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50 HOT Startups to watch out for in 2017



Sexual harassment allegations at ScoopWhoop, TVF show startups may not be geared to deal with it

By [Supraja Srinivasan](#) & [Shashwati Shankar](#), ET Bureau | Updated: Apr 14, 2017, 02:07 PM IST

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In the debut episode of *Girliyapa*, a satirical web series by The Viral Fever, two women in a restaurant are outraged that they aren't ogled at, stalked or catcalled. The YouTube video has more than 3 million views and many of the 3,000-plus comments are appreciative of the intended humour. The few viewers who dared to criticise were told to pipe down and see the hilarity.

Such responses weren't unfamiliar to women working at the Mumbai office of *TVF*, according to one former employee of the digital production startup. If they disapproved of an atmosphere strewn with sexist jokes and comments, they were made to feel like prudes.

"The (*TVF* office) being sexist pertained to a few individuals like [Arunabh](#) (Kumar, the founder). As a result of that, women were also expected to 'be cool' with what was being said and done. It was easy for men to pass off lewd statements as a joke," she said.



Workplace sexual harassment is no stranger to the Indian corporate system, but at startups, the problem is threefold.

Big Change:
The end of Five-Year Plans: All you need to know

Over the past weeks, India's startup ecosystem has been riled up in controversy post allegations of [sexual harassment](#) against Kumar and, most recently, *ScoopWhoop* co-founder [Suparn Pandey](#), closely following reports of a toxic work culture laced with sexism at *Uber*, the world's largest cab aggregator. Workplace sexual harassment is no stranger to the Indian corporate system, but at startups, the problem is threefold—non-compliance and a lack of awareness and sensitization, coupled with feeble gender diversity ratios in tech-led firms.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 requires every company with more than 10 employees of either gender at any of its offices to set up a four-member internal complaints committee. It should have a woman as the presiding officer and one external member from a nonprofit, a legal firm or an organisation that works in the area of sexual harassment.

The law mandates companies to organise workshops and awareness programmes at regular intervals for sensitising employees with the provisions of the sexual harassment Act. Orientation programmes for the members of the internal committees are essential. At startups, and even at larger companies, the legislation is followed more in the breach.

"The biggest challenge from the

Lesser-known Features of the Sexual Harassment Act

- A four-member internal complaints committee, presided by a woman officer, is required to be set up at all offices of a company where there are more than 10 employees, irrespective of gender.
- The law covers any “aggrieved woman” harassed at a workplace. She need not be an employee of the company. But if the person who harassed her is an employee, the woman has the right to take up the matter with the company’s internal complaints committee.
- The law covers harassment by any employee. This includes “a person employed for any work on a regular, temporary, ad hoc, daily wage basis either directly or indirectly through an agent including a contractor, with or without the knowledge of the principal employer.”
- Complaints of sexual harassment against the founder or head of a company can be made to the district officer at the area’s local complaints committee—typically the collector or deputy collector of a region. This, even if the company has an internal complaints committee.
- A company’s internal committee as well as the local complaints committee can take action against the “aggrieved woman” if her allegations are found to be false.



perspective of the law is affirmative action from companies on this matter. If they were to sensitise employees, help with skill-building for the committee, make employees aware of such a committee and the action that can be taken, then incidents can come down,” said Vishal Kedia, director at ComplyKaro, a regulatory compliance consultancy.

A survey of more than 600 companies, including startups, conducted by ComplyKaro and the Institute of Company Secretaries of India threw up dismal awareness stats and showed a casual disregard of the sexual harassment Act.

About 40 per cent of the respondents had not conducted sensitisation programmes for all their employees and about one-third had instituted only one internal complaints committee for all their offices, instead of at each. Such lax compliance could be devastating to businesses, particularly if the founders are accused.

THE BIG EXCUSE

The most common justifications invoked for startups not being sensitive to sexual harassment at the workplace are paucity of funds and their rush for growth. “When it comes to growth and scale, everything is in that quadrant (of important and urgent).

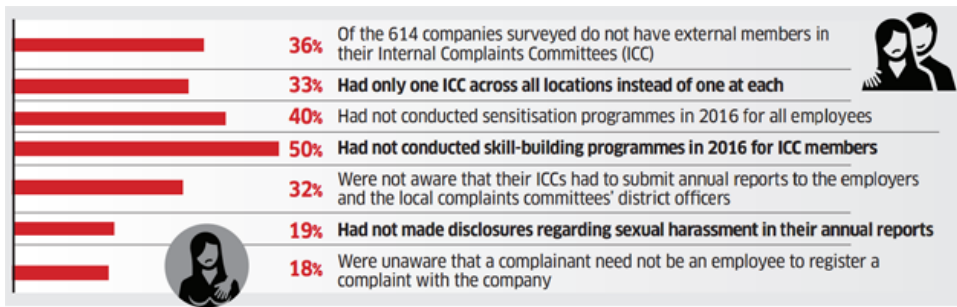
The Ignorance Cover: *Not just startups, even larger companies have little awareness of the requirements of the Sexual Harassment Act, show recently published findings of a survey conducted by the Institute of Company Secretaries of India and regulatory compliance consultancy ComplyKaro*

Employer’s Obligations

The Sexual Harassment Act requires every organisation to formulate policy, create awareness on the Internal complaints committee, and have consistent dialogue with employees on what constitutes harassment

- Formulate anti-sexual harassment policy
- Sensitise all employees to the provisions of the Sexual Harassment Act
- Nominate internal complaints committee at each location with an external member
- Hold skill-building programmes for members of the committee
- Internal committee has to file annual reports to the employer and the district officer of the area’s local complaints committee
- Include any complaints of sexual harassment received and their disposal in the company’s annual report





Then there is important but not urgent, and compliance (with the sexual harassment Act) falls in that bracket,” said investor Zishaan Hayath, who also heads the education-tech startup Toppr. His company has an internal committee and frequently conducts townhalls and inter-department meetings to raise awareness on sexual harassment.

Venture capital investors ET spoke with said it was common for early-stage startups that have not raised at least \$10 million to allocate their resources to functions other than an internal complaints committee, or a human resources or a legal department. “These aren’t the top priorities for founders when it comes to allocating resources,” one of them said, requesting anonymity.

Experts believe the inclination of startups to comply with this important legislation falls in direct proportion with the capital they raise. “Startups have an almost 50-60 per cent churn and so the inclination to spend on creating awareness on their complaints committees and what kinds of behaviours amount to sexual harassment is very low,” said Kedia, whose company conducts awareness and training programmes for corporate employees on sexual harassment.

A few large companies such as Flipkart have established panels and processes in accordance with the law for preventing and handling any possible instances of sexual harassment. But several companies, even global ones, are satisfied with workarounds that may have the right intent but are not necessarily compliant with the law. A hotel aggregator with operations in India has an ethics ambassador in each of its offices in lieu of complaints committees, as well as conducts a compliance programme online every quarter that is mandatory for all its employees.

This ethics ambassador, elected by employees, “is the one trusted person anyone can walk up to and discuss any kind of issue,” said a woman staffer at the firm, declining to be identified. “If an incident is reported to the ethics ambassador, (the company has) to make sure that it gets resolved and report it to the global headquarters.”

REPUTATION AND BUSINESS RISK

Legal experts said a complaint against a founder or senior executive would deal a huge reputational blow to the company and pose the biggest challenge for startups that are already fighting to survive.

At such times, the board of directors or investors must step in to see how the issue can be resolved, along with the company’s internal committee, these experts said. The company should also be as transparent as possible with employees to prevent confusion or any hostility at the workplace.

“When the internal committee on sexual harassment recommends a decision that involves the founder or a key senior-level employee, it may be necessary to involve or consult the board or the investors. Practically speaking, it may become challenging for the HR or legal teams to implement the recommendations on their own given the severe consequences on the business and shareholderlevel commitments,” said Vikram Shroff, head of HR laws at law firm Nishith Desai Associates.

Investors, however, believe their role can at best be advisory in such matters. “Usually, the investors play the role of helping startups comply (with laws), so they keep reminding them on completion of compliance-related tasks.

It’s great to have those reminders, but honestly it is startups who have to get the compliance done,” argued Hayath. Once a sexual harassment incident becomes public, it is important for startup founders to deal with the matter maturely and cooperate with any investigation against the accused. TVF’s response to the allegations against Kumar, by a former employee in an anonymous blog, received a lot of backlash for being insensitive towards the victim.

Soon, more women came forward in support of the anonymous blogger, sharing their own experiences of harassment by Kumar. “It was only after girls started coming out on social media post the anonymous blog that I had the courage to also speak out about an uncomfortable experience with Arunabh where I felt I was inappropriately touched by him,” said a woman who had brief interactions with

Kumar.

ComplyKaro, which works with BookMyShow and ClearTrip, said it has seen a 57% increase in queries from startups on setting up internal committees or training employees in this matter since the TVF incident. "I am sure that the recent harassment allegations would also lead to a relook by startups at their HR policies and practices. Given that one of the complaints was made on social media, employers may prefer to adopt stringent social media usage policy by employees," said Shroff.

POTENTIAL FIX: GENDER DIVERSITY

Sensitisation to gender, experts said, is essential to promoting a healthy work culture. And ensuring that a workplace is genderdiverse may be a good step to begin with, believe employees at some internet companies. "41% of the workforce at Zomato are women and we have seven women in top management roles. I have not heard of or witnessed any unpleasant or sexually offensive cases," said a female employee at the restaurant listings and food-delivery company.

She had joined Zomato after her former boss at a cement-to-retail conglomerate made sexual advances at her. A lack of resolution of the incident had compelled her to quit. But even at Zomato, which has raised about \$220 million from investors, employees ET spoke with said they were not aware of any workshops conducted to sensitise employees on sexual harassment for at least a year. Zomato declined to respond to queries sent by ET.

At ScoopWhoop, though, gender diversity may not have proved an effective deterrent. The media website has a dedicated news section called 'Women' carrying headlines such as 'Iceland is making it illegal to pay men more than women. World, are you listening?' and 'The story of the rape that resulted in the formation of India's sexual harassment law'—a reference to the Vishaka Guidelines that were superseded by the Sexual Harassment Act of 2013.

In a statement issued after a former employee filed a complaint with the police against cofounder Pandey, ScoopWhoop said that women comprise about 40% of its workforce and the company has equal representation at the senior leadership level. It also said that the former employee's complaint had been forwarded to its internal complaints committee and that the company "strongly condemns any kind of harassment at the workplace." TVF, too, had said in response to the allegations against founder Kumar that it had an internal committee to handle sexual harassment cases.

However, employees of ScoopWhoop and TVF whom ET spoke with said they were unaware of the existence of an internal complaints committee. ScoopWhoop has so far raised more than \$5 million from investors. TVF raised \$10 million from Tiger Global Management in February last year.

SAVING GRACE

A few startups do exist that take the issue of sexual harassment very seriously, capital or no capital. "There is a very strong culture (at BankBazaar) in terms of awareness of sexual harassment redressal mechanisms and there are extensive sessions on educating employees about the various members in the (internal complaints) committee and how a complaint can be raised if any," said a female employee at financial marketplace. Awareness and training sessions are conducted every six months for all employees, she said.

BankBazaar's internal committee received a complaint last year but it found that the case related to a breach of professional etiquette and not sexual harassment. The erring employee was issued a formal warning on the instructions of the committee. "We collected feedback from the complainant that the case was handled to their satisfaction and ensured that there were no other facets of the matter that were affecting them," said Sriram Vaidhyathan, chief HR officer, BankBazaar.

Online furniture startup Pepperfry conducts regular meetings and workshops in addition to circulating training material among employees to familiarise them with the sexual harassment Act and the redressal process for any complaint. "We also require new folks joining the organisation to go through an e-training on the Act and our expectations of each employee," said founder Ambareesh Murty.

At UpGrad, a woman came forward with a complaint after the educationtech startup, following news of the TVF case, sent an internal email on the company's non-tolerance to sexual harassment. UpGrad's internal "committee spoke with both the complainant and the respondent. Further verification with two other employees who faced similar incidents proved that the accused was indeed guilty and he was asked to leave immediately," said a female employee at the company.

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