

## DIVERSITY, EQUITY AND INCLUSION IN WORKPLACE: RESEARCH AND PERSPECTIVES

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### ABSTRACT

*“Companies that embrace diversity and inclusion in all aspects of their business statistically outperform their peers.”*

---Josh Bersin

*A discussion around Diversity, Equity and Inclusion (DEI) must involve an examination of our overall culture, and not just the work culture of a particular organisation. Companies operate within the bounds of the larger societal culture. By taking a proactive role to promote a positive work culture in line with DEI principles, an organisation can have a positive impact on the larger society as well. Making a company diverse and inclusive, however, is much more than mere ethics: it can be a major force of revenue generation, profit and growth. A commitment to DEI principles, then, can have positive economic consequences for the company, and would have a bearing on its mission, values and future vision. An important principle of DEI states that ‘the onus of inclusion lies on those who are included, not on those who are excluded.’ A proactive approach in reaching out to individuals with diverse backgrounds can help in affirming a sense of belongingness, promoting the sense amongst all individuals that they are essential to the success of the company. It becomes vitally important then, for organisations to assume active responsibility to work towards an inclusive and just work culture. This paper attempts to understand and clarify the true meaning and need for Diversity, Inclusion and Equity from the perspective of organisations and the people associated with it. The paper will elucidate the differences between the principles of Diversity, Equity and Inclusion. It would further suggest steps that can be taken to effectively implement DEI, along with examining ways in which we can close the present gaps in the implementation of these principles.*

**KEYWORDS:** Diversity, Equity, Inclusion, Societal Culture, Work Environment.

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### Introduction

It is now a well-established fact that Diversity, Equity and Inclusion (DEI) are not separate, but mutually reinforcing principles. However, important distinctions remain between these principles which need to be emphasised:

- The principle of **Diversity** acknowledges the different backgrounds, cultures, castes, races or nationalities of the employees. Diversity captures the full spectrum of human differences. (2018 Gallup report)
- The day-to-day experiences of fairness are captured by the principle of **Equity**.
- **Inclusion** refers to the sense of belonging of the employee.

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Presently, despite a growing concern for DEI, there remain tough barriers in the form of lack of tools, support or budget in many organisations. It becomes pertinent, then, for companies to formulate a DEI statement which elucidates their vision, and how DEI principles connect to the larger organisational objectives. Such a statement must also acknowledge groups of people who are under-represented or otherwise marginalised. At the same time, the statement must also state DEI initiatives that are currently being planned or implemented. The reason for directing our resources for DEI initiatives is to create a workforce that is representative of the world we live in, and to promote cohesion between different employees.

As stated earlier, investment in DEI initiatives yields a return in the form of revenue generation, profit and growth, along with boosting employee morale. A commitment to DEI initiatives entails not merely policy changes and budget allocation, but also an investment of time to build strong and flexible relationships across all levels of the company.

An important facet of creating a diverse work environment calls for the acceptance of differences. A potential threat to DEI initiatives is the prevalent dominant attitude and culture: the social norms and a possible resistance to accommodating differently abled people or minorities. A determined effort is needed to acknowledge such a culture, and to take steps to change it.

DEI initiatives can help in the creation of successful teams across the organisation: a successful team would be able to communicate its goals, steps and processes to each member without any bias or discrimination on the basis of culture, gender, caste, race, sexual orientation or religion. Such a team would strive to clearly set its objectives, set fixed timelines for completion of work, recognise and applaud the accomplishments of people, and promote better communication. This will ensure psychological safety, dependability and promote clarity among employees.

#### **Instituting DEI Initiatives in the Workplace**

- **Defining Policy and Accountability**

For DEI initiatives to be effective, they need to be well defined. It is imperative to institute clear policies and practices to be adhered to. It also becomes equally important to have practices in place to measure the effectiveness of the DEI policies. This would entail setting up of targets, defining the dimensions to be monitored, assignment of responsibility and accountability, and tracking and analysing the results. Corrective action, on the basis of such an analysis, can then be undertaken; making the DEI initiative a continuous work-in-progress.

- **Leading by Example**

For DEI initiatives to be truly successful, it is not merely enough that the 'right' policies are instituted and monitored: it becomes vitally important (particularly for the top management) to embody the principles of DEI, that is, to **lead by example**. While the right policies can go a long way in ensuring the success of DEI principles, such measures can only be fruitful when they are accompanied by the right spirit. This calls for a sensitive, yet firm and decisive leadership that is open to communication and the constructive resolution of conflicts.

- **Why DEI?**

The economic benefits of DEI initiatives have been alluded to earlier in the paper. A report by Deloitte argued that DEI policy leads to improved business outcomes. The report suggested *that a 10% increase in the feeling of inclusiveness by employees can increase work attendance by about one day per year per employee.*

A study of Fortune 500 companies revealed that the senior management of the top 25% of the firm (in terms of women) yielded more than 30% higher yield than their peers to the stockholders.

In a survey of nearly 800 HR and business professionals, 96.7% of women said that DEI policy is personally important to them.

The facts presented above show a wide variety of benefits of instituting DEI policy, which can be summarised in the following points:

- **Employee Retention:** if people take pride in and look forward to their work, they will display greater job satisfaction, and would devote more time to the organisation.

- **Innovation:** Innovation is the implementation of creative ideas that eventually generate business. People coming from diverse backgrounds will bring their unique perspectives, coming from their different mindset and experiences. This would encourage creative thinking and promote innovation.
- **Growth of Revenue:** As per the report by Forbes in 2021, firms are *33% more likely to experience growth and profitability* if they are representing more diversity and inclusivity amongst their employees. The greater employee retention attracts more talented human resources, and better innovation which eventually leads to increased revenue.

### Case Study: DEI Policy at Axis Bank

As we celebrate 75 years of independence, it is important to recognise that India has made significant strides towards enabling social cohesion and promoting diversity, equity and inclusion. The Indian constitution provides an excellent foundation to promote justice for all, and our legal framework has instituted laws to protect against sexual harassment, ensure equal pay for all and protect minorities. A judgment by Supreme Court in April 2014, provided the legal recognition to transgender people as a 'third gender' and classified them as 'Other Backward Classes', allowing them reservation in education and public employment.

Corporations around the world, and indeed, in India are realising the importance of having a robust DEI policy at the workplace. At the forefront of instituting these changes is Axis bank: one of the leading banking and financial services company in the country. The company has put in place a wide-ranging plan of policies to sensitise its workforce, from Anti Bias trainings to giving support to those seeking therapy. The President and Head of Human Resources Rajkamal Vempati describes it thus: *"At Axis Bank, we have put our focus on diversity, equity and inclusion that respects and recognises the importance of distinctive life journeys and several identities that extend beyond the paradigms of gender. This for us, is as much about the invisible markers as it is about the visible ones. It is our belief that it fosters a culture of innovation and leverages the multiple talent pools that exist in a rich demography like ours."*

The following table gives a summary of the DEI policies and practises that have been implemented at Axis Bank

<b>Mediclaime Policy</b>	Employees can list their partner for Mediclaime benefits, regardless of sex, gender, sexuality or marital status. The policy covers gender affirmation surgeries.
<b>Therapy</b>	Employees can avail the services of Axis Bank's queer affirmative therapists.
<b>Leave Policy</b>	Maternity leave has been expanded as Leave for birthing parents to include transgender men and other genders. Paternity leave has been expanded as Leave of partner of birthing parent to include queer and live in relationships. Adoption leave can be availed by all employees regardless of gender. Employees can avail of leave for gender affirmation surgery.
<b>Dress Code Policy</b>	Employees can choose to dress in accordance with their self identified sex, gender or gender expression.
<b>Anti Bias Trainings</b>	Employees go through regular Pause for Bias sessions that speak in detail about Sex, Gender and Sexuality.

The 'Pause for Bias' is a commendable effort on part of Axis Bank to promote the spirit of inclusiveness. Speaking on the initiative, Vempati says "We take cognisance of the fact that biases against the LGBTQIA+ community exist in society at large. Our 'Pause For Bias' sessions address the basics of Sex, Sexuality and Gender taken by colleagues from the LGBTQIA+ community themselves and queer affirmative allies."

In addition to the DEI policies at the workplace, Axis bank has also brought in initiatives to cater to their customers and the wider community. Of particular note are the 'Axis VIBE' and 'Axis Women in Motion' initiatives, created for business and for students. The same ethos that guide the company's internal policies are also reflected in their offerings to their customers and to society at large. The two initiatives are briefly described below:

- **Axis VIBE:** the Axis Varsity of Inclusive Business (VIBE) aims at building a business ecosystem that fosters the spirit of inclusion for members of the LGBTQIA+ community and other underrepresented grounds.
- **Axis Women in Motion:** Axis Women in Motion is a student engagement program that aims at connection with diverse students to speak to them about the importance of being independent as economic entities and about Diversity, Equity and Inclusion at large.

With such effective practices and policies in place, Axis Bank demonstrates a comprehensive commitment to their employees' well-being and provides a model of DEI practises that can be emulated by other companies.

### Conclusion

It is imperative for an organisation to establish a healthy work culture for the welfare of their employees. Employees today have an expectation of working in a workplace that is sensitive to their needs and well-being. A company's commitment to DEI is imperative for people to feel welcome at their workplace. This in turn generates better communication and a sense of trust among the employees, which can translate to better productivity, growth and revenue. The question today is not whether a company should implement DEI practices, but rather what is the best way to do so. The case study of Axis Bank presented in this paper provides an example of a well-defined DEI strategy, which can be emulated by other organisations.

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