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Employing Women: A Boon for a Chemical Plant in India

Meghmani Organics Limited (MOL) is a chemical group located in the state of Gujarat in India. Its main products are specialty chemicals, including pigments, pesticides, and other intermediates. Prior to IFC's investment, MOL had four manufacturing facilities in Gujarat, India, with about 2,000 employees. In 2008, IFC invested in MOL to build Meghmani FineChem Limited (MFL), a greenfield chlor-alkali plant, in Dahej, a port city in Gujarat. This SmartLesson provides a snapshot of the changes that took place in MFL following IFC's recommendation for the company to employ women.

Background

The city of Dahej is a barren coastal area, where local living standards are significantly lower than other parts of Gujarat. Opportunities are limited, especially for women, who have little chance for employment other than occasional odd jobs at construction sites.

During the initial appraisal, IFC observed that MOL had no female employees at any of its four existing chemical plants. This is a common scenario in India. Women are not hired in chemical plants due to traditional culture and local legal restriction. People assume that chemical plant jobs entail hard physical labor and are dangerous, though modern chemical plants need little physical labor and are safer compared with many other industries due to technology advances. In addition, local legislation forbids women to work after 7 PM.

Making the Business Case for Hiring Women

The IFC investment team proposed that MOL should start hiring female employees at the new MFL plant. The IFC team made the following arguments, emphasizing the business case for hiring women:

- Hiring women greatly increases the talent pool among job applicants, leading to a stronger workforce.

- Employing women reflects on management thinking, demonstrating that it is open to adopting modern methods of running a business.
- Women perform as well as, if not better, than men in many industries.
- Some positions in the laboratory, warehouses or cafeteria, can be filled by women and still adhere to the traditional norms.
- Extending economic benefits to women also benefits the community, which in turn improves the local relationship with the company.



In addition, the principle of gender equality is a part of the Indian constitution: in other words hiring women supports national policy.

Barriers

The MOL management initially had its reservations regarding hiring women. They cited cultural and legal barriers as well as the fact that hiring women would require new facilities and policies.

Based on previous IFC investments in other chemical plants in India, the investment team proposed the concept of developing a female-employee friendly chemical plant, and asked the MOL management to consider the concept while designing the plant and setting up operational procedures.

The female-employee friendly chemical plant would include, but not be limited to:

- The design and construction of female restrooms at each workplace
- The design and construction of separate female locker rooms and shower facilities
- The development of a company policy and procedure to encourage hiring of female employees
- The establishment of a flexible work schedule for female employees to meet local legal requirements

What happened?

IFC made a \$125 million investment in MFL. The MOL management accepted IFC's recommendations regarding hiring women, and implemented all the suggestions during the plant's design and construction, operational policy/procedure drafting, hiring and operations. By 2010, the MFL plant was in full production. According to the Human Resource (HR) manager, MFL had approximately 630 employees and direct contractors by June 2011, out of which 45 were female employees. They work in positions that do not require night shift duty, including research and development, office management, technical and operational service departments, and in the canteen.



During a supervisory visit in 2010, the IFC environmental/social specialist interviewed female employees and their managers to assess the results of the new policy. The results were encouraging:

- The female employees appreciated the female-employee friendly working environment at MFL that allowed them to work.
- With stable and higher incomes, they also felt safe and respected at home and in their villages.
- Managers also expressed their support for MFL's decision to hire female employees because the female employees work harder and follow the operational and safety rules better, which are critical for chemical plants.
- Managers also agreed that female employees are as talented as male employees which contradicts the traditional concept that females are not qualified for heavy industries.

Management was significantly interested in increasing the roles and responsibilities of women at the plant, and in hiring more women in the future. They also proposed to introduce more training programs for female employees to allow them to take on more challenging technical positions.

Based on the successful MFL plant experience, MOL is considering implementing similar female-employee friendly programs at other chemical manufacturing facilities within the group.

Lessons Learned

1) Make the business case for hiring women.

While IFC must adhere to the World Bank Group social policies, it is better to lay out the business case for hiring women. When we first suggested hiring women to MOL management, their initial reaction was negative. They said that women would not fit into their company or the industry. Furthermore, they said that women would not be interested in applying for positions because of cultural issues and the legislation which prohibits women from working

after 7:00 PM. In response, we pointed out that women in India work very hard in other industries, and that MOL had the potential to double its applicant pool and therefore get good value for money. We also identified positions - in the laboratory, warehouse and the canteen as well as janitorial positions - which would be consistent with Indian culture and would not require work after hours. We also pointed out that IFC had faced similar situations in the mining sector in Peru where women had turned out to be excellent employees. Finally, we emphasized that by being the first company in the chemical industry which hired women, the company would get a lot of attention and be perceived as having very modern management. MOL found the business case convincing and worked actively with IFC for the promotion of female employment.

2) Advise clients in designing women-friendly infrastructure.

Many clients complain that females do not like to apply for their position openings. However, one reason is that some basic plant settings may discourage female applicants. Some basic plant design modification—such as female restrooms at each workplace and separate female locker rooms and shower facilities— as well as commuting options are factors that encourage females to apply for the openings. Because this was a greenfield project, we were able to convince management to include women's facilities at the design phase. Not only did this open the doors for women employees, but also made it possible for women clients, suppliers, female IFC staff, and other women visitors enjoy their visit to the plant.

3) Assist clients in designing women-friendly policies.

Clients unfamiliar with the needs of female employees may not have the knowledge necessary to design appropriate policies for women, such as dealing with pregnant or nursing employees. Occupational Health and Safety (OHS) issues are different for men and women employees. These are new challenges for the MOL's HR and Environmental, Health and Safety (EHS) Departments. IFC worked together with MOL's management team and HR department to identify policy relevant issues on hiring women and advised HR and EHS departments to learn from other industries (such as the IT sector). As a result, MOL was able to develop women-friendly policies that made it possible for women to work at their facility. In the future, IFC's Gender Unit can also provide useful support to clients in dealing with these issues.

4) Encourage women to apply for positions.

In a very traditional culture, the females may not be brave enough to apply for jobs. The client can reach out to the communities through public consultations, at which they can encourage women to apply for jobs and explain that their facility is designed to accommodate women. MOL took advantage of this communications opportunity and spread word through their community officer. As a result, enough women applied to fill approximately 50 positions out of 630. This represents a significant step for women in the chemicals industry.

5) Encourage clients to build strong relations with the community through hiring women.

Reaching out to local communities and demonstrating that IFC and its clients welcome women employees will help attract a better workforce. In this case, we explained that hiring women would improve MOL's relationship with the community, which is important for the firm's long-term success. Working at MOL's facility greatly improved the status and income of women employees, generating good will towards the company.

Conclusion

Gender equality is a challenge in most parts of the world, including many developed countries. In many places, including India, the first step is to actually agree to hire women. This can be difficult if local traditions discourage companies from hiring women or women are not encouraged to apply for positions.

By sharing its knowledge and experience, IFC can make this transition easier. It can provide illustrative examples to support the business case for hiring women, which could have an economic benefit to the firm. This can help reluctant firms take the step of hiring women even before the idea of social responsibility has been accepted.

When one firm hires women, it sends a signal that it is innovative. It also demonstrates that women add tremendous value and should be a part of the workforce. IFC continues to work with MOL to hire additional female employees, especially as first and second-shift female operators, which are higher paid positions than supporting departments.



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