



## HCL Technologies Showcases Best Practices For Inclusion and Diversity

HCL Technologies

Best Inclusion and Diversity Strategy

October 2018



### Company Background



<b>Company-at-a-Glance</b>	HCL Technologies (HCL) is a leading global IT services company that helps global enterprises re-imagine and transform their businesses through digital technology transformation. HCL operates out of 39 countries and has consolidated revenues of \$7.8 billion the 12 months ended Dec. 31, 2017. HCL focuses on providing an integrated portfolio of services underlined by its Mode 1-2-3 growth strategy. With 119,291 professionals from diverse nationalities, HCL focuses on creating real value for customers by taking “Relationships Beyond the Contract.”
<b>Headquarters</b>	Noida, Uttar Pradesh, India
<b>Year Founded</b>	1976
<b>Revenue</b>	\$7.8 billion
<b>Employees</b>	119,291
<b>Global Scale (Regions that you operate in or provide services to)</b>	HCL Tech has an extensive global infrastructure and network of offices in 39 countries from 140 nationalities .
<b>Customers/Output, etc. (Key customers and services offered)</b>	HCL leverages its global network of integrated co-innovation labs and global delivery capabilities to provide holistic multi-service delivery in key industry verticals including financial services, manufacturing, telecommunications, media, publishing, entertainment, retail and CPG, life sciences and

	healthcare, oil and gas, energy and utilities, travel, transportation and logistics and government.
Industry	IT
Stock Symbol	NSE: HCLTECH
Website	<a href="http://www.hcltech.com">www.hcltech.com</a>

### Budget and Timeframe

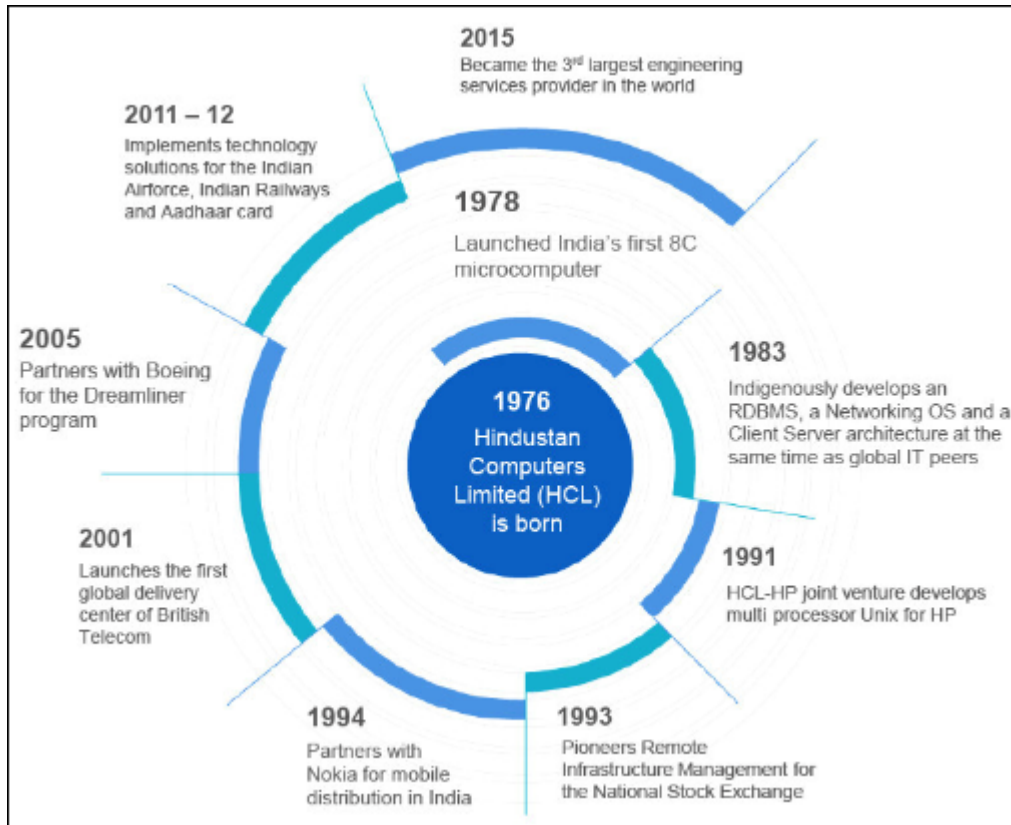
Overall budget	\$250,000
Number of (HR, Learning, Talent) employees involved with the implementation?	10-12
Number of Operations or Subject Matter Expert employees involved with the implementation?	3
Number of contractors involved with implementation	3-5
Timeframe to implement	Year on year (2014-17)
Start date of the program	2014

### Business Conditions and Business Needs

#### About HCL

Founded in 1976 as one of India's original IT garage start-ups, HCL is a pioneer of modern computing with many firsts to its credit, including the introduction of the 8-bit microprocessor-based computer in 1978 — well before its global peers. Today, the HCL enterprise has a presence across varied sectors that include technology, healthcare and talent management solutions and comprises of three companies: HCL Info systems, HCL Technologies and HCL Healthcare. The enterprise generates annual revenues of over \$7.8 billion with more than 120,000 employees from 140 nationalities operating across 39 countries, including over 500 points of presence in India.

Figure 1: HCL Timeline



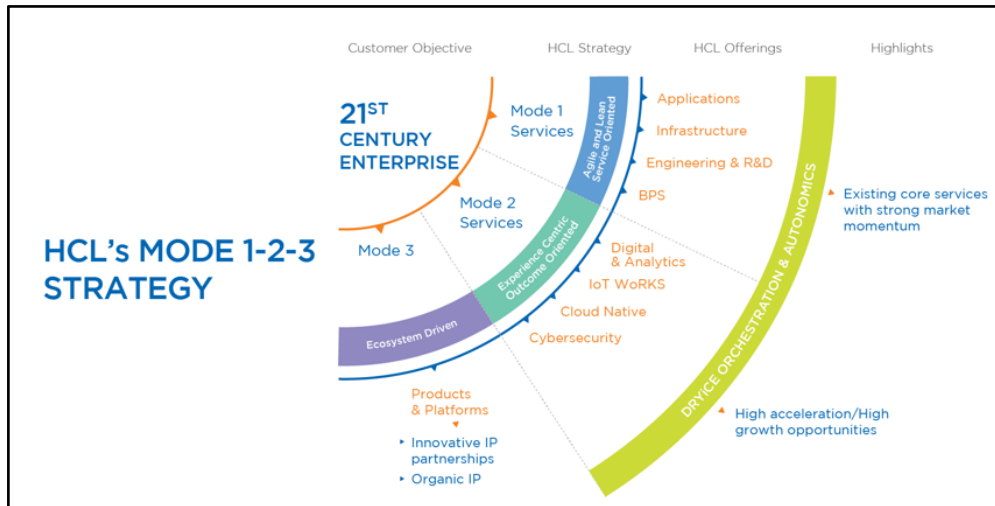
Source: HCL Technologies

### Mode 1-2-3 Strategy

Businesses across industries stand at an inflection point today. Far-reaching disruption fueled by technologies like digitalization, analytics, cloud, IoT and automation mean these technologies lie at the core of any enterprise that is trying to reinvent itself. As the demand for these services increase, HCL Technologies is accelerating its evolution into a next-generation technology services firm through its Mode 1-2-3 strategy.

HCL's Mode 1-2-3 strategy helps future-proof customers' business by deploying a concurrent three-point spotlight on the existing core of their business and new growth areas, as well as the ecosystems of the future. As detailed below, each of the three modes has distinct outcomes and growth potential.

**Figure 2: Mode 1-2-3 Strategy**



Source: HCL Technologies

## Mode 1: Core Services

Under Mode 1, HCL delivers core services in the areas of applications, infrastructure, BPO and engineering and R&D, leveraging DRYiCE autonomics and orchestration to transform clients' business and IT landscape making them "Lean" and "Agile."

## Mode 2: Next Generation Services

Under Mode 2, HCL delivers experience-centric and outcome-oriented integrated offerings of digital and analytics, IoT WoRKS™, cloud-native services and cybersecurity and GRC services.

## Mode 3: Products and Platforms

HCL continues to explore and enter into innovative IP-based partnerships targeting specific next-generation opportunities. Mode 3 includes the external IP partnership with IBM extending now to a half-dozen products. HCL also continues to invest in its internal IP creation strategy and expansion of capabilities and markets for DRYiCE, the next-generation autonomics and orchestration products and platform.

HCL's Mode 1-2-3 strategy is truly differentiating in the market place today and its clients are increasingly demonstrating their confidence in this strategy and the company's ability to deliver. HCL will continue to build and invest in its Mode 1-2-3 capabilities with the primary goal to be the partner of choice for its clients globally. Lastly, HCL will continue to re-skill, train and build the capabilities of its employees to be future-ready.



### **HCL's Philosophy**

#### **Ideapreneurship**

At HCL, innovation is not just another word, it's part of its organizational heritage and DNA — a journey that began in 1976 and continues to power the company ahead even today. The culture at HCL Technologies — Ideapreneurship™ as it's called — makes the license to ideate a distinctive organizational capability. HCL sees a grassroots movement that has rallied the entire organization behind this innovation agenda in a manner that leads to relationships that deliver value beyond the contract to the company's customers. Ideapreneurship™ is based on the fundamental belief of inverting the organizational pyramid and engaging, enabling and empowering the front line. This is because HCL understands that front-line employees are best placed to appreciate and understand the customers' business and shape the roadmap to enhance the "value zone" created in every interaction they have.

The vibrant entrepreneurial culture that is Ideapreneurship has given birth to institutional and grassroots programs that help in seeding ideas, mentoring creativity and harvesting innovation.

#### **Relationship Beyond the Contract**

A contract can only convert to business advantage through a value-centric relationship. From helping the world's largest aircraft take off on time to fixing process loopholes that not only save but help generate millions of dollars, HCL's Ideapreneurs are transforming global businesses one relationship at a time.

Ideapreneurship has resulted in 66,000-plus ideas being implemented by customers to generate \$2.72 billion in value beyond the contract.

HCL Technologies believes in ensuring respect for each individual and creating a sense of ownership among employees across the globe. HCL considers diversity as a "good faith" practice, but also understands it is a key business driver. The thought prevails that a positive workplace is one where diversity goes beyond differences that stem from gender, nationality, culture, ethnicity, age or the different abilities of an individuals. Recognizing the differences that exist within the employees, harnessing and synergizing them and creating an environment that is conducive to bringing out the best in the employees is key. HCL takes pride as an organization that has an open, transparent and inclusive culture. The company focuses on creating and sustaining a nurturing environment for employees with diverse backgrounds. HCL also focuses on creating support systems and policies that are based both on infrastructure and employees to facilitate work-life continuity.

A positive workplace is one where diversity goes beyond differences that stem from gender, nationality, culture, ethnicity, age or the different abilities of an individuals. HCL believes that it is about recognizing the differences that exist within its employees, harnessing and synergizing them and creating an environment that is conducive to bringing out the best in its employees.

**Figure 3: HCL Business Conditions for Diversity**

<b>Workplace Demographics</b>	<ul style="list-style-type: none"> <li>• A reflection of available talent pool in the market; HCL believes that to attract the best talent into the work force it needs focus on diversity.</li> </ul>
<b>Innovative Thoughts</b>	<ul style="list-style-type: none"> <li>• Diversity when leveraged constructively can lead to sustained innovation in the work place; HCL believes is the very foundation of the <i>Ideapreneurship culture</i> that's promoted at the company.</li> </ul>
<b>Culture of Inclusion</b>	<ul style="list-style-type: none"> <li>• The emerging business models seek operations in new geographies; hence, the focus to enable workforce mobility. For this, HCL needs a culture of inclusion where virtual teams are able to work across borders seamlessly and meet with customer expectations.</li> </ul>
<b>Relationship Beyond The Contract</b>	<ul style="list-style-type: none"> <li>• HCL believes in building <i>Relationships Beyond the Contract</i> that enables and entuses the larger society to understand and accept diversity and inclusion — be it gender, culture, ethnicity or ability with empowerment programs for internal and external communities.</li> </ul>
<b>Financial Performance</b>	<ul style="list-style-type: none"> <li>• Workplace diversity improves financial performance by driving innovation to meet customer needs.</li> </ul>

Source: HCL Technologies

With the ever-growing demand for skills there is a constant need to look for newer talent pools to stay sustainable and successful. As an extension of this thought process, HCL's hiring team has been strengthening the focus on hiring based on the gender, second career and ability perspectives — thus diversity hiring and assimilation is an integral part of resource planning strategy at HCL.

## Overview

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HCL prides itself as an organization with an open, transparent and inclusive culture. The company focuses on creating and sustaining a nurturing environment for employees with diverse backgrounds.

HCL has embedded and strengthened its diversity and inclusion focus in its policies and processes across all key workforce practices.

HCL understands that diversity is a key de-risking aspect of business and, hence, diversity is a key driver of sustainability. The sustainability framework sits on the enterprise risk management framework, helping company to pro-actively work on diversity management.

### Inclusion

HCL takes pride as an organization which has an open, transparent and inclusive culture. The company focuses on creating and sustaining a nurturing environment for employees with diverse backgrounds. HCL also focuses on creating support systems and policies that are based both on infrastructure and employees to facilitate work-life continuity.

Its diversity approach focuses on enhancing workforce representation and sustaining an inclusive culture. While HCL works toward this mission, it constantly strives to connect with communities and help them leverage diversity.

**Workforce Representation:** Recruiting employees from diverse backgrounds, HCL reaches out to a diverse talent pool that comprises women, different nationalities, cultures and work experiences and people with disabilities.

**Inclusive Environment:** Engaging and enabling employees from diverse backgrounds, HCL focuses on creating and sustaining a nurturing environment for employees with diverse backgrounds.

### Gender Focus

Gender diversity is gaining considerable importance for corporations to create a fair environment and providing everyone with equal access to opportunities and challenges.

**Figure 4: Gender Focus Testimonials**

<p>“Companies with a higher proportion of women in senior management are on average <b>48%</b> more profitable than rivals.” — McKinsey Source: <a href="#">Women Taking the Lead</a></p>	<p>Companies in the <b>top quartile for gender diversity</b> are <b>15%</b> more likely to have financial returns above the national median for their industry.” — McKinsey Source: <a href="#">Why diversity matters</a></p>	<p>Businesses with women on their boards outperform companies with all-male boards by <b>26%</b>. (Source: <a href="#">Benchmarking Women’s Leadership</a>)</p>
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Source: HCL Technologies

Gender diversity has a direct correlation with the business outcomes — it is evident from the global research with companies in high quadrant of diversity ratio.

The significance of gender diversity for HCL’s business and growth is evident from the high focus this derives from the company’s stakeholders and board of directors; women employee ratio is a crucial metric that is reported annually along with other financial parameters.

### The Goals Established

The definition and essence of diversity is vast and goes beyond demographic differences, including gender, nationality, culture, ethnicity, age or the differing abilities of individuals. It is about recognizing the differences which exist, harnessing and synergizing them and creating an environment which is conducive to bring out the best in all. As such, HCL has established the following goals:

- Increase representation of women at all levels of hierarchy.
- Equal opportunity and fair representation:
  - Ensure fair representation of diverse candidates in the hiring process.
  - Devise and cascade D&I targets for the line of business and relevant stakeholders.
- Position HCL as the employer of choice:



- Leverage internal and external social media channels for maximum impact.
- Embrace diversity and celebrate differences:
  - Ensure fairness in promotion, compensation, rewards and leadership development process.
- Promote inclusive thinking:
  - Provide specialized training for employees and managers on inclusion.
  - Focused advocacy campaigns to build diverse perspectives.
- Enable reasonable accommodation:
  - Implement inclusive policies and processes.
  - Strengthen the Mobius program for wellness and well-being,
  - Facilitate flexible work arrangement.
  - Provide support systems such as day care and inclusive infrastructure.
- Facilitate employee connect:
  - Active employee resource groups in all locations.
  - Leverage the regional employee-first councils to support ERGs.
  - Customize employee connect programs based on local needs.
- Foster innovation:
  - Promote participation of diverse employees in value creation activities.
- Facilitate developmental initiatives:
  - Mentor employees of minority groups.
  - Explore train and hire model for minority inclusion.
  - Strengthen career development programs for women middle managers.
  - Enrich women leadership development programs.

## Design and Delivery

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HCL Technologies is a leading global IT services company working with clients in areas that impact and redefine their core businesses. Its focus is on “transformational outsourcing,” underlined by innovation and value creation and offering an integrated portfolio of services. Diversity brings innovative thoughts and when leveraged constructively can lead to sustained innovation in the work place.

- Diversity and inclusion are integral parts of the quarterly business review.
- Ensuring all employees are treated fairly and are provided equal opportunities. HCL’s HR teams regularly are monitoring and auditing the recruitment, reward and talent management practices in line with this commitment.
- Continue to invest in the health and safety of HCL employees with several policies and programs enabling work-life integration, day care support and life counseling sessions which have ensured that over 99% of the company’s women colleagues have returned to work after maternity leave — a 15% increase from FY13.

- Remaining deeply committed to promoting professional development opportunities for women through programs such as Stepping Stones and Ascend, leading to 45% of the participants experiencing an increase in levels of responsibility and career progression.
- Ensure fair representation of diverse candidates in the hiring process.
- Devise and cascade D&I targets for the Line of business and relevant stakeholders.
- Ensure fairness in promotion, compensation, rewards and leadership development process.
- Demonstrate commitment to culture and ethnic diversity.
- Enable reasonable accommodation.

## Integration

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HCL Technologies is committed to assimilating these opportunities to grow meaningfully and is fully aware that business needs to align with society, and the work force is a reflection of the society in which the company operates. The program is aligned to talent management strategy as:

1. The talent pool today brings as many numbers of women compared with men into the company. It is important to retain the talent meaningfully, as attrition means not only financial loss but also loss in terms of innovation.
2. HCL believes that diverse team can bring diversity of thoughts and behaviors into the work place and leveraging these are important for innovation and people management, which are key to the company's success.
3. As HCL moves into new geographies to operate, the local talent brings culturally diverse ideas and needs for new policies and support systems.
4. Gender, disability or nationality or the diversity of ideas alone are not HCL's scope of work. The company promotes and focuses on development in society and is fully aware that business needs to align with society, and its work force is a reflection of the society in which it operates.

To support the integration of diversity and inclusion strategy, several initiatives have been launched which are closely monitored by HCL's diversity council and board of director.

**Figure 5: Talent-Management Strategy**

Talent Attraction	Talent Growth	Talent Retention	Work Life Balance
<ul style="list-style-type: none"> <li>• Focused women recruitment drives</li> <li>• Second career focus</li> <li>• Employee referrals</li> <li>• Social media campaigns for hiring drives</li> <li>• Tagging of women only position</li> <li>• Position HCL as Employer of Choice</li> <li>• Hiring of PwD</li> </ul>	<ul style="list-style-type: none"> <li>• career Development Initiative for women in mid management , functional leadership and business leadership roles</li> <li>• Feminspiration - a platform where successful women leaders are invited to address HCLites</li> <li>• Coaching and Mentoring</li> <li>• Cultural Sensitisation</li> <li>• Ability Sensitisation</li> </ul>	<ul style="list-style-type: none"> <li>• Focused exit interviews by HR with women who have resigned, to understand the expectation and use the intelligence for retention initiatives</li> <li>• Discussions with top leadership on initiation of exit management system</li> <li>• Implement Inclusive policies and processes</li> </ul>	<ul style="list-style-type: none"> <li>• Maternity leave policy</li> <li>• Post ML counselling</li> <li>• Sabbatical policy</li> <li>• Life coach support for extended family</li> <li>• Flexi Work Hours</li> <li>• Telecommute Policy</li> </ul>

Source: HCL Technologies

## Measurable Benefits

Diversity metrics is an integral part of HCL's performance score card. The board reviews progress every quarter and every business line has taken up certain diversity targets to achieve. The success of these programs is both qualitative and quantitative in nature.

HCL continuously is moving forward to achieve its diversity targets with all its programs and strategies in place. HCL's initiatives are broadly classified under three board categories: gender, culture and PwD (person with disability).

### As for gender, the outcome has been:

- Continuous increase in gender ratio at leadership levels, increase of approximately 1½% over the last two years.
- Reduction in attrition percentage at the leadership level (1½% decrease from last year).
- The promotion of women ratio is 1:1 and there is no disparity in salary.

- High rate of return of women on maternity leave — 99.2%.
- Pilot of revamped telecommute policy was offered to 500 employees.
- Increased career progression of women leaders through career development program. More than 700 women have gone under career progression program and 40% have witnessed career progression role change/role enhancements along with 96% retention of this group.
- More than 80 women participated in speed mentoring, addressing their immediate mentoring/coaching needs.
- 107 women connect sessions conducted throughout the year.
- Women in HCL's programs such as Stepping Stones and Ascend leading to 45% of the participants experiencing an increase in levels of responsibility and career progression.

### **As for culture, the outcome has been:**

- More than 2,500 licenses have utilized for the Globe Smart tool by an external vendor, addressing the cultural needs of 39 countries.
- Focused local hiring efforts in different geographies have resulted in an increase in the number of different nationalities.
- Employee happiness index is at 76%.

### **As for people with disabilities (PwD), the outcome has been:**

- Increase in the number of projects sensitized to the needs of PwD — 830 from across all line of business attended the workshop called "Inclusion Matters."
- Gradual increase in the number of roles identified for PwD hiring.

## **Overall**

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The major learning is that the need for diversity is inevitable and the effort should be persistent to address the need in a holistic way, though it may take more time than expected. The following are the significant lessons learned from launching the program:

1. **Employee-Driven and Management Embraced:** Employees should be involved in all phases of program development: identifying employees' needs, enlisting the

aid of the organization, planning and implementing program activities and evaluating results.

2. **Needs and Resource Assessments and Planning:** This involves identifying the needs, formulating goals, identifying target behavior and environmental characteristics that will be the focus of the intervention efforts, deciding how stakeholders will be involved, identifying the capacity of the company, the available resources and building a cohesive planning group.
3. **A Comprehensive Program** to deal with multiple factors of women empowerment, using several different channels of program delivery and targeting several different levels.
4. **An Integrated Program** in which each component of the program should reinforce the other components. Program also should be physically integrated into the settings where people live their lives.
5. **Altering the Status Quo:** To have a significant impact on an entire enterprise, a substantial proportion of the employees should be exposed to program messages or, preferably, be involved in program activities in some way.
6. **Research and evaluation:** A comprehensive evaluation and research process is necessary not only to document program outcomes and effects, but to describe its formation and process and its cost-effectiveness and benefits.



## About Brandon Hall Group

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Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management. With more than 10,000 clients globally and more than 20 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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Our mission: Empower excellence in organizations around the world through our research and tools every day. At the core of our offerings is a Membership Program that combines research, benchmarking and unlimited access to data and analysts. The Membership Program offers insights and best practices to enable executives and practitioners to make the right decisions about people, processes, and systems, coalesced with analyst advisory services which aim to put the research into action in a way that is practical and efficient.

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### **DEVELOPMENT & INTEGRATION**

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- Assessment
- Survey
- Process Integration

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