Measuring What Matters: How HCLTech's DEI Maturity Index Powers Excellence

HCLTech

Best Program for Measuring Diversity, Equity, Inclusion and Belonging

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Brandon Hall Group
HCM Excellence Award
DIVERSITY, EQUITY AND INCLUSION
GOLD
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Company Background

HCLTech

Company-at-a-Glance	
Headquarters	Noida, Uttar Pradesh
Year Founded	1976
Revenue	USD$13.270 Mn
Employees	227,481
Global Scale (Regions that you operate in or provide services to)	60+ Innovation Labs help ideate, develop, and deliver futuristic solutions through next generation technologies for the business transformation journeys of its clients. 210+ Delivery Centers support global customers and partners by providing access to the latest technology expertise and business-oriented technology solutions. HCLTech delivers holistic services across industry verticals to leading enterprises, including 250 of the Fortune 500 and 650 of the Global 2000.
Customers/Output, etc. (Key	HCLTech offers its services and products through three business units: IT and Business Services (ITBS), Engineering and R&D Services (ERS) and Products & Platforms (P&P). With a focus on Cloud and AI/ML,

customers and services offered)	HCLTech drives – through strategic business units – partnerships with the world's leading technology firms to create new and differentiated IPs/solutions and accelerate the digital journey of its clients. The vast experience and business acumen coupled with these dynamic innovators enable HCLTech to solve global business problems, across various industry verticals, categorized as Financial Services, Manufacturing, Technology & Services, Telecom & Media, Retail & CPG, Life Sciences & Healthcare and Public Services.
Industry	Information Technology & Consulting
Stock Symbol	NSE: HCLTech
Website	https://www.hcltech.com/

Business Conditions and Business Needs

At HCLTech, this was a follow-on year of a major pivot in their growth journey as they further articulated their purpose and relaunched their brand identity. They now go to market as HCLTech, with a distinct brand position of Supercharging Progress™, which reflects their purpose and aspiration.

HCLTech is a global technology company, home to 2,25,000+ people across 60 countries, delivering industry-leading capabilities centered around digital, engineering and cloud powered by a broad portfolio of technology services and products. They work with clients across all major verticals, providing industry solutions for Financial Services, Manufacturing, Life Sciences and Healthcare, Technology and Services, Telecom and Media, Retail and CPG, and Public Services.

Each day, they live by their purpose: to bring together the best of technology and their people to supercharge progress—for their clients, people, communities, and the planet. And their aspiration is to deliver this at speed and scale.

To reflect the diversity of ideologies, cultures, practices, and abilities within the company, HCLTech embraces Diversity as a strength, Equity as a differentiator, and Inclusion as an integrator. The 165 nationalities that make up the HCLTechies collectively represent many of the nations that HCLTech conducts business in, and they all work together to foster an inclusive culture.

At HCLTech, they believe that building a diverse, inclusive, and equitable organization is an ongoing journey, not a finite process. And while continuous improvement is key to increasing their organization's overall sense of belonging,

it's hard to know where to start on implementing positive changes without first knowing where one is starting from. HCLTech is committed to Diversity, Equity & Inclusion (DEI) principles for decades and is insistent about the need of DEI at workplace.

To be meaningful from a business perspective, Diversity, Equity & Inclusion strategy explicitly defined goals for each of the DEI pillars i.e., Gender, Culture, Persons with Disability, LGBTQIA+, Supplier Diversity & Community Inclusion and created charters to closely track progress. Quantifiable benchmarks were deployed to evaluate own performance and the impact. Transparency in measuring & reporting the leading and lagging indicators help them to track their efforts and progress in attaining their vision, this keeps them focused and accountable.

At HCLTech, they are committed to achieving their DEI goals of 40% women representation by 2030, improvement in persons with disability by 4% of total headcount, 70% & above new joiners, and existing employees to undergo inclusion trainings and enrollment of women employees in their women development programs. To achieve these goals and to concrete their efforts on DEI, it was vital to introduce DEI Maturity index across the organization which will enable them to measure & track progress over time.

Overview

Since decades, HCLTech strongly believed that Diversity, equity, and inclusion (DEI) initiatives are increasingly important, and it is ever evolving in the modern workplace and they cannot be achieved overnight. Rather, they require a long-term commitment from leadership and at all organizational levels.

HCLTech is consciously dedicated to creating and sustaining a culture of equality, self-awareness, authenticity, and accountability in the realms of gender, ethnicity multiculturalism, disabilities, LGBTQ+ inclusion, supplier diversity and community engagements. HCLTech supports a culture that fosters grassroots innovation and is committed to providing its employees and stakeholders with an equitable, safe, and inclusive environment.

When HCLTech produces outstanding services and products, the best people are attracted, for they know they will be involved in innovating with the latest technology to create services and products that make a positive impact. They feed this cycle through a culture of innovation based on ideas like Ideapreneurship. HCLTech's service and product leadership helps create applications and systems that address key needs in society, such as sustainability, which can have a huge impact in making the world a better place. Making such a difference attracts both talent and clients.

Ingrained with same DNA, DEI Maturity Index (DMI) has been designed to track, monitor & measure the efforts put in various diversity, equity, and inclusion areas across a wide range of initiatives that have been proven relevant for optimization of DEI impact and results. DMI was created with the sole intent of advancing diversity, equity, and inclusion and to gain the insights needed to systematically embed inclusive excellence into operations and culture. The DMI turns ambitious DEI goals into achievable steps forward on the path to lasting impact, access and belonging with a positive return on investment (ROI).

Basis the ever-evolving market dynamics, HCLTech deliver industry-leading capabilities to clients across all major verticals. Hence, internally each of the line of business chart their own separate journey to achieve their aspirational goals in DEI. To guide, track, monitor and to measure these individual journeys and tracks were really time consuming and lot of time the focus gets shifted which derails the progress. Hence, Diversity Maturity Index was conceptualized, seeded, and created to guide, track, monitor and measure each line of businesses individual journey to achieve their DEI goals. This created autonomy, and each of the businesses had their end objective in mind and customized their journey tracks to reach the goal at their own pace and with their customized strategy on each lever.

DEI Maturity Index enables systemic (institutional) assessment of progress along a continuum of practices through identified levers that promote diversity, equity, and inclusion. It is designed to promote meaningful steps to develop DEI efforts which will create an org wide impact. Basis their research, keeping in mind their organizational dimensions, envisioning their aspirational goals they have finalized 4 different stages which have various identified levers linked to each of their DEI programs/initiatives or expected actions. These stages in DMI are called as Emerging, Progressing, Tactical & Integrated.

Each stage of Emerging, Progressing, Tactical and Integrated is defined precisely on:

- Definition of DEI at each of these stages
- What will be the 'DEI Focus'?
- Leadership involvement required at each stage.
- Measurement of these stages

A combination of 40+ identified levers from their DEI pillars were strategically aligned to each of these stages' basis above factors and each of them carried an individual incremental target & weightage. These targets and scores are unique for each line of businesses and their individual performance in each of these stages drives the organizational DEI Goals.

The value of the DMI is its actionable clarity and its emphasis on quantifiable business outcomes. DMI diagnoses and highlights gaps in DEI initiatives/program implementation or adaptability and chart a course for improvement. Having a clear roadmap is crucial for building reflective, manifold strategies. The DMI provides a means for benchmarking success as organizations progress.

Design

As a leading global technology company and drawing on its strong legacy, HCLTech takes pride in its diversity, equity and inclusion measures and a culture of Ideapreneurship™, HCLTech has also continued to act, adapt, and advance its own journey of transformation. Diversity, Equity and Inclusion in all forms is central to the way HCLTech approaches their ecosystem where balance is critical. HCLTech through their DEI strategy, not only do they help build human lives, but also invest in environmental and technological capital, through inclusive and convergent models.

To review and improvise on HCLTech's Diversity, Equity & Inclusion strategy and to keep their line of businesses on track with their aspirational DEI goals and action plans they reinforced the need of incorporating experience data, this helps in to go from anecdotal stories to data-driven insights that paint a compelling narrative from an overall point of view.

DEI CoE team has strategized to launch DEI Maturity Index in 3 phases which covered ideation to implementation phase, these phases are as follows:

- Ideation & Conceptualization phase
- Socialization phase
- Implementation phase: Making DEI Maturity Index a reality.

Ideation & Conceptualization phase

From the start of ideation & conceptualization phase, HCLTech were cognizant of the fact that the DEI landscape grows more complex each day. DEI Centre of Excellence (CoE) People Function team were engaged in extensive research and a detailed study/learning diagnostic of DEI measurement best practices followed in the industry. In addition to the research, focused group discussions with DEI Advocates and Diversity board committee were organized to create a DEI measurement strategic framework i.e DEI Maturity index (DMI) with a focus on the areas that are most important in distinguishing successful efforts and to guide the line of businesses emphasizing data-driven decision-making and quantifiable benefits.

The DEI Maturity Index at HCLTech Framework description is as follows:

- **Stages:** Four stages (Emerging, Progressing, Tactical and Integrated)

- **Areas of consideration:** Four Areas (Definition, DEI Focus, Leadership commitment, and Measurement indicators).

- **DEI Pillars:** Four pillars (Gender Inclusion, Cultural Inclusion, Persons with Disability Inclusion & LGBTQIA+ Inclusion)

- **Levers**: DEI dimensions linked to each pillar which act as a blueprint for guiding advancement in DMI. These levers are their comprehensive qualitative and quantitative actions in each pillar which help them track, monitor & measure the DEI maturity of line of businesses.

- **Target**: Each lever has an aspirational target which is linked to incremental progress from last year actuals.

- **Score**: Each lever basis the criticality to organizational goal, stage they are in, and complexity have been assigned scores which is awarded when the lever target are achieved.

This model outlines a step-by-step pathway for comprehensively integrating DEI across an organization. It categorizes DEI implementation into four progressive stages – foundational awareness to full optimization. Assessing levers against the stages of the model enables businesses to pinpoint their starting point. The defined progression then maps out actionable next steps to direct meaningful progress.

Stages	Emerging	Progressing	Tactical	Integrated
Definition of Diversity	Based on three to five visible diversity dimensions	DEI has been connected to business initiatives and outcomes in pockets of the organization	DEI is part of everything we do as an organization; we have both internal and external efforts on DEI	DEI efforts are best in class and remain strong over time through our efforts to continuously improve and evolve
DEI Focus	Scope of effort	Investment & Leadership commitment	Recruitment & Retention	Equity & Representation
Leadership involvement	Limited leadership involvement or commitment	Leaders have goals and responsibility for DEI	Leaders are held accountable for creating a diverse and inclusive environment	Leaders are expected to lead holistically and inclusively, be key DEI change agents and drive the organizational goals & objectives
Measurement	Activity	Lagging Indicators	Leading Indicators	Predictive indicators

DEI Maturity Index   30*

Stages	DEI Focus	Target Score	Achievement*
Emerging	Scope of effort	5	5
Progressing	Investment	5	5
Tactical	Recruitment & Retention	25	15
Integrated	Equity & Representation	15	5
	Grand total	**50**	**30**
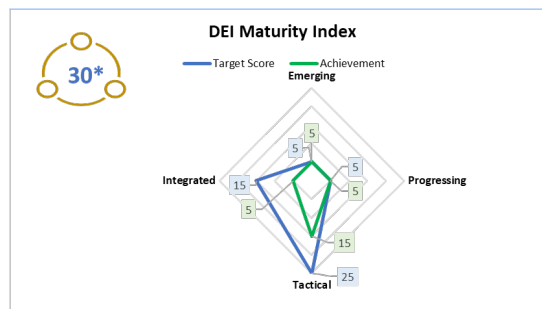
*Data used in the graph is for representation purpose

CASE STUDY

Based on the efforts in each levers & in each stage, the index provides scores that highlight strengths and weaknesses. Scores indicate how close or far away you are from the ideal or goal in that area, and lower score can help you to focus your efforts on certain areas that will result in the most positive change. Then, it suggests actions that can be taken to achieve progress in weaker areas as well as resources to support those actions.

The DEI Maturity Index is a powerful tool to measure & help identify areas that need more attention at each lever, line of business level and by and large at organization level. Having a cohesive DEI strategy and measuring the different components is essential to increase levels of DEI in an organization.

Understanding the organization's level of DEI maturity is critical to creating a strategy that fosters continuous progress and helps them set the right goals at the right times that are tailored to their varied service line and organization's unique setup. Organizational lever goals that they have set for DEI Maturity Index include:

- **Enhancing Workforce Diversity:** To ensure a diverse representation across all levels of the organization.
- **Promoting Equity:** To eliminate barriers and provide equal opportunities for all employees.
- **Fostering Inclusion:** To create an environment where all employees feel valued and included.
- **Improving Employee Engagement:** To increase employee satisfaction.
- **Improving Employee Retention:** To reduce employee turnover rates.

The DEI Maturity Index maps the route to complete integration of diversity principles and actions into an organization's cultural DNA. It provides insightful benchmarks to standardize progress in pursuit of sustainable & inclusive excellence.

Delivery

DEI CoE People Function Team during ideation process has unanimously agreed upon on the fundamental principle behind the creation of DEI Maturity Index will be that it is not going to be a one-time quick-fix solution — it's an ongoing commitment that requires thought, planning and intention.

Launching DEI Maturity Index at HCLTech turned out to be a robust foundation and framework for tracking, monitoring, and measuring DEI initiatives & actions to ensure progress is made and embedded in their organization's business and people processes. Launch of DEI Maturity index allowed HCLTech to better understand and operationalize their challenges, hold their leaders and other stakeholders responsible for making progress, and experiment with targeted interventions to reduce inequity.

Their organization has implemented a comprehensive DEI measurement model that has not only aligned with their organizational goals but has also yielded significant positive outcomes. This application aims to detail the conceptualization, implementation, and results of their DEI measurement model, highlighting how it captured organizational goals, the adherence to the design, and the extent to which it met its objectives.

This leads to their next phase of DEI Maturity index i.e Socialization phase

Socialization phase

The Socialization phase of their Diversity, Equity, and Inclusion (DEI) Maturity Index focuses on embedding DEI principles into the fabric of their organization. This phase is characterized by increased awareness, active engagement, and the initiation of practices that promote an inclusive workplace culture. As part of socialization of DMI among the line of businesses, DEI CoE People Function team started scaling accountability to all stakeholders to bring the whole organization together on this journey.

HCLTech recognizes the outstanding contributions of all their stakeholders who were involved in the socialization phase i.e, DEI CoE People Function team, Service line heads, DEI champions, Service Line People Function heads, and People Function teams for constantly discussing and debating on each lever, goals, targets and the implementation plan. They also valued the questions asked on the model as much as the recommendations, as both helped them know specific areas on which to focus. DEI CoE People Function team has assigned roles to each of the stakeholders to ensure each of the team stick to their specific value actions.

Implementation phase

The Implementation phase of their Diversity, Equity, and Inclusion (DEI) Maturity Index focuses on the practical application and integration of DEI strategies within their organization. This phase is marked by the assimilation of DEI policies, programs, and initiatives that drive tangible change. The Implementation phase was a critical juncture in their DEI journey, and the contributions of their Business heads, DEI champions, Business HR heads, and HR teams have been instrumental in driving meaningful change. The roles performed by each of the stakeholders ensured seamless implementation of the DEI Maturity Index at the organizational level. The roles performed by the stakeholders as follows:

Stakeholders	Roles performed
Service Line Heads	• Demonstrated commitment to fostering an inclusive culture within their unit. • Implemented initiatives that support diverse talent and promote equity. • Encouraged open dialogue and feedback on DEI matters within the unit.
DEI Champion	• Demonstrated leadership in advocating for DEI initiatives. • Actively engaged in promoting DEI awareness and education among colleagues. • Played a pivotal role in organizing DEI events and activities.
Service Line People Function Heads	• Successfully integrated DEI principles into HR policies and practices • Collaborated with various departments to ensure DEI considerations are embedded in recruitment, retention, and development processes. • Provided support and resources to facilitate DEI-related training and workshops.
People Function teams	• Worked collectively to advance the DEI agenda within the organization. • Developed and executed programs that enhance diversity and inclusion. • Showed measurable improvements in DEI metrics as a result of their efforts.

DEI CoE People Function team ensured that each of the stakeholders are well connected, and the feedback or recommendation shared are discussed within different cohorts for smarter implementation. The DEI Maturity Index data is shared

with all the stakeholders on monthly basis. The DEI Maturity scores were reflected in comparison with their last year FY scores and against the target numbers of each lever. For areas where any of the service line score low or feel like the stakeholders may want discussions, DEI CoE People Function will host workshops to educate on what various areas are doing well, what requires attention and potential action items. The team re-administer the exercise and see how the scores move month on month. This continuous follow-up actions ensured they remain close to their implementation course plan and to their goals and objectives created for each lever and service line.

Implementation of the DEI measurement model was largely in line with its original design, some of the changes they implemented post the launch was inclusion of additional levers. Basis the focus being shifted from recruitment to retention & development, some more levers were added as part of DEI retention & development and with this minor inclusion they witnessed record low employee turnover and enrollment of employees in developmental programs.

Measurable Benefits

DEI Maturity Index is designed to help business units identify and measure leading indicators and the entire implementation process was weaved in a manner that each leader and each manager understands how it fits into their goals, what their gaps are in terms of current DEI performance, and how diversity, equity, and inclusion translate at the individual business level which in turn will help organization to achieve its larger goals and objectives.

- **Enhanced Workforce Diversity:** Their diversity index showed a significant increase in the representation of underrepresented groups across all levels. For instance:
  - There is a growth of 21% in last 5 years in the overall gender ratio & it currently stands at 29.2%.
  - 65% improvement in Persons with Disability headcount
- **Improved Equity:** The equity index highlighted areas of pay disparity which were promptly addressed, resulting in a 15% reduction in gender pay gap and a 10% reduction in racial pay gap within two years.
  - 35% improvement in women enrollment in career development progression
  - Across all ERGs, the members count has risen by 85% this FY.
- **Greater Inclusion:**
  - 64000+ employees participated in Inclusion Lab

- o 77% overall & 70% new joiners participated in inclusion trainings.
- o 36% improvement in employees participated in 'Inclusion in Action: Allyship' program.

- **Higher Employee Engagement:**

  - o Overall employee engagement positive percentage change improvement is 9%.
  - o They have moved from 38th to 46th percentile.

- **Improved Employee Retention:** Their attrition continues in the right direction all through the year. On an LTM basis, their IT services voluntary attrition is at 12.4%, one of the lowest in the industry.

- **Boosted Organizational Performance:** Teams with higher diversity and inclusion scores reported increased innovation and productivity, contributing to an increase in overall business performance:

  - o Their Services business grew 5.4% year-on-year in constant currency, and it is the fastest growth in the industry.
  - o Overall, their annual revenue grew 5% in constant currency year-on-year and 5.4% in US dollar.
  - o They are the fastest growing Tier-1 IT services company amongst their peers.

Industry level recognitions

HCLTech is honored by many leading associations, publications, and industry analysts worldwide for their initiatives & programs launched under Diversity, Equity & Inclusion:

- India Workplace Equality Index recognized HCLTech as 'Silver' Employer
- Diversity Inc-Secured a spot on Top Regional Companies Index
- Avtar & Seramount 2023-Honored a position in '100 Best Companies for Women in India.'
- NASSCOM DEI Champions List- 'Jury Special Mention'
- Avtar & Seramount 2023- 'Exemplar of Inclusion' in Most Inclusive Companies Index
- Synchrony Financials- Most Innovative Diversity Practices

Overall

Their DEI measurement model has proven to be an effective tool in capturing and achieving their organizational goals. By integrating quantitative and qualitative assessments, benchmarking against best practices, and maintaining flexibility to adapt to new insights, they have fostered a diverse, equitable, and inclusive workplace. The results speak for themselves: increased diversity, improved equity, greater inclusion, higher employee engagement and retention, and enhanced organizational performance. Their journey with the DEI measurement model has not only met but often exceeded their expectations, establishing their organization as a leader in DEI excellence.

DEI Maturity Index outlines clear descriptions for four levels of maturity for each DEI pillar and provide leaders with a critical snapshot of where their service line compares against the maturity continuum and offering a roadmap of how to achieve next-level goals.

DEI Maturity index helps HCLTech to assess diversity, equity, and inclusion (DEI) at a lever where the impact is more and visible at higher levels. It has become increasingly a strategic necessity and since launch has steered DEI initiatives and programs to an impactful course.

The outlook for the DEI Maturity Index is highly promising, driven by an increasing global emphasis on creating equitable and inclusive environments through Integration with Technology. Leveraging AI and machine learning, the DEI Maturity Index will offer predictive insights and personalized recommendations. This integration will enable organizations to proactively address potential DEI challenges and implement tailored strategies.

At HCLTech, DEI is fully integrated into the organization's culture and operations and is no longer seen as a separate agenda. An effective strong DEI leadership team is in place, regular data collection and analysis is used to track progress and identify areas for improvement, and systems are in place to hold the organization accountable for its DEI commitments. The organization is also committed to ongoing learning and improvement, recognizing that DEI is an ongoing process. The team intend for this model to continue to be refined and improved upon based on the valuable feedback from those who use it.

DEI Maturity Index is poised to become an indispensable tool for organizations committed to fostering diverse, equitable, and inclusive environments. By continuously evolving and adapting to emerging trends and challenges, the index will play a crucial role in driving sustained DEI progress and creating a more inclusive future for all.

In conclusion, their DEI measurement model is a testament to their commitment to fostering an inclusive workplace where all employees can thrive. They are proud of the progress made and remain dedicated to continuous improvement in their DEI efforts.

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