

TECHNOLOGY NEWS

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Analysis: Exit of Flipkart CEO adds to fears in Corporate India about sexual misconduct

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NEW DELHI/BENGALURU (Reuters) - In 2015, when Antony Alex pitched his training products for tackling sexual harassment in the workplace, large and small businesses in India mostly turned him away saying it was not worth the investment.



Antony Alex, CEO of consultancy firm Rainmaker, and his employees look at training material as they pose for a photograph inside his office in Mumbai, India, November 15, 2018. REUTERS/Francis Mascarenhas

This year, however, Alex's Mumbai-based consultancy firm Rainmaker is witnessing its sharpest growth ever as companies quickly try to educate employees about anti-sexual harassment laws and company policies.

The real surge in demand came following the spread of India's #MeToo movement, which in recent weeks has seen dozens of women publicly air sexual harassment allegations against prominent journalists, actors and other public figures.

This week's resignation of Binny Bansal, the chief executive of Walmart Inc's ([WMT.N](#)) Indian venture Flipkart, following an internal probe into accusations of personal misconduct, is expected to only add to the momentum. Flipkart's Bansal has denied the misconduct accusations, which two sources told Reuters followed an allegation of sexual assault.

But the sudden exit of the tech-savvy billionaire shocked Indian businesses as he was regarded as a superstar entrepreneur who co-founded the e-commerce company little more than a decade ago while still in his 20s. Walmart acquired Flipkart in a \$16 billion deal this year.

"The lesson in this for start-ups that are scaling up rapidly is clear. Governance issues cannot be ignored ... and the management needs to be far more sensitive, alert and prepared," T.N. Hari, head of human resources at grocery website Bigbasket.com, wrote in a column for Indian newspaper Mint.

Companies - large and small - are now approaching headhunters, law firms and boutique consultancies such as Rainmaker to ensure they provide a safer workplace for women, become better equipped to handle complaints and run proper checks on prospective employees.

"Companies are understanding that if POSH (prevention of sexual harassment) compliance goes wrong, it can bring down the company and the brand," said Alex, whose client base has grown by 30 percent in the last six months and includes major domestic and international firms.

"I would sum it up as fear, they are petrified of the brand impact."

CAUTIOUS INDIA INC

The #MeToo movement began in the United States last year in response to accusations of sexual harassment in the entertainment industry. In India, the movement gained traction in September after a Bollywood actress complained about inappropriate behaviour by a co-star.

Corporate India is now having to react.

An executive for Amazon.com Inc's video streaming service told Reuters on Wednesday that an Indian comic facing allegations of sexual misconduct would for now not be in charge of an upcoming political satire.



Antony Alex, CEO of consultancy firm Rainmaker, poses for a photograph inside his office in Mumbai, India, Novem...

And the same day, Indian automobile giant Tata Motors ([TAMO.NS](https://www.tatamotors.com)) sacked its head of media communications following an internal probe into allegations of sexual harassment.

Pratibha Jain, a partner at Indian law firm Nishith Desai Associates, said her clients were increasingly asking for help in investigations into claims of sexual misconduct and reputational due diligence of even their external service providers, such as lawyers.

“In the past, such cases may have been brushed under the carpet, but employee sensitization has definitely increased given the movement,” said Jain.

Some queries showed how the movement has unnerved India Inc. A senior executive at a multinational company in India recently sought Jain’s advice about whether he should stop talking altogether to women alone in a room, while some firms have considered installing closed-circuit television cameras that could assist if they had to investigate an alleged case of sexual misconduct.

Talent-advisory firm Hunt Partners has started receiving more requests for running specific checks on whether there are any sexual harassment complaints against a potential hire.



“Even if the Indian business leaders may have been irresponsible about these things in the past, they are now falling in line,” said Suresh Raina, one of the firm’s partners.

CONSERVATIVE INDIA

India, population 1.3 billion, is still a largely conservative country. Despite rapid urbanisation and economic growth in recent years, the female labour-force participation rate remains among the lowest in the world.

Only 20 percent of all the permanent employees of the top publicly traded companies in India are women, according to the Centre for Monitoring Indian Economy.

A 2013 law aimed at making workplaces safer for women mandated that all companies employing 10 or more workers should form an internal committee that would look at complaints of sexual harassment. It also mandated employers to organise awareness programmes about the law.

In practice, many companies still have a long way to go to meet the law's standards, human resources experts said.

“Very few companies are 100 percent compliant,” said Alex, chief executive of Rainmaker.

India recorded 533 cases of sexual harassment against women in the workplace in the year to July, compared with 522 in the whole of 2015, government data showed. It was not clear how that data was compiled.

But reporting of complaints remains low, largely because women fear a backlash, say experts. A recent survey from citizen engagement platform LocalCircles showed that 78 percent of the 7,600 people polled said they or their family members faced, but did not report, sexual harassment in the workplace.

Mukund Rajan, former chief ethics officer at Indian conglomerate Tata Sons, said many companies paid only “lip service” to protecting women's interests. The Indian law says a complaint and the identity of a woman alleging sexual harassment, as well as a company's subsequent internal investigation, must be kept confidential.

“I have seen a number of cases where whistleblowers who have called out senior managers for misconduct or offensive behaviour have ended up being shown the exit door themselves,” Rajan said.

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