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Championing Diversity in the Business 4.0™ Era: A Four-point Framework

Abstract

Digital technologies are reshaping organizational context and perspectives, driving changes in the way industries and individuals operate. At the same time, intelligent, agile and automated technological platforms built on the cloud are redefining the future of work by merging the physical and digital worlds – making it phygital. In the era of Business 4.0, as technology creates opportunities for connectedness and collaboration across ecosystems, forward-thinking organizations need to transform the traditional mindset and leverage futuristic skills to create exponential value. With people being the core of this transformation, the key is to move towards a more inclusive culture – one that thrives on harnessing diversity and celebrating differences. This will not only help organizations meet the complex demands of a dynamic business environment, but also unlock new possibilities, enhance performance, and drive growth through creativity and collaboration.

In this paper, we explore how a culture of diversity is crucial for organizational success. We also propose a four-pronged framework to leverage diverse workforce capabilities, and create and strengthen a culture of inclusion to fuel higher performance and growth.

Harness New-age Workforce to Synchronize Innovation and Business Performance

Operating in borderless economies and large ecosystems requires businesses to exploit diverse talent to innovate and tap into new opportunities. Even as organizations transmute traditional ways of working into agile and dexterous ones, it is crucial to build an equally agile and responsive workplace to fulfill the evolving career needs of employees. The need of the hour is a leadership model that harnesses a new pool of employees who are inclusive, adaptable and able to merge agility with the aspirations of a modern and diverse workforce. About 69% of executives rate diversity as a crucial business need and in 38% of cases, the primary sponsor of a company's efforts towards building diversity is the CEO[1]. While it is clear that diversity has catapulted onto the CEO agenda in recent years, many organizations are still struggling to make it a reality.

Infusing inclusion in the workplace culture must be viewed as a strategic mandate that drives progress and innovation for business, enabling favorable growth. An inclusive workplace not only encourages an open and empathetic culture but also respects individual views and opinions, while engaging employees and involving them in decision-making. Insights from Deloitte Review 2018 reveal that organizations with inclusive cultures are six times more likely to be innovative and agile in anticipating change and responding effectively, and two times more likely[2] to meet or exceed financial targets. When integrated with business strategy, diversity can help build next-gen leadership and workforce for a clear competitive advantage. But how do businesses do this?

Inclusion for 4.0 Framework: Re-architecting Workplace Culture by Integrating Inclusion with Business Strategy

To optimally leverage their workforce, it is important for organizations to create an inclusive environment – regardless of factors such as gender, generation, ethnicity, disability, sexual orientation and such. Inclusion can be established as a culture by considering employee-level aspirations, insipiration and inclinations, while callibarating organization-level success influencers and value systems. The key here is to view inclusion as much more than a business mandate and embrace it as being fundamental to both individual and team excellence.

The proposed Inclusion for 4.0 framework (see Figure 1) is based on four key pillars – inclination and aspiration, inspiration for performance, influencers in success and internal value systems. It enables organizations to champion diversity initiatives in a systematic way.

Figure 1: Inclusion for 4.0 framework

Let's take a deep dive into each of the four pillars in the next few sections.

PILLAR # 1: INCLINATION AND ASPIRATION

At a time when both talent and career paths are abundant, it is important for organizations to provide opportunities and platforms for employees to create an impact and fulfill their aspirations by leveraging the strengths of each individual and creating an inclusive environment.

INCLINATION FOR IMPACT

Against the backdrop of the evolving business landscape and organizational ability to offer full services to customers, employees' inclination to make an impact is manifesting in different ways. With a strong sense of purpose across gender

and generations, today's employees feel more inclined to make an impact by exploring new and demanding opportunities provided by the organization. This facet has emerged frequently during internal interactions and town halls with TCS associates.

To fuel this inclination, organizations need to provide growth and development opportunities at every level of the organizational pyramid, in different formats that suit the learning styles of different people. According to Gallup, employees who received strength-based development witnessed improved engagement – by as much as 23%.[3] With tools like AI and VR, it is easy to engage the younger generation in hands-on experiments and learning, to solve business as well as social problems. A case in point is TCS' virtual rehabilitation solution VHAB[4], which was designed by young researchers at our Initial Learning Program (ILP) Innovation Lab in Kerala as a social initiative, and was then scaled in partnership with Barclays[5] and implemented at its Pune center. In addition, contextual growth and development interventions on personal as well as professional fronts can be mass customized for senior leaders for greater impact through executive coaching, module-based offerings and interventions identified through assessments.

ABUNDANCE OF ASPIRATION

With employees becoming more aware of their career path and aspirations, organizations must balance their interests, competencies and job roles. Given the evidence that organizations with more women in leadership roles perform better financially[6], this is a welcome shift. Nearly 82% of professional working women believe access to and networking with female leaders will help them advance in their career.[7] This can be achieved by leveraging mentoring platforms for female employees and promoting women leaders as role models. Bain & Company, for instance, offers Women at Bain – a mentoring program targeted specifically at women.[8]

Fewer than four in 10 millennials and three in 10 Gen Z employees believe they have the skills and knowledge they will need to thrive.[9] This means organizations must provide transparency in career progression through a customized career path. Creating an inclusive environment that provides opportunities for Gen X and Gen Y employees to mentor each other can also be highly beneficial. In fact, 78% Gen Z workers require mentorship to make a positive impact at work.[10] An in-house learning management system can empower employees to record their aspirational roles and build a customized path to help acquire competencies relevant to their aspirational roles – a strong ask across genders and generations.

PILLAR # 2: INSPIRATION FOR PERFORMANCE

In today's hyper-connected world, where the definition of team, accountability and work-life balance has changed, there is a strong need to address the question: what drives employees? A 2018 Aon Employee Engagement study suggests that now, more than ever, employees are ready to bring their whole selves to work[11]. Employee willingness to put in extra effort has improved by two points to 64%. A strong focus on creating an ecosystem that offers inspiration to drive performance is therefore crucial for an inclusive culture. Here are three ways to achieve it:

MOMENTUM BY MENTORS

The increasing size of global companies is resulting in a growing number of first-time managers. In addition, a larger number of millennials are becoming managers, directly impacting new joiners and their perception of the organization. A mentor at the workplace can help employees keep their careers on track while enhancing organizational image. For a remarkable 75% of executives, mentoring has been critical to their career development[12]. By leveraging digital technologies such as AI chatbots and analytics, companies can identify mentors based on contextual relevance and provide mentorship to anyone across the globe. In addition, with the emergence of Location Independent Agile[13] teams, anyone can become a mentor.

MOBILITY AND FLUENCY

To propose cutting-edge solutions to clients, leveraging contextual knowledge and driving inspiration at the intersections of different industries, technologies and sciences is critical. Business leaders and policy-makers, for instance, must keep track of more than 60 technologies and philosophies impacting production systems today[14]. To do so, cross-technology exposure becomes extremely important in today's ever-changing world. No wonder, 96% consider educating the business about technology issues to be one of their key responsibilities.[15]

At TCS, this is made possible through our co-innovation network TCS COIN™, which enables associates to collaborate on cutting-edge research and customized business solutions with the entire research ecosystem comprising start-ups, academia and client organizations.[16] Openness to cross-technology, domain and cultural exposure can enable organizations to leverage agility and develop a global mindset in local teams by providing appropriate cross-cultural sensitization to the global workforce.

In addition, to contribute to a digital enterprise and assimilate with the organization, it is important for employees to become technologically fluent by focusing on reskilling and up-skilling. This helps foster inclusiveness by allowing employees to operate at the same speed as their peers. With a focus on reskilling, TCS

invests in training its talented workforce in new-age digital skills in order to help its clients progress in their respective Business 4.0 journeys. So far, over 322,000 TCSers have been trained in digital technologies, and 391,000 in Agile methods.[17]

MINDFUL MOTIVATORS

While bosses want their team members to be resilient, dependable, courageous and focused, it is interesting to see the parallels between managers' expectations and employees' views on qualities for success at work.[18] According to World Economic Forum, by 2020, problem-solving skills, critical thinking and creativity will be critical for employees to stay relevant in their jobs.[19] By creating self-inspired learning opportunities, and organizing coding contests and ideathons[20], organizations can create a culture that encourages curiosity to address problems head-on. The focus here should be on leveraging the organization's vast contextual knowledge. The result is a culture that is open, collaborative and supportive of internal employee motivators.

PILLAR # 3: INFLUENCERS IN SUCCESS

For employees to achieve their personal goals and professional aspirations, organizations must create an environment best suited for growth and development. Here are two ways to do it:

CAREER GROWTH ENABLERS

A Deloitte study found that 76% of employees believe that "clearly defined business strategy"[21] helped create a positive culture contributing to company's success, providing an important call-to-action to senior management for a robust top-down communication channel. According to SHRM, employee recognition is crucial for employee succession planning and 89% HR professionals agree that employee recognition helps improve employee experience.[22] By ensuring curated digital learning platforms and enterprise-wide learning management systems that enable anytime, anywhere learning, organizations can create a strong employee-friendly policies that act as a strong career growth enabler. Fresco Play, for instance, enables employees (from the CEO to trainees) to access training modules seamlessly across devices.[23]

COLLABORATIVE WORKPLACE

Organizations can build state-of-the-art set-ups like agile workspaces[24] to encourage collaboration. However, a sense of place, identity and belonging is important for employees to utilize the open spaces for face-to-face collaboration, instead of resorting to virtual modes of communication.[25] It is also vital to create a team model where the inherent strengths of each generation – collaborative nature of juniors and contextual knowledge of seniors – are leveraged.

PILLAR # 4: INTERNAL VALUE SYSTEMS

This section builds a strong case for inclusion by showing how it helps the employee base of a global organization align with specific values of the organization.

VALUE OF VALUES

A values-driven culture helps employees find alignment between their personal and organizational values, resulting in a unified and motivated workforce. Southwest Airlines, for instance, provides the same concern, respect and caring attitude within the organization that employees are expected to share externally with every Southwest customer. Such a strongly held values-based culture or purpose inculcates stability over time, characterized by productivity and employee commitment.[26] At TCS, the Tata Code of Conduct drives all actions.[27]

According to LinkedIn's Workplace Culture Report, 86% of millennials between the ages of 22 and 37 are open to taking a pay cut to work at a company whose mission and values align with their own, emphasizing the need for organizations to percolate their values down to every employee.[28]

A BLISSFUL BALANCE

The 2017 Workplace Benefits Report by Bank of America Merrill Lynch found that 59% of millennials report feeling worried about finding a career path that will support the lifestyle they have envisioned for themselves.[29] In the evolving work paradigm, focus on work-life balance must move beyond a balance between work and life to a more holistic view – of balance between mental, physical and emotional levels. Balance in the new-age work context means a balanced self, aligned with organizational purpose, and a workplace environment that promotes a balanced approach – inclusive culture being an outcome of this approach. According to an SHRM (Society for Human Resource Management) survey, offering work benefits such as telecommuting, flexitime, compressed workweeks and encouraging work-life balance can result in higher productivity and more engaged employees. This is also the reason why 70% of organizations offer some type of telecommuting.[30] With the inclusion of Gen Y and Gen Z members into the workforce, adopting a balanced style of managing expectations, encouraging different styles of work and focusing equally on physical and mental well-being is important to make each individual feel heard and valued.

Conclusion

In order to create a culture that is conducive to the growth and advancement of employees, organizations must view diversity as a business priority and not just a suggestion. Embedding diversity in the fabric of the organization requires committed employees who are willing to integrate it into the business strategy as well as the value system of a workplace. Organizations that quickly move from intent to action by making diversity and inclusiveness their top priority lay the groundwork to establish competitive advantage for sustained success.

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