8. NATIONALITY

The term nationality has come to have different meanings for different individuals, but to most, it is still the very basis of their identity and defines who they are in the world. It is the sum of qualities which distinguish a nation – It is the National character. Nationality is represented or perceived in terms of nativity, allegiance, birth, common origins, traditions and languages. Nationality is one of the rights affirmed in UN Declaration of Human Rights. The UN Universal Declaration of Human Rights (1948) states that “everyone has the right to a nationality” and that “no one shall be arbitrarily deprived of his nationality.”(Encyclopaedia Britannica – Nationality – International law).

8.1. Definition

Nationality, while generally a convenient and powerful construct, is itself open to various definitions and interpretations. Nationality is the relationship between a person and their state of origin, culture, association, affiliation and/or loyalty. Nationality affords the state jurisdiction over the person and affords the person the protection of the state (Wikipedia). Nationality could refer to one's legal status, the identities of one's parents, the place of one's upbringing, and so on (Brass, 1991).

8.2. Significance of Nationality

Nationality plays an important role in defining the identity of a person. Significance of nationality stems from the fact that it is primarily through nationality that the individual comes within the scope of international law and has access to the political and economic rights and privileges conferred by modern states on their nationals. The state, through constitutional and statutory provisions, sets the criteria for determining who shall be its nationals. In India, nationality is mostly governed by the provisions in Articles 5 to 11 in Part II of the Constitution of India. Relevant Indian legislation is the Citizenship Act 1955, (amended by the Citizenship (Amendment) Act 1986, the Citizenship (Amendment) Act 1992, Citizenship (Amendment) Act 2003, and the Citizenship (Amendment) Ordinance 2005.
The right of a state to confer its nationality is, however, not unlimited, for otherwise it might impinge upon other states’ rights to determine what persons shall be their nationals. Nationality is bestowed on a person by birth within a state’s territory and subject to its jurisdiction. Another standard procedure through which a person acquires nationality is as an inheritance from one or both of one’s parents. States vary in the use of the two principles.

8.3. Nationality Discrimination

National origin discrimination means treating someone less favourably because he or she comes from a particular country, because of his or her ethnicity or accent, because it is believed that he or she has a particular ethnic background or because they are married to or associate with people of a certain national origin. Discrimination based on nationality extends to workplace too. Discrimination in workplace can manifest in, employment decisions - Recruitment, Hiring, and firing or layoffs, Promotions or as harassment – offensive conduct, isolation, hostile working environment.

Laws prohibiting national origin discrimination are found in International and national levels. These laws make it illegal to discriminate because of a person's birthplace, ancestry, culture or language. This means people cannot be denied opportunity or accorded differential treatment due to their nationality. An employer cannot discipline, harass, fire, and refuse to hire or promote a person because of his or her national origin.

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13 Nationality law is based either on jus soli or jus sanguinis, or on a combination of the two. Jus soli is the principle in which a child born in a country's territorial jurisdiction acquires that country's nationality (Ex: United States, Canada, Argentina, Brazil, Mexico, France [including in its overseas dependencies]). In jus sanguinis, either the father or mother must normally be a citizen of the country in question in order for the child to be a citizen (e.g. India, Israel, Switzerland) - Source Wikipedia – Indian Nationality Law
8.4. Nationality as a Diversity Dimension in Workplace

With every passing day, global market is getting extended and possibilities and opportunities that it throws open are also growing. Organizations are becoming more and more global in their scope of operations. In this global economy as rightly argued by the noted political scientist, Robert Reich, large multinational firms are becoming stateless global webs and corporate nationality is becoming increasingly irrelevant. (HBR.org, October 2006).

A multicultural workforce with different national origin and identities is an inherent constituent of a global company. Groups with a multiple nationalities are evident in today’s organizations - the management team of an international joint venture, a group developing a product for multiple-country markets, a group responsible for formulating an integrated strategy, a task force charged with developing recommendations, and, increasingly, even the top management team of the firm itself.

To understand the significance of nationality as a diversity dimension in an organization the effect of the nationality’s attributes on the dynamics of a group is examined. Key observations relating to multinational groups and their significance in workplace are summarized below:

8.4.1. Multinational Groups Significance in Workplace

In contemporary global corporations, multinational groups serve useful purposes in addition to conducting their particular work tasks. Namely, MNGs often exist as a necessary by-product of a concerted global human resource system, in which superior talent from around the world is sought, motivated, and developed.

14 The observations are formed after reviewing the works in culture, organizational behavior and communication of noted sociologists and researchers like Gerard Hendrik Hofstede, Andre Laurent, Robert Lord, and Foti Roseanne, Frijda Nico, Batja Mesquita, Markus and Shinobu Kitayama, Nancy Adler, Church, Mayo, William Gudykunst (List not exhaustive).
8.4.2. Behavioural characteristics, Cognition and Nationality

- The nationalities represented in a group are only of consequence to the group's functioning to the extent that they affect members' behaviour. Research indicates that national culture has a significant effect on the outlook, perceptions, and behaviour of individuals.

- Psychological make-up and behaviour of a person possess considerable traces of his/her nationality. In this regard, Laurent found that even seasoned, internationally-experienced executives exhibited major differences, by nationality, in their beliefs about how to manage effectively.

- Nationality affects a person in numerous interconnected ways, ranging from the deeply underlying to the readily apparent: values, cognitive schema, demeanour, and language*.
  
  o **Values** – A personal value, (Hofstede, 1991) is a broad tendency to prefer certain states of affairs over others. Prominent value dimensions are individualism vs. collectivism, universalism vs. particularism, power distance, relationship to time, and uncertainty avoidance.
  
  o **Cognitive schema** – What one knows, assumes, or perceives about the world at hand (Lord and Foti 1986). This can include knowledge of facts, events, and trends; knowledge or assumptions about future events; knowledge about alternatives; and knowledge or assumptions about how consequences are attached to alternatives (March and Simon 1958; Maruyama 1980). Individuals of different nationalities may also differ widely in their more elemental cognitive orientations, such as the salience of different time horizons (e.g. Hofstede 1991), self-construal (Triandis 1989; Markus and Kitayama 1991), and the way they perceive potentially emotional stimuli (Mesquita and Frijda 1992).
  
  o **Demeanour** – Differences in outward physical behaviour, or demeanour, of people of different nationalities. Differences in eye contact, punctuality, conversational style, interruption patterns, physiological reactions to emotional stimuli, and other types of behaviour have been associated with nationality. Demeanour has implications on a group's functioning. Demeanour aggravates the stereotypes, causing member disdain and isolation, or resulting in other forms of breakdown in communication and cohesion. (Gudykunst and Ting-Toomey 1988;

- **Language** – Nationality has implications for a person's language. One's nationality not only determines what will be one's primary language, but it also affects the likelihood of knowing other languages and which specific languages will ever be readily comprehended (Church 1982). A person’s knowledge of the group’s working language affects the communication, participation and influence in the group. (Gudykunst 1991, Geringer 1988)

These nationality-derived qualities affect a person's behavior, as well as how the person is perceived in a multinational group. These personal characteristics, influenced to some extent by a person's nationality, are conceptually distinct but causally intertwined.

### 8.4.3. Nationality and effectiveness in a group

Prominent deciding factors on the group’s effectiveness are (a) the magnitude and type of nationality-derived diversity among members, and (b) the nature of the group's task. That is, some types of nationality-derived diversity serve as endowments for the group, while other types of diversity create great difficulties. Whether diversity is an asset or a liability, in turn, depends on what the group is trying to accomplish.

### 8.4.4. Effect of moderating factors

- An individual’s dispositional character though to a great extent is determined by nationality several moderating factors like life experiences, international exposures and sensitization and socialization by the employing organization plays a role in shaping it. (Church 1982; Adler 1975)

- On the positive side multinational groups brings in better diverse ideas and limited group think. The negative aspects, or 'process losses', of multicultural group observed by researchers of group heterogeneity in general: dislike, mistrust, stereotyping, communication difficulties, and interpersonal stress. The effectiveness of a multinational or multicultural group is also determined by certain moderating factors like the task scenarios- creative, computational, and coordinative, behavioural styles of leaders and the amount of diversity within the group.
These prior researches emphasize how nationality shapes an individual – his physiological, behavioural and cognitive framework. Belonging to a particular nationality influences the perception others have about an individual. When people from different nationalities interact in workplace the attributes of their nationality are bound to express - perceptions and the more apparent, language and demeanour. When differences are there, acceptance and tolerance of differences may not always happen. This might lead to discrimination and possible harassment. The possibility of such an occurrence is amplified in today’s global business environment where people from different nationalities work and interact more closely. So, as Corporates surpass national boundaries the need to address nationality as a diversity dimension is augmented. Hence in workplaces National origin is considered as an important diversity dimension. Organizations include nationality in their diversity endeavours in their effort to build an inclusive and harassment free environment.

8.5. Nationality as Diversity Dimension in India

There are several factors that prompt Indian companies to address nationality as a diversity dimension. In the past decade presence of Indian companies has been steadily and consistently increasing all over the world. Indian companies are operating as truly multinationals creating scalable business with a workforce that is global. As the Indian companies interact with global companies, a large number of mergers and acquisitions and joint ventures are happening. A decade back it was very rare to see an Indian company acquiring an American or European firm. But nowadays curtsey to the buoyant Indian economy, extra cash with Indian corporate, Government policies and newly found dynamism in Indian businessmen, Indian companies are on an acquisition trend. India in recent years is a much sought after business and investment destination for global companies. The reverse trend of foreign MNCs and nationalities coming and working in Indian IT, Pharmaceuticals, Engineering, Telecom, Finance, FMCG, Automobile, Steel and host of other high end technology driven sectors as experts, consultants, full time employees and interns is also rampant. Majority of the high players in these fields have their presence and stake in Indian market.
India’s fast growing economy, global presence of Indian companies, disappearing salary differentials, Overseas Citizens of India policy\textsuperscript{15} offers an explanation for this phenomenon. As these interfaces surpass geographical boundaries, the possibilities for cultural interaction have been opened upon in a massive scale. Thus most of the Indian companies are increasingly becoming global workplaces operating all around the world in diverse cultural environment, managing a multicultural labour force. A global workforce brings along with it diversities in nationality – Diversity in culture, customs, perceptions, attitudes, values, demeanour, language. So in this era of globalization Indian organizations should be well equipped to address and take on board the diversity dimension – Nationality.

8.6. Nationality and Indian IT & ITES Industry

Among the Indian industries, IT industry is inarguably the most global. IT sector is the poster child of liberalized Indian economy. Presence and impact of Indian IT industry on the global IT map is formidable. Today Indian IT companies are increasingly becoming true multinationals creating scalable business with a workforce that is global. One of the uniqueness of Indian IT industry is its workforce who has a high level of geographical mobility.

Due to Indian IT Industry’s global presence the technical employees work with the realm of a global market as opposed to being confined within the local or national economy. The earlier trend was to concentrate majority of workforce in India and send a percentage of the workforce onsite of the client. In the past decade Indian IT industry has matured from being one of the destinations for IT off shoring and outsourcing to a reckonable presence in the global IT scene. Most of these IT companies now recruit from those geographies were they are present. Leading IT companies have offices all over the world, with their workforce consisting of a good mix of Indian and foreign nationals.

\textsuperscript{15} Overseas Citizens of India policy is not a full-fledged dual citizenship. The privileges afforded by acquiring an OCI card is that now Multinational companies are finding it simpler to hire the OCI cardholders, who enjoy a multiple entry, multipurpose lifelong visa to visit India.
With increasing global presence and a global workforce comes along the diversity in nationality. As the Indian organizations strategize to attract and acquire the best talent available one thing to keep in mind is that to assimilate people from different countries in their workforce, the company has to spend time in understanding the social and local needs of the different nationalities and there is a need to deal with cultural diversity. Strong global systems that are attuned to local practices are a prerogative.

When the aspect of Nationality was introduced as a diversity dimension in the focus group 60% of the respondents said that they had been to other foreign countries as part of their work assignment. These respondents who had been to other countries said that orientation about the country they are visiting is given prior to travel. They hadn’t given much thought to Nationality to be a source of discrimination and maintained a positive outlook in accepting foreign assignments.

To gather information on the status of Nationality as a diversity dimension in Indian IT ITES sector, diversity and inclusivity endeavours of fifty organizations in Indian IT and ITES sectors are studied in detail. Diversity statements, policies, procedures and strategies are examined. Indian IT and ITES sector consist of

1. Multinationals of Indian origin
2. Multinationals of foreign origin in India and
3. Organizations with operations only in India

8.7. **Observations and Suggestions**

Indian IT and ITES sector is increasingly recognizing the relevance of nationality as a diversity dimension. Nationality or national origin finds its place in diversity statements, policies and inclusion strategies.

8.7.1. **Indian MNCs**

In case of Indian companies in the Indian IT and ITES sector, the mix of nationalities and its dynamics are felt mostly in their office locations in foreign countries. Within India though
presence of foreign nationals is felt (higher in case of High profile MNCs), the employee base is still predominantly Indian.

The study reveals that among the Indian MNCs 74% of companies have included nationality in their diversity statements or policies. This shows that majority of Indian MNCs are recognizing the significance of nationality at workplace.

8.7.2. **High Profile MNCs**

Among the Indian MNCs, High profile MNCs are multinational in every sense – Presence, Market, Strategy and Workforce. Only a small percentage of Indian IT and ITES sector falls in this group. The three major Indian IT giants - Tata Consultancy Services, Infosys and Wipro falls in this category. Organizations in this category have an assimilation of nationalities with employees speaking different languages, belonging to different cultures, practicing different customs. For example Tata Consultancy services have employees from 64 nationalities. They amount to 9.2 percent of total employees. Infosys has offices in 63 countries with its employees belonging to 70 nationalities and Wipro has employees from 40 nationalities. What these organizations have in common is a strong belief in deemphasizing the differences and celebrating the commonalities, a penchant to acquire the best talent, a recruitment strategy that is global in outlook, emphasizing nationality as a focus area of diversity and inclusion through support systems and policies, training (cross cultural sensitivity), Innovative and focused initiatives - Induction programs, Internships- Instep (Infosys), Global talent program (Infosys). Talent development programs, (WIPRO).

8.7.3. **Large MNCs**

The second category are large companies, these companies are MNCs with a formidable presence in terms of employee base and presence, but not at par with high profile MNCs. This Indian MNCs are continuing the trend of expanding their base with increasing their presence worldwide. These organizations have included nationality in their diversity endeavours, cater to nationality discrimination stipulations and are striving to understand and absorb the dynamics of nationality. Majority of organizations in this category are increasingly following a decentralized recruitment policy i.e. to recruit from the geographies they are present. As the scope of
operations grows, new innovative initiatives and support systems will have to be incorporated to assimilate the diversity in national origin within the organization.

8.7.4. Medium level MNC’s.

The majority of Indian IT companies fall in the category, medium level players. In these companies the majority of workforce is based in India with some of its operations in other countries. The foreign presence in most of the cases is limited to sales and contact offices with the actual developmental operations carried out in India. Even though workforce is concentrated in India, it should be well versed with the national origin discrimination laws of the host countries, more over if the companies are planning to expand their base in these countries from a mere presence to a full-fledged base.

8.7.5. Organizations that have operations only in India (Local Players)

The last category includes such companies who don’t have an operating office in any other country other than India and all the workforce is concentrated in India itself although the projects they handle might still be outsourced to them internationally. Since the workforce consist only Indian nationals, these companies do not address the issue of national origin in their diversity strategies.

8.7.6. Foreign MNCs

In this study, eighty percent of foreign MNCs have specifically mentioned and included nationality in their diversity endeavours. In this category, US based organizations explicitly or implicitly have mentioned national origin in their diversity statements. This might be due to the fact that in US discrimination on the basis of national origin is unlawful (Title VII of the Civil Rights Act of 1964, the Civil Service Reform Act of 1978 (CSRA). The U.S. Equal Employment Opportunity Commission (EEOC) enforces all of these laws. So companies operating in these regions should make sure they confer to these provisions in their policies and procedure. Likewise other countries also have statutory measures to check this kind of discrimination. E.g.: In UK Race relations Act 1976 makes it unlawful to discriminate on grounds of race, colour, nationality or ethnic or national origin. This Act covers recruitment, promotion and training. Swedish law forbids discrimination on the basis of ethnicity, religion.
So in India, most of the foreign MNCs have extended their global policy on national origin discrimination to their Indian offices. The global diversity efforts of these foreign MNCs, high profile and large players have well established policies and procedures, supported by concentrated efforts in the form of support systems and networks – affinity groups, culture sensitization, sensitivity training, well developed induction programs and internships and celebration of cultural events.

Medium level foreign MNCs though not sporting sophisticated and well rooted procedures as compared to their larger counterparts are still steps ahead in comparison to Indian MNCs with the same scale of operation. Their nationality diversity initiatives go beyond including nationality in diversity statements.

One point to be noted in this respect is that, Foreign MNCs feels the impact of national origin diversity much more in their country of origin – especially if it is multicultural and metropolitan like United States or United Kingdom. History of these countries is marked with large scale migration of jobseekers and hence the workforce is a heterogeneous mix of varied nationalities. As opposed to Indian IT and ITES industry, even a small scale IT Company who has operations only in US with a workforce less than even hundred will have a significant mix of nationalities in its workforce.

As Indian IT expands its footprint around the globe, through new foreign offices locations, acquisitions and joint ventures the world wide employee composition shows an increasing mix of nationalities. As companies go global their success depends upon the diversity in the talent. So to have a diverse global talent, rather than focusing talent pool in India, companies are decentralizing and recruiting from these countries in which they are present. While in the process it is necessary for Indian companies to be well acquainted with the laws dealing with nationality discrimination.

With an increasingly global presence, it will be crucial for Indian companies to assimilate and integrate a diverse and distributed workforce through enhancing capacity in other geographies, strong and relevant training programmes, diversity in projects, improved communication and interaction, and strong but localized systems.
8.7.7. **Measures by the company to address nationality as diversity dimension**

Ideally the organization should have a strong internal culture of its own where biases and prejudices on the basis of a person’s nationality doesn’t exist. The strong internal culture and inclusiveness should override the differences. Though easy to put in words this is a tremendous task.

To start with a philosophy which respects the culture, customs and traditions of each region in which it operate should be cultivated. Identifying ‘national origin’ as potential source of difference and designing support systems and policies to provide a workplace inclusive of nationalities should be a priority. This should be seconded and reinforced through

- A strong commitment on the part of management to provide an environment free from harassment and discrimination.
- A policy of equal opportunities in all employment decisions (Hiring, promotion, discharge, compensation, benefits, Training, classification, referral, and other aspects of employment)
- Cultural awareness programs – Creating sensitivity, respect and acceptance of another culture and nationality is the key in diversity initiatives.
- Training programs - Cross cultural Training, sensitivity training, Induction programs, Internships can help in the easy assimilation of nationalities.
- Collaborative tools and support systems which are consistent and effective and that translates into process