

WOMEN'S EMPOWERMENT PRINCIPLES

JUNE 2022

WEPS IN ACTION



PRINCIPLE 2

**TREAT ALL WOMEN AND MEN
FAIRLY AT WORK – RESPECT
AND SUPPORT HUMAN RIGHTS
AND NON-DISCRIMINATION**

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CASE STUDY : PWC INDIA

PROMOTING NON-DISCRIMINATION AT THE WORKPLACE: MAKING THE PERFORMANCE MANAGEMENT PROCESS INCLUSIVE & FAIR

LESSONS LEARNED

- Supporting inclusion and diversity (I&D) in a company requires sustained commitment from business leaders and active support of human resources.
- Removing unconscious bias from PwC India's performance evaluations required empowering leaders with information and resources.
- PwC India's 'Inclusion Champions' initiative played a key role in revamping performance evaluations for an inclusive performance management process.

CONTEXT

Employee experience within a company is key to their productivity and sustained personal and professional growth. To go beyond existing performance evaluation metrics on hiring, professional development and retention, PwC India designed a performance evaluation process to understand, appreciate and promote inclusion across every employee's journey within the organization, and revamp the talent life cycle, including hiring, onboarding and employee growth within the company. In 2019, PwC India identified unconscious bias as an area of concern during a review of its performance management system through the lens of inclusion. Unconscious biases can result in women being treated less favorably than men during the hiring process, receiving unfair employ-

-ee evaluations, and other gender stereotyping that leads to discriminatory attitudes. Biased performance evaluations can negatively affect how employees perceive their own contributions and potential for growth within the organization, which can adversely affect their motivation and productivity in the long run. To address this issue, PwC India developed a fair, results-oriented and inclusive evaluation process that is committed to the firm's core values. The overall objective of this exercise was to make the evaluation process more meticulous, eliminate unconscious bias and discrimination, and improve the promotion ratio of women employees in the firm.

ACTIONS

PwC India incorporated inclusion and bias-mitigation measures at multiple stages of its performance management system. A three-member team was formed to focus on the timely implementation of all the steps in the process. With the help of the firm's central analytics team, clear metrics were established to ensure that the necessary goals were met. Progress was communicated with the India leadership team and sub business unit (SBU) leaders via various channels like monthly leadership meetings, quarterly dashboards and focus group discussions.

Two key processes for revision were identified, namely:

- 1) Promotion decisions, &
- 2) Performance calibration

1. Reviewing Promotion decisions: A promotion decision refers to a decision about an employee's advancement in the organizational hierarchy system. To ensure that the process is fair and inclusive, PwC India took several steps such as:

- Forming a diverse promotion committee comprising promotion managers, inclusion champions and human resources team members to ensure that the decision process remains bias free and inclusive.
- Examining the candidates who were not promoted, with appropriate reasoning of 'if not' then 'why not'
- Ensuring that the proportionality is kept in mind throughout discussions so that the promotions are not skewed. For example, if 35 per cent of the managers were women at a given point of time, then full proportionality of promotion of women would result in 35 per cent of the senior manager promotees being women.

2. Reviewing the performance calibration process: Performance calibration influences decisions on performance tier/rating as it measures the performance of individual employees within the same team. PwC India took several actions to make the performance calibration process more conscious and inclusive. These included:

(a) Encouraging managers to be gender responsive; PwC India managers now ensure that:

- Women returning from maternity leaves are exempted from the bell curve performance evaluation method where employees are assessed based on agreed performance goals and relative performance in comparison with their employee peer group. Managers now ensure that those who avail leaves for various reasons, including maternity leave, are not at a disadvantage during their appraisal.
- An employee is able to exercise the 'retain your rating' option, which allows high-performing employees to retain their previous year's rating if they have been on maternity leave.
- Identification of an 'Inclusion Champion' within each SBU to chair every performance management assessment along with the manager.

(b) The role of the Inclusion Champion has been to monitor the following:

- Everyone provides equal input as minorities tend to have less influence in group settings
- The language used for giving feedback
- Less-networked talent is not discriminated against as a result of taking leaves, including sabbaticals, maternity or paternity leave
- Discussions are based on the performance of the employee

versus perceptions

- The moderation process to ensure that performance management procedures have been fair for all
- Review the outcomes for parity and suggest corrective measures, if any
- Discuss feedback from moderation meetings with the SBU head and the managers

To ensure that performance management remained inclusive, some additional steps were also taken:

- The firm's I&D team monitored the implementation of the inclusive performance management process and key performance indicators (KPIs) which were set to help maintain the momentum.
- The I&D team was also given the responsibility to track progress, select, train and orient Inclusion Champions, and organise webinar sessions and videos to be shared with them to guide them in their oversight roles.

To drive these changes in a holistic manner across the organisation, PwC India further created a structured process with guidance and support at every step:

Guidance Documents	<ul style="list-style-type: none"> • Creating an information package: PwC created an exclusive information package for Performance Management policies and procedures from an Inclusion and Diversity (I&D) perspective, which included guidance documents for the Human Capital team (Human Resource), people managers, and Inclusion Champions outline the context, define the need and the roles and responsibilities. This was done to make sure evaluations remained fair and objective
Inclusive leadership and sensitisation on mitigation bias	<ul style="list-style-type: none"> • Providing education and awareness programmes: PwC India also put in place an extensive awareness programme to ensure all those involved in Performance Management were mindful of their personal responsibilities to avoid any potential blindspots/unconscious bias, to challenge assumptions and maintain an Inclusion and Diversity (I&D) lens throughout the Performance Management process.
Communications campaign	<ul style="list-style-type: none"> • Formulating and disseminating a communications campaign: A dedicated communications campaign was launched on the Performance Management process, which embeds guidance on tackling blindspots and inclusion. The communication campaign included an announcement email, internal branding on MyPwC, fair judgement videos, promotion and rating announcement emailers.
Tracking of leadership KPIs	<ul style="list-style-type: none"> • Setting specific targets for gender and inclusion : Specific targets for gender and inclusion Key performance Indicators (KPI) were set towards the beginning of the financial year for which partners within the territory were held accountable. These included women hiring & representation at the senior levels, promotion proportionality, percentage of women in succession planning & women leading local and global priority accounts.

CHALLENGES

Creating an inclusive performance management mechanism involved comprehensive planning and collaboration with partners, especially to identify senior leaders who could be designated as Inclusion Champions. Once identified, they were trained extensively on how to use the inclusion lens during moderations of the evaluation process.

To mitigate bias, prejudice and misinformation, Inclusion Champions were placed at key stages of the performance management process, a step which proved fundamental to changing mindsets.

RESULTS

PwC India has progressed at a rate of 6 per cent in its Inclusion Index score over a period of three years. Women's representation across levels has improved by 3 per cent since the launch of inclusive human capital processes and policies in 2019. Over the years, the proportionality of women's promotion has improved and the firm accounted for 108 per cent women-promotion proportionality for FY21. The number of women in leadership roles increased by 2 per cent in 2022 from the last financial year. PwC India also onboarded more than 200 Inclusion Champions since 2020. In the long run, the firm aims to fully end bias in the performance management process with a vision that:

- Employees will be able to consciously question their choices and behaviours
- Team leaders will be able to make data-informed decisions on promotions and ratings
- All teams and their defined roles are fairly represented in the process
- The firm remains a fair representation of the communities it operates in.

The firm also expects to improve its Global People Survey (GPS) scores, increase the retention rate of women employees and achieve its aspirational diversity targets by 2030. Over time, PwC India expects its I&D initiatives to make a larger and more significant contribution to the firm's long-term performance.

RECOMMENDATIONS

I&D is the current and future watchword for businesses looking at sustainable and inclusive growth. Companies looking to bring about similar changes can appoint Inclusion Champions in their firms to ensure that the firm's I&D objectives are achieved. This will, however, have to be incorporated at the very outset and throughout the talent life cycle, especially wherever there is potential for plans to derail. By encouraging and sensitizing others, being a focal point for questions, and pushing forward new initiatives, these champions will help in incorporating inclusion on a larger and more effective scale.










THE ROLE OF WEPs

Becoming a signatory to the WEPs in 2021 has helped PwC India develop a framework to reinforce its pledge towards ensuring fair treatment at work for all. As part of the WEPs global community, PwC India is committed to push forward the talents, skills and capabilities of its diverse employee pool through a gender-responsive and inclusive lens.


¹Proportionality of promotions is calculated as: % women promoted / % women headcount.


^{*}Perfect proportionality = 100%. However, the firm always expects some level of minimum variation where more men or women are promoted or hired in any given year (+/- 3 percentage points)


²GPS: The Global People Survey is a great indicator of how PwCites across the network feel about working at PwC. It reveals insights that help PwC's leaders understand where they are doing well and identify areas that need more work.

- Principle 1  Establish high-level corporate leadership for gender equality.
- Principle 2  Treat all women and men fairly at work- respect and support human rights and nondiscrimination.
- Principle 3  Ensure the health, safety and well-being of all women and men workers.
- Principle 4  Promote education, training and professional development for women.
- Principle 5  Implement enterprise development, supply chain and marketing practices that empower women.
- Principle 6  Promote equality through community initiatives and advocacy.
- Principle 7  Measure and publicly report on progress to achieve gender equality.

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