

India Journal: Combating Caste Bias in the Private Sector

Jul 12, 2011
THE WALLSTREET JOURNAL

By Adarsh Kumar

There is no denying that India's rapid economic growth and increase in urbanization have opened new economic and social opportunities for Dalits, who fall at the lowest end of the caste spectrum. Even so, the sad reality is that caste-based discrimination and outright violence against lower castes remain depressingly commonplace in many spheres.

Most people assume that such caste-biases play no role in the burgeoning private sector. But the results of a series of studies done by reputed Indian and American academics, using methods originally developed to study racial discrimination in the United States, point to caste-biases in the hiring processes of private companies.

These studies—summaries of which were published as early as 2007 in the peer-reviewed journal, the [Economic and Political Weekly](#), delve into the ongoing debate on the merits of extending affirmative action programs to the private sector.

Trying to redress India's long history of discrimination and unequal opportunities for Dalits, successive Indian governments have introduced caste-based quotas in educational institutions, public sector companies and government departments. In its first term beginning in 2004, the UPA government considered extending these job-quotas to the private sector but shelved the plan due to strong opposition.

The private sector argued, through industry associations such as the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI), that hiring processes in their member companies were “caste-blind” and that [mandatory job-quotas](#) would only hurt competitiveness by hampering their ability to hire the best candidates. The question is: are private sector hiring processes really caste-blind?

S. Jodhka and Katherine Newman interviewed 25 human resource managers at companies employing a total of 1.9 million full-time workers and 63,000 sub-contracted workers. The researchers found that although all the managers listed merit as the sole criteria by which employees were hired, subjective requirements such as “cosmopolitan attitudes” and “family

background” were also used to select candidates. These amorphous subjective requirements are loaded against poor, lower-caste candidates who find it difficult to build personal biographies of the kind valued by private sector recruiters, the study argued.

Another study by Newman and Deshpande interviewed post-graduate college students from reputed Delhi universities. They found that lower-caste students from poor families did indeed find “family background” questions to be stigmatizing and some “reconfigured” their biographies to be closer to a perceived upper-middle class professional ideal.

The most troubling results come from a study by Paul Attewell and Sukhdeo Thorat, who tested for bias in the first stage of the hiring process in private sector firms in Delhi, Mumbai, Hyderabad, Bangalore and Chennai. The study involved responding to newspaper advertisements for entry-level positions with identical resumes and cover letters.

All the fictitious applicants were male and had relevant degrees from reputed universities. The applications differed only in one way: the names of the applicants were changed to reflect distinctively high caste Hindu names, Dalit names and Muslim names. Research staff pretending to be the applicants recorded responses from potential employers. Astonishingly, the study found that, compared to upper caste Hindus, Dalits were 33% less likely to get a call back for the next stage of the hiring process, and Muslims were even worse off, getting called back 66% less frequently.

Experience from other parts of the world tell us that larger social biases are almost always reflected in the private sector and that specific safeguards and corrective measures are needed to overturn them. The results of the above studies calls, at the very least, for a thorough review of hiring processes to find and correct for biases. But unfortunately, besides [initiatives by individual companies](#) such as the Tata Group, sector-wide efforts have not gone far enough.

CII launched [an affirmative action initiative](#) in 2007, which currently has 729 signatory companies. Under the initiative, companies agree to a voluntary [Code of Conduct for affirmative action](#) which commits them to vocational training, educational scholarships and efforts to increase [procurement from lower-caste entrepreneurs](#).

But a key provision to appoint ombudsmen to investigate complaints of discrimination [has not been implemented](#); there is no systematic method to track compliance of signatory

companies; and the code itself commits companies only to making a blanket statement that they will not indulge in discriminatory practices without laying out any concrete measures to collect information on and correct biases in hiring.

Is there middle ground for the private sector between mandatory job-quotas and pretending that caste-biases do not exist? In the United States of America, racial discrimination has been reduced by adopting stricter anti-discrimination laws, mandating reporting requirements on hiring and proportional employment figures within companies and creating an Equal Employment Opportunity Commission that enforces the anti-discrimination framework.

Similar efforts need to be explored in India to ensure that historical patterns of discrimination are not replicated in the rapidly growing private sector.



Adarsh Kumar is the founder and chief executive of Livelihoods Equity Connect, a fund that seeks to invest in the Indian agricultural sector and promote models connecting small farmers to mainstream markets. His prior work experience includes stints at the Ford Foundation and the World Bank.