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Tatas lead India Inc in hiring SC/STs

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MUMBAI: What social revolutionary Babasaheb Ambedkar and late prime minister Vishwanath Pratap Singh could not see during their lifetime may be quietly getting underway in corporate India with the largest group, the Tatas, leading the way.

The Tatas were the first to bring many material things to India — power, star hotels and steel, to name a few. The \$71-billion group with interests from tea-to-telecom is also now probably the first to introduce a hiring policy that emphasises 'positive discrimination' for its scores of enterprises located across the country from the seashores to deserts to mountain tops.

"What we have said is if everything is equal in merit and so on, please select somebody from the SC/ST communities. This is positive discrimination towards Dalits while hiring," says JJ Irani, a director at Tata Sons. "We now have a Tata (recruitment) policy where our group chairman personally made the corrections in his own handwriting when we presented it to him."

A Tata Sons spokesperson said the policy had been in place for some time, and has been most successful in newer companies which were in the process of building up their workforce.

"Tata group companies have been following a recruitment policy over the past few years where they have been encouraged to step up hiring from disadvantaged sections, particularly the Scheduled Caste and Scheduled Tribe communities, without sacrificing merit — in the spirit of positive discrimination. This policy has seen most traction in Tata companies which are in the process of building or renewing their workforce, including Trent, Tata Business Support Services, Tata Teleservices, Tata Capital, Tata Consulting Engineers, Tata Power and NDPL. In one or more of these companies, there have been significant additions at the entry levels, both at the worker and the officer levels, and some of these companies are also endeavouring to increase numbers at intermediate levels," the spokesperson said.

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Scheduled Castes and Scheduled Tribes are communities which feature in a specific schedule of the Indian Constitution. This makes them eligible for various privileges provided by the state, including reservations in education and government jobs. Scheduled Castes are also widely referred to as Dalits.

Indian corporates, which are ringing in thousands of crores of profits year-after-year, are coming to grips with their obligation to give back to a society where people are deprived of essentials such as food, schools and medical attention.

About three years ago, Prime Minister Manmohan Singh stressed the need for affirmative action, a policy which traces its origin to attempts in the US to increase representation of African-Americans in various spheres of life.

Meira Kumar, the current speaker of the Lok Sabha and the social justice minister in the first UPA government (2004-09), had suggested a number of times that reservation of jobs, as practised in the government, could be considered in the private sector too.

But industrialists of all hues, such as Wipro chairman Azim Premji and Ashok Leyland's R Seshasayee, said mandatory reservations, without considering merit, would cripple the corporate sector that was just emerging from the clutches of the Licence Raj. Hence, the

lobby group, Confederation of Indian Industry (CII), constituted a panel under Irani on Affirmative Action.

“Companies are being encouraged to provide for more executive positions from the SC/ST groups,” according to CII senior director Indrani Kar. “Industry is stepping in to create capabilities through scholarships, coaching programmes and funding entrepreneurs.”

Social discrimination has been a vexing issue. A huge section of society was once termed ‘untouchables’ — whom the father of the nation, Mahatma Gandhi, called “Harijans”, people of god, in an attempt to erase the taboo. Many reformers such as Ambedkar from Maharashtra and EV Ramasamy Naicker, also known as Periyar, from Tamil Nadu, have fought for the rights of these deprived sections of society.

### **COMPANIES DOING THEIR BIT**

The onset of liberalisation after 1991 has meant that most of hiring is now taking place in the private sector, leading to demands from politicians and social activists for affirmative action and even reservation.

“We are making conscious efforts to widen the canvas of people we employ and make certain we are not leaving specific groups of people out,” says Surinder Kapoor MD of Sona Steering, an auto parts maker. “We are not just looking at it from an employability point of view, but from a grassroot level in terms of training and education.”

Some of the experiments in hiring people from specific castes have also proven successful.

“Noel Tata, the MD of Trent, is convinced that once candidates from Dalit and tribal communities are trained, their performance is far better than others...they show more commitment and don’t migrate easily. Over 50% of the hiring in Trent is from the SC/ST communities,” says Dr Irani.

“I had told the PM that we have to build a reservoir of talent, instead of just getting people employed,” says Irani. “Our job is to (increase the talent base) through employability, education and training.”

Some companies have discreetly begun caste profiling of employees through voluntary disclosures, after the union ministry of minority affairs crafted a ‘diversity index’, which measure the diversity of workforces.

Companies such as those in the Godrej Group, Thermax, Crompton Greaves, Sona Steering, HSBC, Mahindra & Mahindra, Crompton Greaves, Cummins India, Godrej and Boyce, Bharti Airtel among several others are actively pursuing the policy of affirmative action to create better job opportunities for Dalits, tribals and OBCs. OBCs, or other backward classes, refer to another set of communities, different from the SC/STs, who also benefit from reservations in government jobs and state-owned educational institutions.

“Godrej Industries and associated companies are committed to inclusive policies that strive to provide equal opportunities for socially or otherwise disadvantaged but meritorious individuals. Companies are encouraged to create an enabling environment for such individuals.” Visty Banaji, executive director and president, (Group Corporate Affairs), Godrej Industries, said. The Godrej companies have a scorecard that includes inclusive hiring as a parameter of performance.

### **INCLUSIVE HIRING**

Salman Khurshid, the minister in charge of corporate affairs, who is also in charge of minority welfare says that companies must widen their efforts to encompass all sections of Indian society. “CII has been regularly updating on inclusive hiring details. But so far, the only concrete outcome has been in the SC/ST area. Corporates need to widen the scope of inclusion. Our ministry is looking at a proposal of financing the training cost for those from underprivileged groups who might be given employment,” he added.

Inclusive hiring referred to by Mr Khurshid, would mean more recruitment not only of Dalits and tribals, but also from the OBC and Muslim communities, who many say are also underrepresented in corporate India, particularly in the top echelons.

The government is also actively looking at bringing an equal opportunity legislation "It is awaiting clearance by the law ministry before Cabinet approval," Mr Khurshid told **ET**.

Business houses such as M&M and Godrej are also funding entrepreneurs from deprived communities and are offering training facilities through ITIs to workers to create employability.

"We are looking at ways of helping employability of individuals from such groups and also educating children through the Mahindra Pride School in Pune where after finishing school, the children are ensured jobs at retail outlets such as Cafe Coffee Day, BPOs and KPOs," said Rajeev Dube of M&M group.

Industry officials hasten to add that they are not sacrificing merit. "For us, capabilities are important and we do not compromise on that," said Krish Shankar, HR head at Bharti Airtel. "In that sense, if the candidate is meritorious, we hire them irrespective of his or her background in terms of caste. We are trying to make a difference, but not at the cost of capability."

## **A LONG WAY TO GO**

Some say that these efforts merely scratch the surface. "Ninety-nine percent of the corporate sector is still controlled by very small strata of the very rich and influential, and they continue to promote talent from a small group," says Surinder S Jodhka, professor of sociology at Jawaharlal Nehru University and director of the Indian Institute of Dalit Studies. "The rest still do not have access to either capital or the opportunity to be a part of the growth happening."

Social problems in vast swathes of the country such as Maoist violence, kidnapping of corporate executives and agitations against land acquisition are partly blamed on the centuries-old injustices.

"If the corporate sector does not become inclusive, it will face resistance which will in the long run lead to civil wars," says social activist Dr Kancha Ilaiah, professor of the department of political science, Osmania University, Hyderabad.

Industry is willing to do its bit to the society voluntarily, rather than being pushed to do so through legislation. But many consider industry actions may be too little to have any significant impact. Some even say that the industry's attempts in affirmative action may be a public relations exercise.

"The initiatives taken by them are just a showcase programme and part of some corporate social responsibility (CSR) moves," says professor Jodhka. "That is not talent development. The issue will soon become a political issue. If some of the top industrial houses invest in good colleges in the tribal areas, most certainly there will be good candidates coming out of such places."

The government and society, may have to rely on what corporates voluntarily do, as any legislation may be challenged.

"A legislation can be challenged by the corporate sector, which has an obvious right to hire according to its requirements and policies," says Zia Mody, senior partner at law firm AZB & Partners. "There are going to be very strong pulls and tugs, which may force the government to look at some half-way discriminatory policy. What is the rationale and the percentage of hiring is something that won't be easy and very difficult to sustain."

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