

# Obstacles to an Emerging Economy: The Imperative of Nurturing Women in India's Workforce

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## **INTRODUCTION**

*To be successful in India, employers must rely on the country's exceptionally educated and ambitious professional workforce. Unlike in some European countries where the workforce size is shrinking, India's working-age population is on the rise, steadily growing through the last several years, and expected to continue to do so in the future.*

*Unfortunately, attracting and retaining these valued employees - and by association, their skills and experience - continues to be a challenge. Large numbers of employees in India are under age 30; they have new expectations about fitting together jobs and family, and they are speaking loudly about their desires to be able to balance work and life.*

*This is particularly true in regards to India's working women. Increasingly, these well-educated professionals rival their male counterparts in career aspirations. They represent a critical part of the workforce and promise great skills for employers. Reports, such as the 2013 MasterCard Worldwide Index of Women's Advancement in South Asia, recognize these ambitious career women as crucial to the future of such emerging economies.*

*However, their numbers have not kept up with their ambition and potential. The World Economic Forum<sup>1</sup> reported that India's corporate workforce is only 23 percent female, dramatically lower than the female workforce in countries like Brazil (35 percent) and the U.S. (52 percent). Painting an even bleaker picture, the 2011 study Gender Diversity Benchmark for Asia<sup>2</sup> shows that in all of Asia, India has the lowest or near lowest number of women at every management level.*

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## **PROFILE OF RESPONDENTS**

female responses exist in several key areas

### **Gender**

- 76% of respondents were female
- Significant differences between male and

### **Position**

- 48% of respondents were mid-level executives and 31% were senior leaders

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- Significant differences exist in engagement levels between mid-level and senior-leadership respondents

### Life Stage

- 38% of respondents have adult/elder care responsibilities
- 68% of respondents are married
- 43% plan to start/expand families within the next five years
- 34% of respondents have a child under 13 years old

### Age

- 54% of respondents are Gen Y
- 37% of respondents are Gen X
- 9% of respondents are Boomers

Chief among the obstacles to a woman's ability to contribute is the reality of the workplace. With few supports to help them manage their jobs and family responsibilities (e.g., child care) women drop out of the professional ranks at dramatically higher rates than their Asian counterparts, severely diminishing the pool of women available to achieve senior-level positions. This so-called "leaking pipeline" is poised to have significant economic consequences for employers who stand to lose these accomplished women at precisely the moment in their mid-careers when their knowledge and ability to contribute is on the rise.

In an effort to understand the impact of these trends, and to identify organizational strategies to be proactive, the WoMentoring Team of the

National Human Resource Development Network (NHRDN) Mumbai Chapter, and Horizons Workforce Consulting® (HWC), a division of Bright Horizons®, conducted a study in September of 2013. The goal of the Workforce Insights: India study was to clarify the challenges for India's professional women and the barriers they face when trying to successfully manage family lives and career aspirations. The survey also explored important strategies for organizations to consider to allow both a more successful integration of work and life, and to support the aspirations of successful career women who have family care responsibilities for a child or older adult. A total of 597 professionals living and working in India responded to the survey, representing multiple industries.



Just under half of the respondents in the data set have ten or more years of experience in the workforce. Such data from a more "seasoned" employee population provides important insight into a workforce typically characterized as "youthful."

### GENERAL FACTS ABOUT INDIA'S WORKFORCE - WHAT'S CHALLENGING INDIA'S EMPLOYEES?

Engagement is an area of particular concern in India. One of an organization's most important metrics, it is defined as the level of energy, focus, and emotional commitment employees bring to their work. Engagement spurs critical capabilities

such as skill building and application, innovation, creativity, dynamic work, and positive relationships with clients, customers, and teammates. These benefits have been well documented in global workforce literature. Quantum's 2013 Employee-Engagement Trends Report<sup>3</sup> says highly engaged employees are exceptionally productive, play a critical factor in employer success, and drive customer loyalty and positive financial results.

By comparison to other parts of the world, India's

disengaged.

There were significant differences between respondents from key constituents that affect overall levels of engagement.

In India, this is driven in no small part by challenges surrounding career aspirations. Our model of engagement derived from the Workforce Insights: India study clearly showed that career aspirations make up the most influential component of individual engagement. But there are significant roadblocks. Less than half of respondents told us they felt able to

**Figure A**

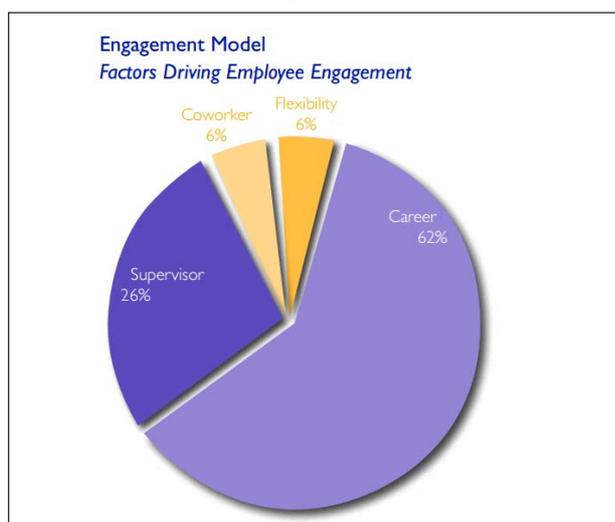
<b>Women are less likely to agree that...</b>	<b>Mid-level managers are less likely than senior leaders to agree that..</b>	<b>Parents are less likely than “non-parents” to agree that...</b>
<ul style="list-style-type: none"> <li>• My organization does a good job of developing its people to their full potential.</li> </ul>	<ul style="list-style-type: none"> <li>• I will be able to achieve my long-term career objectives at my organization.</li> </ul>	<ul style="list-style-type: none"> <li>• Employees don’t have to choose between advancing in their jobs and devoting attention to their family or personal lives.</li> </ul>
<ul style="list-style-type: none"> <li>• I will be able to achieve my long -term career objectives at my organization.</li> </ul>	<ul style="list-style-type: none"> <li>• My supervisor regularly recognizes my accomplishments.</li> </ul>	<ul style="list-style-type: none"> <li>• My supervisor conducts fair appraisals of my work.</li> </ul>
<ul style="list-style-type: none"> <li>• The work I am doing is aligned with what I hope to be doing in the future</li> </ul>	<ul style="list-style-type: none"> <li>• The work I am doing is aligned with hat I hope to be doing in the future.</li> </ul>	<ul style="list-style-type: none"> <li>• I get meaningful recognition when I’ve done a good job.</li> </ul>

level of employee engagement is exceptionally low.

In its 2011-2012 report<sup>4</sup>, Gallup called engaged employees in India a relative rarity, noting a scant nine percent nationwide reported engagement. Worse, the study reports that a startling 31 percent of the country's employees are actively

achieve long-term career objectives, and only 56 percent said they believed their organization did a good job developing people to their full potential. The data additionally shows that while female respondents have similar career aspirations to their male counterparts, they are significantly less likely to say they will be able to advance their career at their organization.

Overall, respondents from three categories (women, mid-level managers, and working parents) all reported diminished confidence in important areas such as career development, advancement, and recognition.



Further, satisfaction with supervisor relationships - another key component of engagement - is suffering as well. According to a recent Right Management study conducted with the Villanova School of Business, more than half of employees in India are unhappy with their immediate manager. In the: India, study less than two-thirds of respondents indicates that their supervisor regularly recognizes their accomplishments and truly understands what their work entails.

Job flexibility, another driver of engagement from the study, also proves to be an area in need of improvement, with only 36% of respondents indicating that they are satisfied with their organization's level of flexibility.

## RETENTION

Turnover rates in India vary - in some industries, according to a Right Management study, turnover

can be as high as 100 percent. Such departures often happen in an employee's first three years with an organization. In our data set, employees reported "lack of advancement opportunities" (51 percent) and "lack of a mentor or role model" (47 percent) as the top two reasons for departure, with dissatisfaction over salary (36 percent), benefits (33 percent), and supervisor (33 percent) following close behind. Women were significantly more likely to intend to leave than men.

## STRESS

Alongside desire for engagement, stress has a significant impact on employee performance. Respondents in India told us they are experiencing a significant amount of stress. Over the past month, almost half (44 percent) have considered looking for a new job because their current job is too stressful.

## UNDERSTANDING AND SOLVING THE CHALLENGES FOR WOMEN

It's clear that India faces challenges workforce wide. Yet for women, delivering on their potential is particularly complicated.

Studies have shown that increasing numbers of women want to stay in the workforce even after they have families. And some economists wonder about the future of the Indian economy if large numbers of women continue to exit<sup>5</sup>.

But numerous challenges for these rising professionals, including an absence of dependent-care supports and a shortage of female role models who have successfully navigated the integration of work and family, have further hampered their progress.

Results of a previous survey conducted by the WoMentoring Team of NHRDN, Mumbai Chapter identified specific types of programmatic strategies that women see as essential to their career ascent. The Workforce Insights: India study also highlighted key benefits that would make a difference [Figure C]. To truly benefit from the potential of India's working women, organizations will require attention to, and programs that address these areas of concern.

Enabling India's working women to pursue - and attain - their career goals will require employer focus on several critical areas, particularly on those key benefits women identified as "highly important": telecommuting, back-up child care, and workplace crèche.

**Hindustan Unilever's Career by Choice and Tata's Second Career Internships for Women programs are two examples of organizations providing women with more flexibility charting out long-term career goals.**

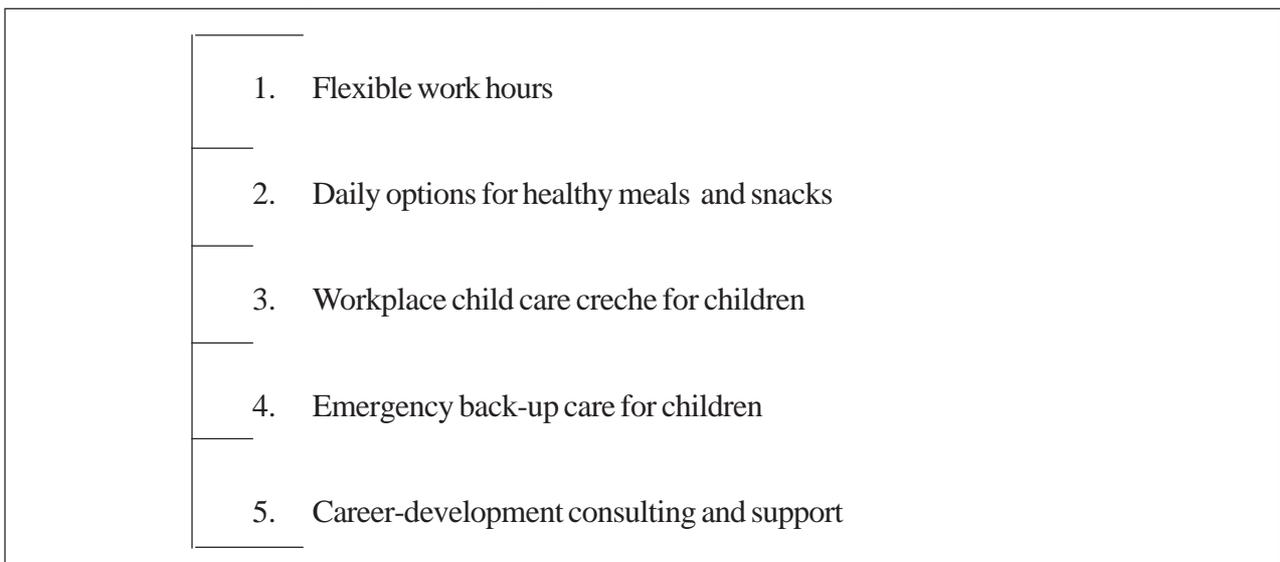
## ENGAGING WOMEN'S CAREER ASPIRATIONS

There are numerous examples of company strategies that support women's career aspirations. Infosys' Women Leadership Development program, a partnership with a premier B-school, enables women to remain in the workforce while discovering latent strengths, re-evaluating their potential, and renewing their aspirations. Procter & Gamble's Career Mapping provides career sponsors to help high-performing employees chart out their professional lives. And Cisco's Connected Women (Executive Shadowing Program), Accenture's Vaahini (Women's Network), and Deloitte's WIN (Women Initiative Network) all illustrate the kind of programs that can make a significant impact.

Strict adherence to Sexual Harassment Policies  
Sexual harassment - defined as unwarranted verbal, nonverbal, or physical conduct of a sexual

Figure C

What women say are the most important benefits needed to navigate their careers:



nature that violates the dignity of a person and creates an environment deemed intimidating, hostile, degrading, and humiliating - is a serious issue in India.

In 2013, the federal government of India took action, enacting the Sexual Harassment Act. The ambitious law applies to all of India's companies and protects women both from sexual harassment itself, as well as from redress for filing a complaint.

Much has been spoken about sexual harassment in the corporate setting, and respondents in our study - 80 percent - reported that their companies have defined frameworks regarding policy and prevention. But the implementation of these laws and policies remains a challenge, as evidenced by conflicting responses about efficacy. While roughly half confirmed that sexual harassment is an issue, only 39 percent of women (versus 50 percent of men) said they believed the subject is being openly discussed. There's a general sense that many cases go either ignored, brushed aside, or mismanaged. Data collected informally from many female employees clearly shows the gap between the intent and efficacy of these initiatives at the employee level.

To support the success of women in the workplace, it is critical for employers to act. The issue needs to be addressed at the highest level, with a cultural shift from policy talk to effective implementation.

Employee education on these matters must be mandatory. And solutions-based approaches to the problem must be implemented in every company. Multinational companies have moved the needle much further ahead. But culturally in

India, there remains a long way to go.

### **STEM THE "LEAKY PIPELINE"**

Research has shown that the greatest level of female attrition occurs at the middle-manager level, when conflict is especially acute around career objectives, integrating family and professional priorities, and insufficient training to reach the top. The numbers of women decline steeply the higher up the ladder you go, from 53 percent at entry level down to just 19 percent of executives in the C-suite<sup>6</sup>. The drop-off is even more dramatic in India where a mere five percent of top leadership and Board members are women<sup>7</sup>.

A recent government bill mandating that public companies in India must have at least one woman director is a step in the right direction. But it looks at the problem from only one angle - that of creating opportunities for women versus what it will take to build a sustainable pipeline within organizations.

This makes it an organizational and HR imperative to rebalance gender diversity efforts away from merely filling leadership/board and spots toward both reversing the trend and building the pipeline early.

### **Sustained interventions toward these goals should include:**

- Identifying high-potential women as early as 3-4 years into their professional careers
- Providing these women with development trainings and mentoring
- Helping them to create career maps
- Addressing barriers to advancement

- Offering family care supports to make it possible to successfully manage career and family

Organizations that plant the seed early have been singularly able to grow a pool of talented women, create a wealth of role models for young professional women to aspire to, and retain the knowledge base these talented women represent.

### **INTRODUCE COMPREHENSIVE SUPPORT POLICIES**

India's companies have long been mired in workplace configurations based on traditional, single-earner families. Such arrangements may have worked in the distant past, but the number of employees with children, even relative to just three years ago, has grown significantly. For women to succeed, then, employers must look at redefining their infrastructures. Responses to our study indicate that India is moving steadily forward in areas such as workplace support and policies that promote gender diversity. The overwhelming majority of HR managers indicated the presence of anti-harassment policies, and about half noted other supports such as workplace flexibility. Major organizations such as PepsiCo, Intel, and Cisco have introduced flexible work options such as work-from-home, flex-time, part-time employment, sabbatical, and maternity leave. Key corporations like Hindustan Unilever, L'Oreal, IBM, Standard Chartered Bank, HDFC Bank, Ernst & Young, United Bank of India, and Godrej provide child care supports for their employees.

Clearly, the basics are in place. But, perhaps not surprising, India's companies are lagging behind

multinational companies. Much work remains regarding supports (additional employer-sponsored child care programs, extended maternity leave, sabbaticals) and flexible work arrangements (telecommuting, work-from-home, job sharing) across life stages. HR must move from the current case-by-case practices to institutionalized policies that reflect not just the need for support, but the overall company culture. For India's companies, such policies stand to become key drivers of recruitment, retention, and growth of a diverse workforce in the future.

### **ACTIVELY ENCOURAGE CAREER GROWTH**

The Workforce Insights: India study clearly showed that women are as dedicated to their careers as their male counterparts. Almost as many women as men called themselves ambitious and said they aspire towards higher career goals. So what stops them from achieving? For women, the absence of senior-level role models and targeted long-term mentoring/career sponsorship programs (especially in industries like manufacturing, which lags behind financial services and IT) are two possible barriers. Such supports are essential to nurture women's careers. They stand not only to reverse the previously mentioned "leaky pipeline," but they also encourage networking with leaders who have had similar career paths and provide an avenue for sharing experiences, training, and advice at critical junctures in a woman's personal journey. The most successful women often call their mentors and career sponsors significant influences in their rise to the top.

## **CREATE INCLUSIVE ASCENSION AND RECOGNITION POLICIES**

Employers should acknowledge the needs of the workforce and gear themselves towards more effectively recognizing employees at different life stages. Maternity leaves, for example, often negatively impact performance appraisals, with women who take such time automatically deemed less competitive than their peers. This begins a chain reaction of diminished roles, significant slowdown in pay and growth, low representation in conventional reward systems (e.g., short- and long-term incentive programs, trainings, critical assignments), and finally, inevitable questions about whether the trade-off to return to work is worth it. It is at this moment that women are most vulnerable to dropping out. In order to avoid these vicious cycles, organizations need to think about recognition systems that value these women and effectively integrate them back into the workforce following leaves. Such programs should help returning women fast-track skill gaps and become mentors for others about managing work and family while providing a performance-rating system that ensures a woman can resume her career trajectory following leave.

## **ENGAGE LEADERSHIP**

One of the largest response gaps between men and women involved areas (e.g., achieving potential, getting recognition) driven by an immediate supervisor. Working parents diverged with non-parents in their perception that managers did not understand work/family challenges. This underscores the need to focus ample resources on training supervisors to:

- Encourage diversity
- Create an empowering work culture for their teams
- Ensure that HR systems are actually implemented as per their intent

To an employee, the boss is the face of the organization, and organizations must focus and maximize that lever.

## **RESPOND TO CURRENT EMPLOYEE CHALLENGES**

Along with children, responsibilities for elders, personal wellness, and stress management will continue to emerge as significant work/life challenges for employees. Women in India continue to be seen as the primary caregiver, thereby intensifying these challenges. As the geriatric population swells - and with it the increased responsibility of caring for the elderly and disabled - the pressure on women is bound to increase. Companies need to think about these emerging needs and broaden the scope of existing benefits, supports, and policies to respond.

## **WHAT'S NEXT**

Employers in India are at crossroads. The country has been identified as an emerging economic market, but challenges within the employee population are standing in the way of progress. A combination of startlingly low retention rates, sagging engagement, and an absence of the ability to advance one's career alongside family obligations have compromised workforces and made it difficult for employers to deliver on India's potential. With few work/life supports, well-

educated professional women in particular - considered the lynchpin of employer success - are exiting the workplace at an alarming rate.

Changing course will require a concerted effort by employers. Building engagement in particular - the key to creativity, innovation, and productivity - will necessitate that employer's offer assistance that helps women grow their careers, navigate stress, and satisfy their desires for a balance of work and life.

Those who recognize these challenges and respond to them will cultivate energized workforces that capitalize on both the potential of the overall talent pool and the considerable contributions presented by India's increasingly career-focused and ambitious young professional women.

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## QUOTES

*The intoxication with power is worse than drunkenness with liquor and such, for who is drunk with power does not come to his senses before he falls*

***Vidura (Mahabharata)***

*Forgiveness is a virtue of the brave*

***Indira Gandhi***

*It's not how much we give but how much love we put into giving*

***Mother Teresa***