

## HBR Blog Network



### **Workers with Disabilities Solved This Company's Talent Crisis**

by Prasad Kaipa and Meera Shenoy | 7:00 AM September 10, 2012

When Gitanjali Gems set up its diamond-cutting, polishing and jewellery making unit in its 176 acre campus outside Hyderabad, Andhra Pradesh in southern India, it faced a major human resources challenge. There was no trained manpower available in Hyderabad, unlike traditional hubs of diamond polishing like Surat, Gujarat in western India, where diamond polishing skills are passed down generation to generation. The cost for six months of training per youth in Hyderabad were a high \$500 (Rs.25,000). The work of polishing tiny diamonds was intricate, requiring great concentration, and dropouts meant spiralling production costs. Finally, employee engagement across India is extremely low: just 8% of Indians are engaged, while 32% are actively disengaged according to a recent Gallup poll.

Madhusudhan Reddy, VP of HR, has a major challenge on his hands: How do you hire, train, retain and develop productive, engaged employees and make the new unit cost effective?

Gitanjali Gems, part of the Gitanjali Group ([www.gitanjaligroup.com](http://www.gitanjaligroup.com)) promoted by Mehul Choksi, is one of the largest and fastest-growing diamond and jewellery businesses in the world. Gitanjali Group is a \$1 billion company with a presence in US, UK, Belgium, China, Japan and India. It pioneered the concept of branded diamonds in India, and has multiple brands for different markets and price segments.

When Gitanjali Gems won the best employer award in the nation for hiring disabled employees in 2009, its Chairman Choksi said: "Since the gems and jewelry manufacturing process offers scope for employment of persons with disabilities, we have responsibility to the society at large and are proud to commit in helping." Choksi was committed to and interested in hiring more rural and disabled youth as a CSR initiative. In return, the company got a workforce of loyal employees, with less attrition and higher productivity compared to other firms. Today, 280 of their 2500 workforce are disabled youth.

The increased loyalty and higher performance of these youth has made sourcing, training and hiring disabled youth no longer just CSR initiative but an integral part of Gitanjali Gem's talent management strategy. As they expand to hiring 5,000 people in the next two years, the plan is to ensure at least 1,000 of them are disabled, according to Deepan Shah, their Sr. VP of Operations.

We analysed the factors which made hiring disabled youth good business sense for Gitanjali Gems:

**It helped the company tap into a larger unused labor pool.** India has a population of 20 million disabled of which barely 0.1% are employed in the organised sector.

**Training and hiring costs pay for themselves quickly.** Centre for PwD (Person with Disability) Livelihoods, a public-private partnership between Society for Elimination of Rural Poverty, government of Andhra Pradesh and Youth4Jobs subsidises the training costs realising this investment is a value proposition, and continuously feeds best practises into disabled youth trainings. Also, these youth seem to have higher loyalty, it is a win win for the company as well as the youth. According to Reddy, the attrition rate of disabled youth is 1% compared to 10%-15% for others.

**Productivity is higher.** Deepan Shah says, "In an 8 hour shift, we are able to get 7+ hours productivity from the disabled, compared to 5.5+ hours from others. This 1.5 hour loss per employee per day increases our cost by more than 10%. The motivation and will power of disabled youth are also high; they are eager to prove that their disability is not a deterrent to performance. Most months, the productivity award is won by a disabled employee even though they are only about 12% of our employees." The company also offers productivity-linked incentives, which helps youth take home an average salary of \$160 (Rs.8000) per month — considering that these youth are sometimes not even high school graduates, it is a very good amount.

**It leveraged government benefits.** The government of India has a scheme by which companies hiring disabled can get the employers Employee State Insurance (ESI) and Provident Fund contributions for three years. This adds up to about 15% break for the company per youth.

**It gave them a public relations boost.** Diversity — abled and disabled youth working together in an inclusive manner — gives them a competitive edge: extra public relations points with western customers. The company won several awards for this work ranging from the Presidents' award to Shell Helen Keller award. Indian national media has highlighted Gitanjali's initiative as a company doing business with a social face.

**All employees enjoyed a more compassionate workplace.** Owners experience the joy of touching and transforming lives of underprivileged disabled youth. This "feel good effect" has made the company go beyond just training to show genuine love and compassion above and beyond what is common in most workplaces. Parents of disabled youth are invited to meetings where they are shown the facilities where their children work. A pool of doctors are made available to attend to youth's specialised health needs. The company now offers free boarding and lodging facilities, and a special van has been provided for commuting between office and hostels.

Is the experience of Geetanjali Gems with disabled unique to the company and the disabled in India? Is it possible to learn and transfer the learning to other workplaces? We believe that it is possible and is already happening. Youth4Jobs (which one of us founded) has been partnering with companies, government and the rural community to identify, source, train and counsel disabled, tribal youth and girls from rural underprivileged families to help companies build an inclusive workforce. They have placed capable, loyal and happy employees in many organizations in Hyderabad like Orbit Mall, McDonalds, and KFC.

And yet, says Reddy, "Most employers suffer from preconceived notions about disabled, so they see only weaknesses. They are differently abled not disabled — once you frame them that way, you see their strengths and might be willing to give them an opportunity." Reddy has been very passionate and loves to expand the work that he has been doing with the disabled. He has placed these differently abled youth as diamond polishers, jewelry makers, cashiers, quality control and store managers and is constantly looking for other opportunities where they can shine and contribute.

To replicate Gitanjali model, the company leadership — all the way from the top management down to first level supervisors — need to believe in the cause and own the initiative. They have to go beyond the token hiring and be willing to invest in the people and company's future.

The key is to start with an open mind to explore the latent talent of the people who do not fit into the traditional mold of employees. The more you invest in creating a culture of sensitivity and even love and forgiveness, the more you get back.