that every surveyed organization monitored and reported data on the representation of women; however, less than 35% did the same for LGBTQIA+, etc.

We also tried to explore and capture insights into the relationship between the comprehensiveness of D&I policies and the scale of organizations. The survey revealed that larger organizations (1,000+ employees), have more comprehensive D&I policies that focus on all diverse groups. This presents an opportunity for such larger organizations to lead by example and for smaller organizations to not just imbue the best practices but also to try and be innovative & nimble.

As the India Corporate Inc. continues to evolve on their D&I journey, one anticipates a shift from policy-driven approaches to culture-driven transformations. This journey would require a commitment to understanding the nuances of D&I, embracing a broader spectrum of diverse groups, and contextualizing D&I goals and agenda to their own reality.

Beyond Diversity: Embracing the Non-Linear Path to Inclusion



- “ *Inclusion is a representation of the universe and brings in diversity of thought to drive optimum results. It is also responsible conduct, in line with our values. Organizations are part of our societies and must reflect that.* ”

JB Singh
President & Chief Executive Officer, InterGlobe Hotels

- “ *A lot of subconscious biases still exist, mainly emerging from societal prejudices. The D&I landscape will evolve effectively only if managers are given D&I objectives to meet and various D&I indicators are measured at the leadership level.* ”

Vartika Mehar
Head Human Resources – India, Mettler Toledo International

- “ *The corporate sector has to move towards building an inclusive culture. By opening our doors to employees and customers from all backgrounds, orientations, and abilities, we can make the corporate sector stronger and more productive.* ”

Patanjali G Keswani
Chairman & Managing Director, Lemon Tree Hotels

- “ *Workplace inclusion has two aspects: employees’ perceptions of the organization’s inclusivity and their personal experiences of inclusion at the workplace. While exclusion fuels the fear of difference, inclusion fuels acceptance.* ”

Vinod Kumar Singh
Director Human Resources – India, Gates



“ **D&I's evolution needs more success stories, more champions and opinion leaders.**

Amit Mehta
Vice President – Foods, LT Foods & Managing Director Kameda LT Foods JV

“ **Inclusion begins with an honest awareness of our biases and creating a genuine space in organizations for shedding our old filters while listening to diverse perspectives. People must feel heard and included in decision making, through a combination of policy, process, and everyday behaviours.**

Shilpa Surve
Vice President Human Resources & Administration, Nucleus Office Parks

“ **'Different' makes a difference. Inclusion matters because it makes everyone feel they belong, irrespective of their differences, and can work to their full potential.**

Tanul Sharma
Diversity, Equity & Inclusion Leader and Head Human Resources – NCR, AtkinsRéalis

49%



of respondents view their organization's D&I policy as "Evolving", indicating that many organizations are in the midst of transformation.

This suggests a recognition of the importance of D&I, but it also implies that there is still work to be done to fully integrate these principles into the organizational culture. An equal proportion of leaders stated that their organization's D&I policy covers all diverse groups (including Age, Appearance, Disability, Ethnicity, Gender Identity, Neurodiversity, Non-Industry, Race, Religion, Sexual Orientation, and Socioeconomic). It reflects a broader understanding of diversity that goes beyond traditional categories and suggests that a comprehensive approach is essential for fostering an inclusive environment, acknowledging the multifaceted nature of identity.

Leaders' Insights on their D&I Policies & Focus

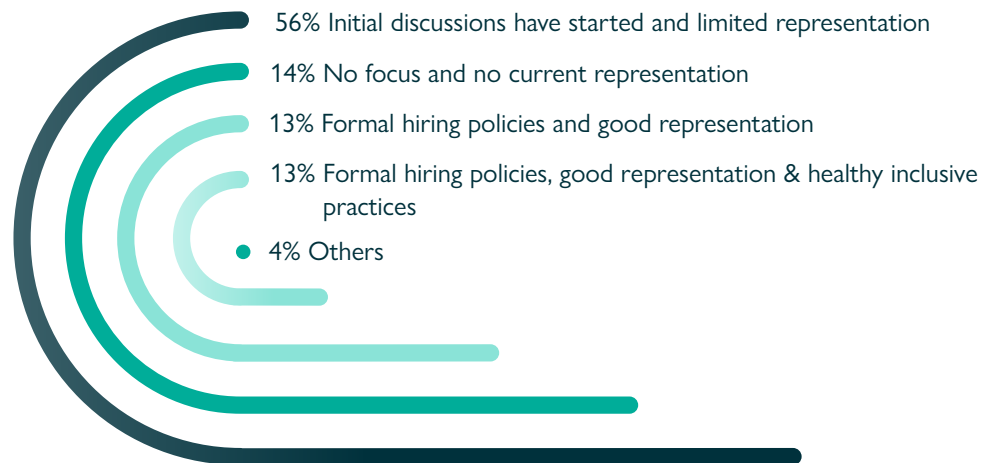
- 49% Evolving
- 31% Early stage
- 20% Progressive



What was interesting to note is that 43% of respondents who described their D&I policy as “Progressive”, mentioned that their organization is still skewed towards traditionally identified gender groups. The term “Progressive” can be subjective. It may imply that organizations are making strides in some areas of D&I, such as policy development or awareness, but it also suggests that such organizations may still be rooted in conventional gender norms. This could indicate a disconnect between aspirations & actual demographics, and underscores the ongoing challenges in achieving true gender equity.

The survey also tried to explore the correlation between comprehensive D&I policies and perceived outcomes. It revealed that 46% of respondents who described their D&I policy as covering all diverse groups also have formal hiring policies to foster a diverse workplace and as a result have overall good representation in their organizations. This points to potential success in achieving diverse workforce representation by taking steps to implement structured processes that promote it.

Organizations' Progress in Non-Gender Diverse Representation and Inclusion



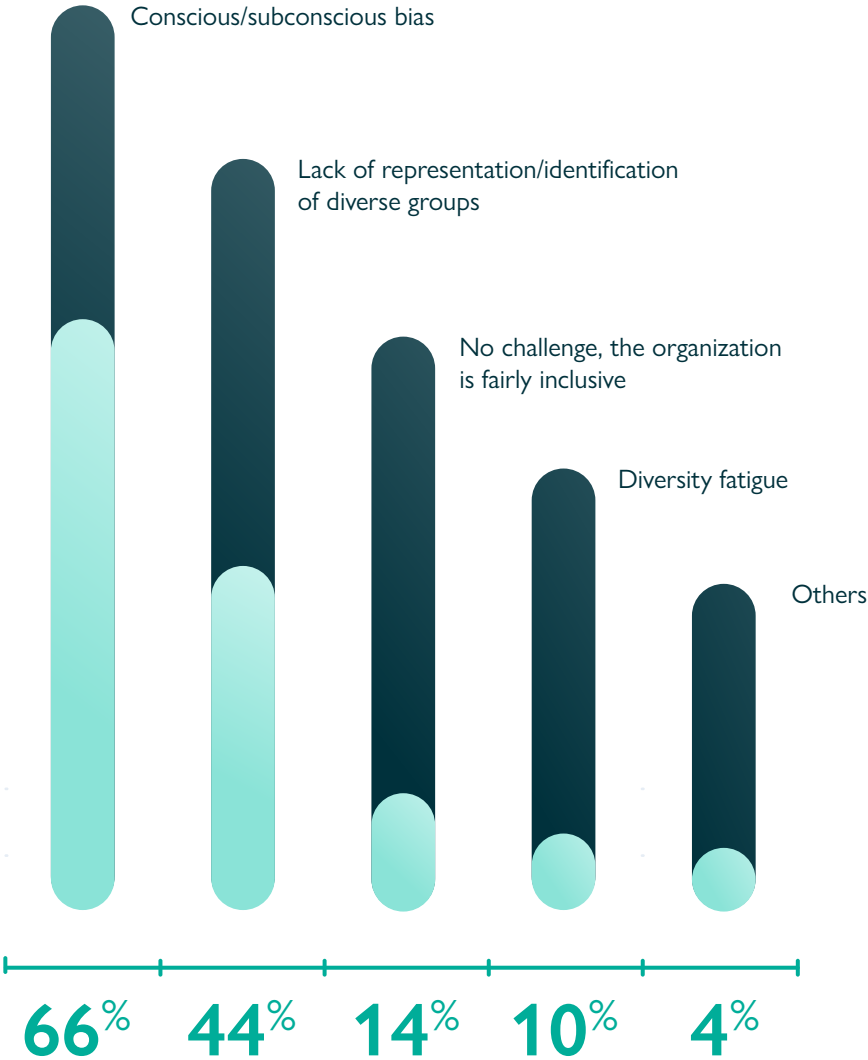
Moving beyond diverse representation, the survey tried to explore and understand the perceptions of inclusion within organizational cultures.



It was observed that 92% of the respondents claimed that inclusion is a part of their organizational culture. However, nearly 30% of them did not differentiate between diversity and inclusion, and nearly 5% were not even sure if they knew the difference. These statistics raise the question of whether organizations are genuinely fostering an inclusive culture or it is more reflective of intent rather than a true understanding of what inclusion entails. The results could also point to a potential misunderstanding of these concepts which can undermine the effectiveness of D&I initiatives. While diversity refers to the presence of various identities and backgrounds, inclusion focuses on how these diverse individuals are integrated and valued within the organization. This suggests that there is still work to be done in terms of education and awareness and establishing clarity around these concepts is essential for fostering a truly inclusive culture.

Meanwhile, promoting and achieving a diverse and inclusive culture at the workplace is not bereft of challenges and our survey explored some of the biggest hindrances in that journey.

Key Challenges Leaders Face in Fostering a Diverse and Inclusive Culture



The two biggest challenges reported by leaders are 'Bias' and the 'Lack of Representation'. This highlights the complexity of changing ingrained attitudes and behaviors within the workplace and suggests that many organizations may struggle to accurately identify and engage with diverse groups, which hinders their ability to create a truly inclusive environment.

The journey to inclusion is not a linear path but a complex, multifaceted process that requires a shift in mindset and organizational culture. As India Inc. strives to bridge the gap between diversity and inclusion, the first step is to recognize the need for ongoing training and awareness. It is important to know what we understand and what support we need in making the transition easy for oneself, and others in the system.

Organizations could potentially focus on creating environments where unique voices and opinions are not only heard but valued and integrated into decision-making processes. This involves embracing a broader spectrum of identities and fostering a culture of openness and acceptance. At the same time, it involves creating a safe space for people to open up as well as helping them find ways to get over the fatigue.

Unlocking Business Success: The Power of D&I



- “ We have a vast diversity of cultures, religions, languages, and social strata, naturally reflecting the complexities of unconscious biases. In this context, fostering inclusion goes beyond being a moral or social responsibility; it’s a strategic advantage for organizations. Embracing inclusion drives innovation, enhances creative problem-solving, improves decision-making, and strengthens employee engagement, empowerment, and retention.

Gautam Srivastava
Chief Human Resources Officer, The Phoenix Mills

- “ Embracing inclusion helps build a company that is resilient, competitive, and attractive to top talent and customers alike. Companies must embed D&I into their core values and foster open communication. Leadership commitment is crucial, as is creating safe spaces.

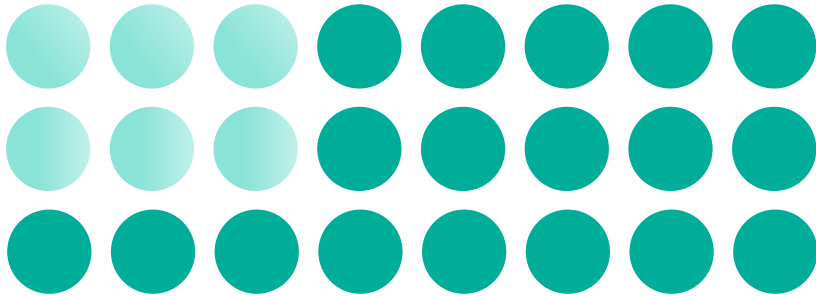
Bishwanath Ganguly
Chief Operating Officer, Nova IVF Fertility

- “ We need promoters and leaders to understand D&I, talk about it openly in forums, and embrace it as a part of their organization policy. Embedding it into core values is a great direction to take this up.

Neeraj Balani
Managing Director – Indian Subcontinent, International SOS

80%

emphasized the need for strong, diverse, and inclusive leadership teams.



Why is D&I so important, some ask? To address this question, our survey tried to gather insights into the positive effects of formal D&I policies on tangible business outcomes. Interestingly, the survey revealed that amongst the respondents who have a formal D&I policy in their organisation, nearly 80% saw improvements in new ideas & innovation, 78% witnessed enhanced employee retention, 60% saw an increase in employee productivity and 43% observed growth in revenue and business performance. Moreover, 62% of participants who characterized their organizations as having inclusive cultures, along with 55% of those who noted a more diverse and inclusive leadership team, reported enhanced business performance.

These insights find similarities with the findings of a recent NASSCOM report, "Fostering Social Equity: The Impact of Diversity, Equity, and Inclusion Initiatives in Organizations," (March 2024). This report stated that companies with robust DEI practices are seeing significant business benefits. It highlights that organizations with diverse leadership teams are 36% more likely to outperform their peers on profitability.

Furthermore, companies with inclusive cultures are 6 times more likely to be innovative and agile. The study also found that 85% of CEOs with diverse and inclusive leadership teams reported enhanced business performance.

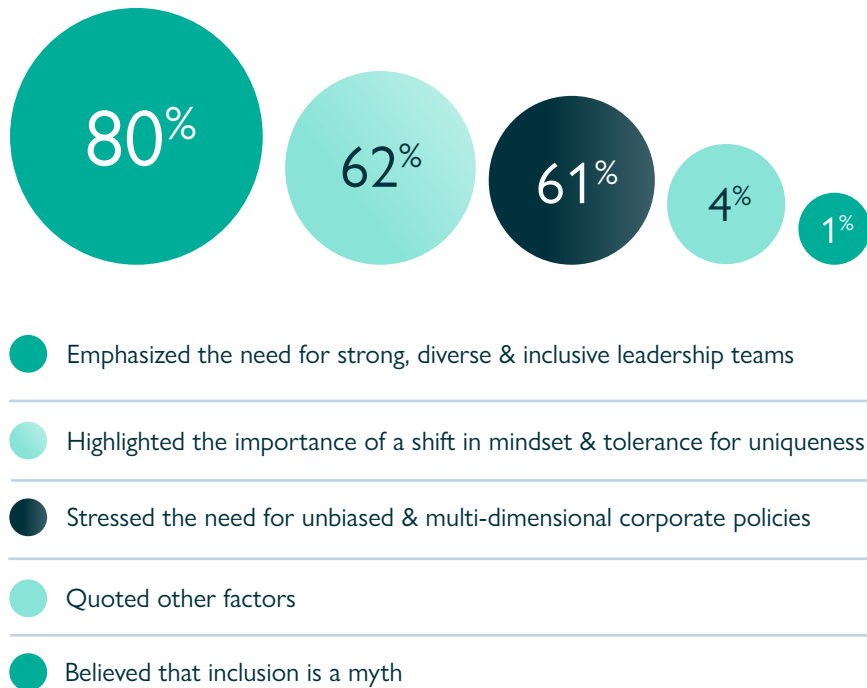
The general consensus among the surveyed participants was that leadership is crucial in advancing the D&I agenda in organizations. Companies that are more mature in their D&I journey and have evolved from being merely diverse to truly inclusive tend to strongly support this view. Our survey tried to explore the role that top leadership plays in advancing D&I initiatives within organizations. The survey found that 54% of respondents identify CEOs and 74% identify CHROs as active proponents of the D&I agenda, highlighting the significance of leadership involvement in promoting D&I efforts. Furthermore, 80% of respondents with "Evolving" or "Progressive" D&I policies stated that their CEOs actively champion the agenda. This suggests that strong leadership commitment is often linked to more advanced D&I strategies and effective implementation of these initiatives. Nearly 50% of those with "Evolving" D&I policies also mentioned that their global office or group headquarters act as advocates of the D&I agenda. This highlights a broader organizational commitment that goes beyond individual offices. This top-down commitment is vital for establishing a culture of inclusion. When leadership prioritizes D&I, it sends a clear message to the entire organization that these values are fundamental to its identity, leading to greater employee engagement and accountability at all levels.

While the positive impacts of D&I are evident from the survey findings, we tried to explore how companies are measuring inclusion within their organizational culture. The survey found that two-thirds of respondents utilize employee satisfaction surveys & employee retention ratios as indicators to gauge how employees perceive inclusivity and their overall engagement. 41% of respondents conduct successful D&I events and celebrations as a measure of inclusion suggesting that experiential activities play an important role in building community and enhancing visibility around D&I efforts. 27% of organizations set and track specific goals and metrics demonstrating a proactive strategy for measuring progress in D&I.

We also explored what respondents believe are essential elements for making organizations truly inclusive. In summary, the findings reveal a strong consensus on three critical aspects:

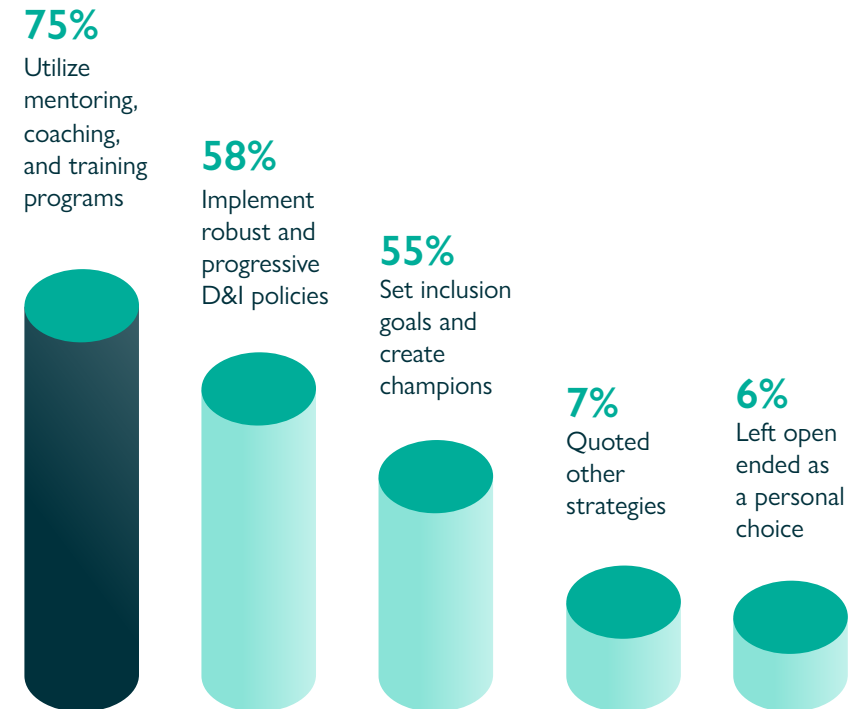
- The necessity of diverse & inclusive leadership teams recognizing the influence leaders have on organizational culture.
- The importance of shifting mindsets and cultivating an environment where differences are not only accepted but celebrated.
- The need for unbiased comprehensive policies that go beyond superficial D&I efforts to create equitable systems.

Essentials for Achieving True Organizational Inclusivity



Organizational culture stems from the top. Our survey sought to explore how organizations can foster an inclusive mindset and culture within leadership teams, however, this may often present initial challenges.

Strategies Used for Fostering an Inclusive Mindset and Culture Among Leadership



Overall, majority of organizations are actively investing in mentoring and training to support an inclusive mindset and culture within their leadership teams, with a substantial number also establishing formal policies and goals. A small proportion of the organizations, however, appear to leave it open ended as a personal choice for their leaders, indicating a more individualized approach to D&I that isn't formally structured.

“ ***D&I is a gradual progress, and it needs to move beyond the mere lip sync and verbose rhetoric.*** ”

Ajay Kumar Bakaya
Managing Director, Sarovar Hotels

“ ***Including people with different 'lived experiences' makes for better decision-making and more practical & sustainable solutions as everyone's voice has been heard, contributing to a collective outcome. The multitude of perspectives throws up more innovative solutions that would work for most of us, instead of a select few decision-makers.*** ”

Vidya Basarkod
Managing Director – India, Ramboll

“ ***Inclusion supports quality decision-making, drives engagement & accountability, and builds employer brand proposition & reputation.*** ”

Sanjoy Mallik
General Manager – India, Mettler Toledo International

“ ***D&I would eventually evolve to have true representation at the leadership level, with business leaders championing the cause, and not just the CHROs or D&I leads. A mature corporate India Inc. will have 'Inclusion' as a driver at a subconscious level.*** ”

Sukhdeep Aurora
Chief People Officer, ANAROCK

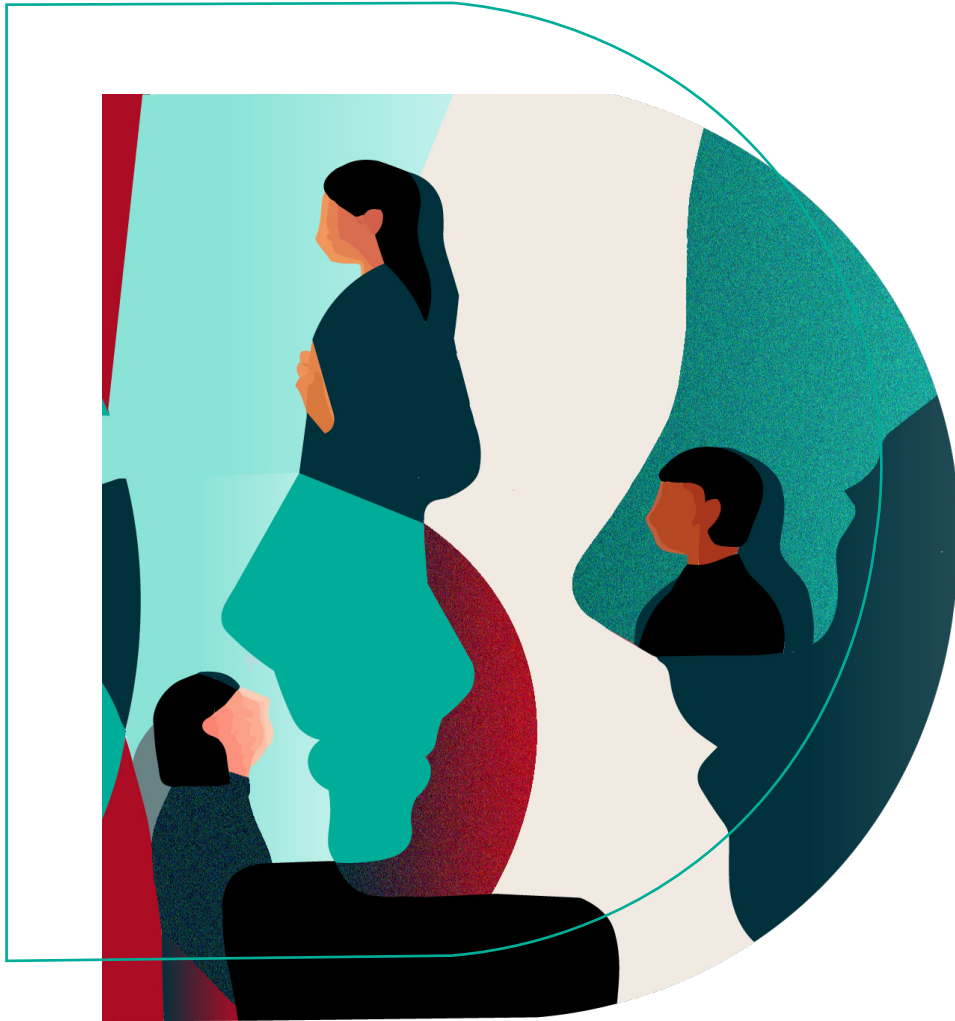
“ ***Building inclusive infrastructure, providing sensitivity training and promoting equitable hiring practices are key pillars for cultivating a truly inclusive corporate culture.*** ”

Shailja Singh
Chief Human Resources Officer, The Oberoi Group

“ ***We have a long way to go if we do it as a check box. Until the time business owners, MDs, and senior board members make this a conscious effort, D&I will remain a check box.*** ”

Sanchita Tuli
Director Human Resources, Great Lakes Institute of Management

Conclusion: Redefining Commitment to Inclusion



The tapestry of diversity and inclusion within India's corporate sector is rich with potential, yet it remains a work in progress. Our report indicates that while considerable strides have been made, a holistic approach to inclusion, beyond mere diversity, is essential. Organizations must prioritize inclusive leadership, embrace various dimensions of diversity, foster psychological safety, and enhance inclusive communication.

Key strategies for advancing D&I excellence include empowering leaders, implementing flexible work policies, systematically measuring progress, nurturing an inclusive employee mindset, and addressing subconscious bias.

As we approach a pivotal moment in the evolution of Indian corporate culture, it is vital for organizations to redefine their commitment to inclusion. Achieving this does not necessarily require radical strategies but rather a fundamental shift in mindset alongside consistent, incremental efforts.

In an era characterized by rapid change and shorter business cycles, cultivating the ability to unlearn and relearn will be crucial. Making inclusion an ingrained habit will not only strengthen organizational identity but also drive sustainable success.



“ ***D&I in the Indian corporate sector will increasingly focus on intersectionality and creating inclusive cultures that go beyond gender and caste, embracing diverse identities and fostering genuine belonging.*** ”

Sanket Salvi
Head Human Resources – India, Draeger

“ ***Fully evolved D&I practices would take time, but they will certainly keep getting better. Several D&I barriers are nearly broken but different industries and geographies will have different trajectories of evolution.*** ”

Alok Kishore
Chief Executive Officer – India, WAGO

“ ***We have been talking about D&I for years, but it has been slow because of the cultural overhang that our society has to constantly deal with. Moving forward, the next generation that is playing an increasingly important role across organizations will certainly influence more D&I discussions.*** ”

Madhavan K Menon
Executive Chairman, Thomas Cook India

“ ***We are at the cusp of becoming more open-minded about inclusion. Over the next few years, it will gain more importance, and the mindset of leaders and corporates will likely shift. However, challenges may persist unless there is a concerted effort.*** ”

Zubin Saxena
Senior Vice President, Regional Head – South Asia, Hilton

“ ***Looking ahead, emerging D&I policies and initiatives are set to enhance societal inclusivity. However, the journey is far from complete. The evolving landscape will require ongoing dedication and collective efforts from individuals, corporations, and society as a whole.*** ”

Animesh Nandy
Managing Director – India, BAUER Equipment

“ ***Technology is going to break barriers that are fundamentally driven by 'human cognition'. As these barriers are broken, different needs and 'diversity in uniformity' will emerge.*** ”

Andleeb Rabbi
Director Human Resources, Health & Safety, India & Nepal, G4S

“ ***The future of D&I is poised for significant evolution, driven by a blend of global influences and local imperatives. The journey towards a more inclusive corporate environment in India will require sustained efforts, continuous learning, and genuine commitment from all stakeholders.*** ”

Sanjay Bhutani
Managing Director – India & SAARC, Bausch & Lomb

About Deiningering

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