

Workforce Diversity in India and the U.S.

by Karine Schomer

The world's two largest democracies, India and the United States, are also the world's most diverse societies. The demographics and structures of their diversity – and their legal frameworks – differ substantially. Consequently, the diversity challenges and priorities of business in India and the United States differ in many ways.

Demographic Differences

India's workforce is preponderantly young. Large numbers are entering the professional workforce at a time of rapid economic expansion that provides increased opportunity for the well qualified and well connected. However, access to professional education, socialization, entry and career advancement is still disproportionately concentrated among social groups that have traditionally dominated the professional fields. Despite its many strengths, the educational system doesn't provide sufficient trained talent for the job market, particularly the IT sector that is the new economy's engine of growth. This puts special pressures on employers in India around finding, competing for, holding and cultivating the skilled employees they need.

In the United States the average age of the workforce is older, mirroring the age demographics of the population. Changes in American society have brought an unprecedented social diversity into the workforce, not only immigrants from all over the world, but segments of the society previously excluded or under-represented in the professions, especially in managerial and leadership roles. Corporate cultures, employment policies and networks of influence have been forced to change. The principal challenge for American employers today lies less in finding diverse talent, but in developing it and creating an environment that supports social cohesion amid the diversity.

How Diversity Is Defined

In the United States the operative diversity categories are not only gender, race/ethnicity, national origin, and religion, but also disability, age, marital status, immigration/citizenship status, armed forces veteran status and sexual orientation. Discourse about diversity distinguishes between social groups that are underrepresented in the society's institutions of wealth, power and privilege, and are therefore "protected classes," and those that have had greater access to opportunities and professional advancement.

In India, the main diversity categories are gender, religion, place of birth (ethno-linguistic region) and, for Hindus, caste – specifically, whether individuals belong to one of the traditionally dominant "Forward Castes," one of the traditionally excluded "Scheduled Castes" or "Scheduled Tribes," or the large "Other Backward Castes" grouping.

Legal Frameworks

In the United States, the past four decades have seen the development of a robust system of anti-discrimination legislation, including mechanisms for monitoring compliance and redress for violations. It includes legal accountability up the corporate chain of command for discriminatory or harassing behavior in the workplace. It includes protection of employees from "hostile work environment" situations and protection against retaliation for bringing forward complaints. The success of a number of high-profile lawsuits against corporate offenders has helped create a climate where discriminatory practices are no longer considered acceptable, and the expected social norm for corporations is compliance with the law.

By comparison, the legal safeguards, redress mechanisms and monitoring processes in India



are less developed; discrimination in recruitment, selection and career advancement are less likely to be aggressively challenged.

Another aspect of the American legal framework is an approach to affirmative action that has shied away from outright quotas and reservations as a way to remediate past discrimination. Instead, it has been to encourage greater opportunities for women and under-represented minorities by monitoring their numbers in occupations, positions and companies, encouraging special recruitment efforts, and allowing some latitude for preferential hiring. The concept has taken root in the operations of most responsible corporations, as have practices such as diversity councils to support the success of various categories of employees, and diversity training for managers and employees.

In India the approach toward correcting caste-based employment discrimination has been quantitatively fixed reservations (quotas) in public-sector jobs, state-financed colleges and legislatures. The pros and cons of this approach are passionately debated, in ways reminiscent of public controversies in the early days of civil rights and affirmative action legislation in the United States. Recent attempts by the Indian government to extend the reservations system to the private sector have met stiff resistance from Indian industry, and this initiative is now on hold. Backlash against the existing reservations system has also won some legal victories. The coming decade will see continuing controversy and change in this aspect of India's legal frame-

work. A sign of voluntary change is the adoption by most of India's major IT companies of the U.N. Global Compact's principles regarding the elimination of discrimination with respect to employment and occupation.

Take-Away Tip for U.S. and Indian Managers

When Indian and U.S. corporations work together or operate on each other's soil, all levels of management need to understand the important differences in workforce demographics, diversity categories, and legal frameworks relating to diversity, employment discrimination and equal employment opportunity. To apply generic "diversity management" and "global multicultural team" principles without understanding the specifics of these differences could lead to unintended negative consequences.

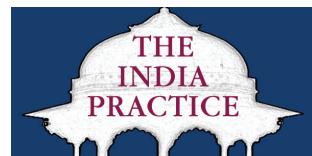
When a company is working globally, good diversity management requires understanding the social, cultural and legal particularities of each country, and navigating the differences while at the same time managing a corporation, division or team in a manner that is internally consistent across the globe.

This article is abridged from a longer piece published in the March 2007 issue of Effective Executive that also includes 10 best practices for diversity and multicultural team management. For a free offprint, contact CMCT at 510-525-9222 or info@cmct.net.

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