

# Diversity from a Global Perspective

## An Interview with N.R. Narayana Murthy, Founder and Chairman, Infosys Technologies, Ltd.

Diversity Best Practice's annual Global Symposium and the Working Mother Media Advancement of Women Conference will take place in Bangalore, India, June 2-4, 2009. We are pleased to present this interview with N.R. Narayana Murthy, founder and chairman of Infosys Technologies Limited. Infosys is a leading global technology services firm headquartered in Bangalore that has demonstrated strong commitment and leadership to diversity and inclusion.

Mr. N.R. Narayana Murthy founded Infosys in 1981 along with six other software professionals and served as its CEO until March 2002. Murthy serves as an independent director on the boards of several global companies including Unilever, NV, Unilever, plc, and HSBC Holdings plc. He is also member of the advisory board of such educational institutions Wharton, Cornell, INSEAD, Stanford, Tokyo University, SMU-Singapore, IIIT-Bangalore, and ESSEC, Paris.

In 2005, *The Economist* ranked him eighth in a list of 15 most-admired global leaders, and the *Financial Times* ranked him twenty-eighth among the world's most respected business leaders. Ernst and Young voted him the World Entrepreneur of the Year in 2003. The *Economic Times* voted him India's most powerful CEO for three consecutive year-2004, 2005, and 2006. In 2008, he received the "Padma Vibhushan," the second highest civilian award by the Government of India, and The Government of France conferred on him the Officer of the Legion of Honor.

*Do you feel diversity and inclusion policies and best practices evolve out of pressure from the beneficiary group or because of visionary leadership that is way ahead of its time?*

I believe best practices evolve when a leader creates a culture of inclusion within the organization. Though policies make a difference, what matters is how sensitive and fungible the organization is to the shift to meet the needs of employees from diverse backgrounds. The pressure from the beneficiary groups may lead to new policies, but implementation will be unsuccessful if there is no commitment from the organization.

*How involved is the senior leadership in implementing the diversity program at ITL?*

Diversity is an important parameter of the Infosys corporate score card. While I am the mentor for the office, the internal board of directors is responsible for the outcome of diversity programs. All business units and enabling functions are measured for their performance on diversity and inclusion. The diversity aspects are built into the leadership, 360-degree feedback. We also have a global



advisory council comprising senior leadership to monitor and measure effectiveness of the diversity programs.

*Are the demographics of Infosys workforce comparable to the best global companies?*

Yes, I believe we have started the journey well and are comparable now. Women make up 32.4 percent of our workforce. During 2008-09 we saw a 50 percent increase in women promotions as title holders and they make up 9 percent of our senior workforce. We have won the NASSCOM award for excellence in gender inclusion for two consecutive years now. We have employees from 72 nationalities. Around 75.2 percent of senior management positions outside India are occupied by local hire. Our

aim is to ensure that 5 percent of the Infosys BPO workforce is people with disabilities. We have also won the prestigious Helen Keller award for three consecutive years now.

*How do you attract female talent and ensure greater retention of women?*

From an Indian perspective, economic growth has been the primary driver for women to join IT. As compared to the '80s, there is a higher percentage of women joining engineering colleges leading to more women at the entry level. But responsible companies like ours have proactively created a gender-sensitive environment to give women opportunities to grow and excel, leading to retention in middle and senior management.

We set up the Infosys Women Inclusivity Network (IWIN) in 2003 to create a gender-inclusive workplace. We have support systems, facilities and policies to help women with work/life balance. The working mother can avail herself of the satellite office (city office), flex hours, part-time, and also child care sabbatical.

IWIN circle is a peer counseling network comprising senior woman managers, and they provide counseling to women employees at Infosys on managing self, work, and parenting challenges. Also, we launched the women mentoring program last year. All our Indian offices have nursing stations and we have identified day-care facilities in the cities to support mothers. The appraisal system is also sensitive so that women returning after maternity are appraised for the work done during the pre-maternity months, and the leave is not considered as a disability for being assessed as a high performer. We track eligible vs. promoted to ensure there is no discrimination.

We have no special concessions for women either at the time of recruitment or promotions. Our core values facilitate a fair and transparent work environment in which women can contribute,

participate, and develop freely and equitably.

*What are the challenges faced by your company in hiring employees from different nationalities? How do you deal with them?*

We see challenges as opportunities to create an inclusive work culture where everybody enthusiastically takes ownership for the future of the corporation and becomes a change agent in transforming the organization.

In order to attract the most competitive talent, we offer the best diversity opportunities. Firstly, we de-emphasize the differences. In the process of embracing diversity, we ensure that the unique advantages of every minority become a part of the Infosys core values-C-LIFE, which stands for Customer Delight, Leadership by Example, Integrity, Fairness, and Execution Excellence—and help employees deemphasize difference. Secondly, we celebrate commonality. Diversity dividends can be enhanced only if we celebrate the commonalities and the common values that bring joy, happiness, energy, and enthusiasm to the community.

The induction programs, support systems, and policies as well as cross-cultural, sensitivity training help employees from different backgrounds to settle down in the Infosys work environment. In 2007, we won the Optimas Award for our Global Training and Management Programs.

*How do you balance the sometimes competing corporate interests of maintaining an internationally diversified employee base and those of governments insist that companies employ a large percentage of local people?*

Globalization, as I define it, is a paradigm about sourcing talent from where it is best available, sourcing capital from where it is cheapest, producing where it is most cost-effective, and selling where the markets are not constrained by national boundaries. Infosys was founded to leverage the power of globalization. Hence, for Infosys, diversity in talent is not an option but is a critical success factor to win in the flat world. As a global corporation operating in multiple geographies, our success depends on the collaborative distributed development model. This model is about teams in different parts of the world working together in harmony to develop solutions for our customers. Under such circumstances, our survival and success all depend on diversity in talent.

While we source primarily local talent in every location that we operate in, we realize that we have to leverage the power of global talent to enhance opportunities for local hiring.

*One haunting issue for India Inc. has been around the market's exclusion of traditionally disadvantaged sections of society. What is ITL's position on this?*

Infosys has always believed that the best way to alleviate poverty and help the socially disadvantaged is by empowering them through education. Our Special Training Program (STP) is focused on sponsoring and educating graduates from the socially disadvantaged section and making them employable. There was a 100 percent placement in the first batch of trainees who completed the STP, and we have 450 candidates in the pipeline.

Our education efforts start at the primary-school level in India. Akshaya Patra, which is a visionary program supported by one of our directors, provides noon meal for 973,000 school children every day, and 93.8 percent of teachers believe that this has increased the academic performance of the students. There are two senior management people from Infosys on the Akshaya Patra board of trustees. At the secondary school level, Infosys rural reach programs have helped 19,000 students since 2005 to gain knowledge in IT.

The Infosys Foundation has not only created infrastructure but also sponsors education of students. Approximately, 42 percent of employees who join Infosys at the entry level are from tier two and three cities. So, our aim is to help make the disadvantaged competent and employable based on meritocracy rather than recruit them on basis of reservations.

*Can you share a diversity best practice that is unique to Infosys?*

We are among the first few companies in India to set up the diversity office to support affinity groups and facilitate equal opportunity employment. The leadership commitment to inclusive growth is unique to Infosys. We were the first Indian IT company to offer an ESOP scheme. Our inclusion does not stop with employees but extends to all our associates as well. All Infosys health-care programs cover the contractual and

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maintenance workers. We have also institutionalized special awards to recognize those promoting inclusivity, diversity, and social responsibility in their business units.

*Finally, can you share an experience from your own life that made you resolve to be an inclusive manager?*

Until I retired in 2006, I always came to the office at 6.20 a.m. much before my secretary. There are so many women secretaries at Infosys who have to get up early, get their children ready for school, prepare breakfast for them, send them to school and then be in the office by 7:45 a.m. That means they have to be up early. If they can be up early and do all their house chores and be in the office at 7:45 a.m., I thought the best way to show respect for what they do is to be in the office much before them.

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