India Inc:
The Curious Case of Missing Women at the Top
INDIA INC: THE CURIOUS CASE OF MISSING WOMEN AT THE TOP

By Prof Saumya Sindhwani (ISB) and Lakshmi Appasamy

I. INTRODUCTION

In the past couple of decades, India has witnessed a sweeping economic growth leading to rapid urbanization that has resulted in dramatic changes in the country’s demography. Since the country embraced globalization and steered towards economic liberalization, its Gross Domestic Product (GDP) growth has averaged over 6%,¹ and correspondingly, the share of the services sector to the total GDP has increased, while that of the agriculture has declined.² The urban population has also surged during the period. Interestingly, despite the shift in the economic structure, the agro sector continues to employ the majority of the country’s workforce, predominantly women (57%).³ Thus, a significant share of the women labour force is engaged in a low-productive sector.

A 2018 McKinsey & Company report⁴ noted that the recognized productivity of Indian women is one of the lowest in the world, contributing only 18% of the country’s GDP, as against the global average of 36%. The report also stated that if India matches the momentum towards gender parity of the fastest-improving country in its region, it could add $700 billion of additional GDP in 2025. It is rather unfortunate to note that as the economy grew, the Female Labour Force Participation Rate (FLFPR)⁵ has remained low and has even fallen in recent years. From its peak in 2005 at 32%⁶ it has dropped to 24% in 2017- this is significantly low when compared against the global average of 53% and also fades in comparison with South Asia’s average of 28%⁷ The World Bank ranked India 120 out of 131 countries when it came to female participation in the workforce.

It is evident (Figure 1) that since the turn of this century along with the economic expansion, the participation of women in the country’s workforce witnessed a gradual increase until 2005 after which it started falling rapidly. The slump in rural FLFPR has driven down the overall FLFPR. However, it should also be noted that the enrolment rate of women in tertiary education⁸ has been increasing. Notably, the gross enrolment rate of women in tertiary education has registered a sharp increase – it has more than tripled from 8% in 2000 to 27% in 2016. When the tertiary education enrolment trend is analysed along with the FLFPR of women in the age group of 15-24 years (the age group that typically corresponds to secondary and tertiary education), which is sharply declining, it is evident that more women are entering the workforce later, as they enrol in tertiary education. However, the fact that the urban FLFP rate remained nearly stagnant in 2012 (19%), and the share of women in the workforce with advanced education⁹ had declined (from almost 33% in 2000 it dropped to 31% in 2012), is a matter of concern.¹⁰

² Ibid.
³ Ibid.
⁵ The percentage of female population aged 15-64 that supply labour for the production of goods and services during a specified period.
⁷ Ibid.
⁸ Tertiary education, also known as higher education, refers to all post-secondary education, including both public and private universities, colleges, technical training institutes, and vocational schools. It generally culminates in the receipt of certificates, diplomas, or academic degrees.
⁹ Advanced education comprises short-cycle tertiary education, a bachelor’s degree or equivalent education level, a master’s degree or equivalent education level, or doctoral degree or equivalent education level according to the International Standard Classification of Education 2011 (ISCED 2011).
¹⁰ International Labor Organisation, latest available data recorded from NSSO survey.
Against the robust structural transformation of the economy and the resultant urbanisation, the potential GDP opportunity for India by increasing the FLFPR is increasingly gaining traction among the economists, industrialists and policymakers. Given this backdrop, the consistently low FLFPR alongside the declining share of women with advanced educational qualification, despite a steep increase in enrolment of women in tertiary education, warrants scrutiny of the pattern of participation of women in the country’s corporate sector and explore the means of improving their equity at the top. We hope that this report is helpful to business leaders and policymakers in identifying and removing the barriers that impede participation and progress of women in the corporate sector and aid in the implementation of meaningful interventions that create a level playing ground for women to rise to positions of leadership.

The Business Case of Diversity

Several studies have confirmed the correlation between the number of women in the workforce/leadership and business performance. Though measures to build diversity and balance in an organisation involve costs, the benefits far outweigh the costs. There are several benefits of having parity at the workplace:

- It brings diversity of thoughts, perceptions and inputs and thus improves decision making, creativity and innovation;
- The inclusive culture brings stability to the organisation through improved retention rates and lower turnover;

Source: The World Bank (latest available data)
The positive image as an equal opportunity employer attracts talent as well as enhances the company's reputation and standing with the stakeholders; it is a microcosmic representation of the customer base, hence helps understand customers better and build and provide better products and services; and it enhances the productivity and profitability of the company.

Further, several studies have confirmed that performance improves with the representation of women in leadership positions:

- A survey by ILO of over 60% of the respondents from around the world reported higher profitability and productivity.\(^{11}\)
- Another study by Catalyst found that companies with the highest number of women in the top management perform better, both in terms of Return on Equity (ROE), which is 35% higher, & Total Return to Shareholders (TRS), which is 34% higher.\(^{12}\)
- A McKinsey & Company study reports that companies in the top 25th percentile for gender diversity on their executive teams were 25% more likely to experience above-average profits.\(^{13}\)
- A 2015 report of Grant Thornton estimated that the profit foregone by companies with male-only boards in India, the UK and the US is a staggering $655 billion.\(^{14}\)
- A study by the Peterson Institute for International Economics also posited that the presence of women in leadership positions may improve the firm's performance. More importantly, it observed that the presence of women in corporate leadership is positively correlated with some firm characteristics, as well as some national characteristics – non-discriminatory practices and attitude, as well as a high level of gender parity in all other indicators such as education, access to economic opportunities, healthcare and wages.\(^{15}\)

II. INDIA INC’S PERFORMANCE IN THE LAST DECADE

The current scenario in the corporate sector is not as bleak as it was a decade back. Many studies have confirmed that the share of women at the entry-level positions in the country's corporate sector has increased in the last decade. This is because the business case of gender diversity has been well demonstrated and established, and companies no longer deem diversity measures as initiatives, instead, they are imperative to business growth. While the multinational companies have devotedly pursued gender diversity as a global operational mandate, they have inspired conviction in and commitment towards gender diversity among the Indian corporates as well.

In the absence of comprehensive national-level surveys by government and precise classification of occupations that precludes a comparative analysis of progress or performance within the sector over time or across countries, we have to rely on ad hoc surveys conducted by advocacy groups, consultancies and scholars focused on closing the gender gap. Although these surveys are not comprehensive in terms of coverage or uniform in terms of definition, they are fairly representative of our experience and observations in reality and provide an overview of the scenario in India and the rest of the world.

---


Overall Representation

According to the Corporate Gender Gap Report 2010, a survey report by World Economic Forum (WEF), the representation of women in business in India was estimated to be 22.6% (Figure 2), the lowest among the countries measured, followed by Japan (24%), Turkey (26%) and Austria (29%). The United States had the highest representation of women (52%), followed by Spain (48%), Canada (46%) and Finland (44%). In the last few years, several initiatives by the government and the private sector have contributed to improving the gender balance in the corporate sector. While there are no explicit numbers available at the country level or global level to compare and assess how the representation has progressed since 2010 from WEF, we have to rely on other reports to estimate the figures.

A survey by the Boston Consulting Group estimates that in 2017, women’s representation in the Indian corporate sector stands at 27% as against the global average of 38%. It is heartening to note that in the study on Best Companies for Women in India (BCWI), which identifies and lists 100 best companies for women in the country, the overall representation of women in the surveyed companies have gone up by more than 5% from 25.2% in 2016 to 30.5% in 2017. However, this is only the case of best companies. Based on these two surveys, we can safely estimate that in the last seven years, the overall representation of women in corporate India has increased to 28.7% (Figure 2).

Figure 2: Representation of Women in Corporate India

Source: BCWI 2017, Boston Consulting Group and Authors’ Estimate

The concerted efforts of advocacy groups, human resource professionals, the government and industry have contributed to this surge in representation. Some of the measures that have proved to be effective in improving gender balance are maternity leave, childcare support, flexible working arrangements in terms of time and location, anti-discriminatory policies, focused or equal opportunity recruiting and grievance addressing system. Some organisations that are highly committed to gender diversity have more advanced initiatives such as paternity leave, quotas in hiring and promotions, engaging men champions to drive diversity initiatives, as well as second-inning programmes to accommodate women who return to work after a break. However, these are in the best of the companies for women and not a pervasive practice in the country’s corporate sector.

Women Missing at the Top

Though the overall figures paint an optimistic picture of the improving gender parity in the corporate sector, diving deeper into the data in terms of the representation of women at different levels of the hierarchy reveals the gaping gaps in the gender balance. Several studies have exposed the leaks in the talent pipeline of women that has a relatively strong representation at entry-level positions but dwindles to a paltry share of women at the top. According to a 2018 study by International Labour Organization Bureau for Employers’ Activities, while the share of women among new graduates is 42%, it drops to 24% among entry level professionals and the share further thins to 19% among senior-level management roles. An earlier study by Catalyst in 2013 also estimated that over 50% of the women in India drop out of the corporate employment pipeline between junior and middle management levels, as against 29% across Asia.

A 2017 McKinsey & Company study reports that among the G20 countries, India has the fifth-lowest share of women on the executive committee (Figure 3). While the country’s relatively higher share of women on board may appear reassuring, much of it is driven by the quota mandated by the amendment to the Companies Act in 2014 (discussed later in the paper). In general, countries with regulatory quota (Germany, Italy, France etc.) appear to have a higher share of women on board as well as the executive committee. It reiterates the standpoint that having more women on board will pave the way to increased diversity at all levels. Notably, a 2017 study by Deloitte found that companies with a female chair have nearly twice the amount of women serving on boards than male-chaired companies do (28.5% v. 15.5%, respectively).

Figure 3: Representation of Women in Corporate Boards and Executive Committees (%)


20 Catalyst. ‘First Step India Overview’. 2013.


Is the Pipeline Leaking or is it Tapering?

Empowerment of women has always topped the national agenda for the last few decades. Though the equality and rights of women are enshrined in the Constitution of India, the socio-cultural veil has curtailed their access to equal opportunities in economic, social and political realms. Following the 2001 National Policy for the Empowerment of Women (NPEW) that formulated a comprehensive progressive policy for the advancement, development and empowerment of women, the National Policy for Women (NPW) was released in 2016 for stakeholder comments and consultations. However, the draft of the NPW has not yet been notified.

The NPW recognises the emerging challenges for women in the rapidly progressing and transforming global economic context. It envisions a rights-based approach towards reinforcing and realising equality and rights of women mandated in the Constitution of India. The 2016 policy framework aims to enable sustainable socio-economic and political empowerment of women to claim their rights and entitlements, control over resources and formulation of strategic choices in the realisation of the principles of gender equality and justice. The NPW reiterates the formulation and integration of sector-specific policies, programmes and strategies that drive gender equality and empower women and enable them to direct social change.

The NPW’s call for sector-specific policies and strategies for paving the way for gender equality warrants an investigation of the representation of women in the country’s corporate sector.

The representation of women at the entry-level looks encouraging, but the data reveals that a high proportion of women drop out of the workforce at the middle management level, leaving a starkly scanty amount of talent left in the pipeline to progress to senior executives or board positions.

But is the pipeline leaking or is the system so rigid and tapering towards the top that women are squeezed out of the pipeline?

The rigid work models, dual responsibility of managing home and work, lack of adequate pro-family public policies and support services, poor retention and discriminatory promotion practices, exclusion from informal networks and disparity in pay structure are primarily cited as the reasons for women not advancing beyond a certain point in their career. These issues can be internally addressed by the companies and to some extent through regulatory interventions, but are unfortunately being overlooked, leading to the women to be constricted out of the employment pipeline. Additionally, the societal mind-set, cultural barriers, lack of aspiration are also some of the reasons that are being cited. However, the companies would be able to provide limited solutions for these issues, hence leading to the leak of the talent. A large number of issues that impede women from remaining within the talent pipeline could be effectively addressed by adopting diversity and inclusion policies that also get translated into resolute practices across the organisation. Such certitude will eventually build a seamless pipeline of women talent within the organisation leading to strong business performance.

III. REGULATORY INTERVENTIONS

Gender balance and boardroom diversity have a far-reaching macro-economic impact. The positive outcomes reverberates far beyond the organizations that pursue diversity at top and echo on other realms of the society by providing inspirational role models to women to pursue careers and other economic opportunities resulting in parity in all other aspects of society and economy, thus leading to a more productive and inclusive economy. The government is also coming up with regulatory interventions that drive greater participation of women in the workforce. Recently some landmark laws have been enacted to improve the working condition or entitlements of working women that are intended to improve the gender parity at workplaces.
The Maternity Benefit (Amendment) Act, 2017

The Maternity Benefit (Amendment) Act, 2017 is a step in the right direction. The amendment to the Maternity Benefit Act 1961, has extended the paid leave period during maternity from 12 weeks to 26 weeks. Further, it has added a proviso stating that women having 2 or more surviving children shall be entitled to 12 weeks' maternity leave. A woman who legally adopts a child below the age of 3 months or a commissioning mother will also be entitled to a 12-weeks-long maternity leave, from the date the child is handed over to the mother. It also mandates crèches in offices with 50 or more employees and allows mothers to visit the crèche four times a day. It also asks workplaces to facilitate work from home after the period of maternity leave, contingent on the nature of work and mutual consent of the employer and the woman concerned. It also mandates that every establishment, shall intimate in writing and electronically, to every woman, at the time of her initial appointment regarding every benefit available under the act.

Though the amendment appears to favour women, the critics and some surveys have confirmed that the provision of the amendment could unintentionally become counterproductive. Small and Medium Enterprise (SME) employers would be reluctant to recruit women as they have to sponsor their 26-week paid leave and it could lead to low wages or slow wage growth for women and could even lead to termination from employment citing flippant reasons. Also, the act overlooks the predominant practice of engaging domestic help or having extended families for childcare support. Instead of limiting the mandate to onsite childcare, the provision should have been more accommodative by providing subsidies for childcare support. Unlike some countries where the government foots the bill of paid maternity leave either fully (like in Australia and Canada) or partially (like in Singapore and the United Kingdom), in India, the employer has to bear the expenses fully, and it would appear a formidable cost for many employers. However, considering the cost of recruiting and onboarding new talent, some employers, at least the large corporations, are glad to bear the cost of paid maternity leave.
The PoSH Act

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (PoSH Act) is India’s first codified legislation specifically dealing with the prevention, prohibition, and redressal of sexual harassment of women at the workplace. The PoSH Act recognizes that sexual harassment constitutes violation of fundamental rights of women and their right to life and to live with dignity and carry on any profession, trade, or business in an environment free from sexual harassment. Although the PoSH Act is applicable all over India, it is not gender neutral – it only protects women.

The PoSH Act requires the employer to provide safe work environment, appoint an Internal Complaints Committee (ICC) to address complaints on workplace sexual harassment, conduct training programmes to create awareness and to sensitize employees, display the penal consequences of sexual harassment, provide orientation for the ICC members and facilitate a enquiry on complaints, so that the aggrieved party secures justice.

Women’s equal participation in the workforce cannot be achieved if we do not ensure the safety of the workplaces and it is essential to provide a safe and secure work environment where they can perform their work with dignity and respect. This is imperative to achieve equality in employment. Notably, the precursor to the PoSH Act, namely, the Vishaka Guidelines (Guidelines) had to wait for 16 years since its introduction in 1997, before its essence and principles were crystallised into a codified legislation. The Guidelines were promulgated when the judgement was delivered by the Supreme Court in the case of Vishaka & Others v. State of Rajasthan & Others.\(^\text{23}\)

A brief background of the case would provide a better understanding of the circumstances that led to the formulation of the Guidelines:

Bhanwari Devi, a social worker for the Women Development Programme in the Indian state of Rajasthan, was brutally raped in 1992, when she opposed a child marriage in her village. The patriarchs of the village who despised her campaign allegedly committed the rape. Her attempts to bring the perpetrators to justice were futile, however her fight for justice was taken up by Vishaka, a women’s welfare group that led public interest litigation. The ground-breaking judgement in the case of Vishaka & Others v. State of Rajasthan & Others underscored the need for women to be protected from gender-specific violence and sexual harassment at workplace and the guidelines, known as Vishaka Guidelines, spelt by the Apex Court was introduced in 1997.

The PoSH Act caused no significant or perceptible change in the level of awareness or measures to prevent sexual harassment at workplace. Upon realizing that, several companies were not in compliance with the PoSH Act and never appointed an ICC until a complaint was received, the Companies (Accounts) Rules 2014 was amended requiring companies to incorporate a statement disclosing their compliance with the provisions relating to the constitution of an ICC under the PoSH Act, in the Board of Directors Report.

The provisions of the Act in terms of what constitutes sexual harassment is comprehensive and well-intended. Nevertheless, the efficacy of the ICC comprised of untrained staff members in enquiring complaints made by and on their colleagues, is questionable. According to a 2017 report by the Indian National Bar Association,\(^\text{24}\) 68.9% of respondents did not complain to the company’s ICC or the management due to fears of retaliation, repercussions and a fear that the sympathy will remain with the offender. 65.2% of the respondents said the company did not follow processes described under the PoSH Act.

\(^{23}\) AIR 1997 SC 3011
SHe-Box

SHe-Box is an initiative by the Ministry of Women and Child Development (MWCD), Government of India to ensure the effective implementation of the PoSH Act. Any woman facing sexual harassment at the workplace can register a complaint through this portal hosted on the MWCD website. The complaint thus registered will be directly escalated to the authority that has jurisdiction to take action over the complaint. The portal provides single window access to every woman, irrespective of her work status or the sector of employment, to facilitate the registration of complaint related to sexual harassment. The complainant can monitor the progress of the enquiry. Notably, women who have lodged complaints with the ICC constituted under the PoSH Act are also eligible to file a complaint in the SHe-Box.

The MWCD has also published a handbook on the provisions of the PoSH Act along with a training module for a two-day workshop on sexual harassment awareness at the workplace on the portal. The MWCD has empanelled over 200 organisations and institutions to conduct awareness programmes on the provisions of the PoSH Act, and these institutions and organisations are required to submit quarterly reports on the training provided and participation.

In response to an application made under the Right to Information (RTI) Act filed by The Print,\(^{25}\) the MWCD disclosed that 70% of the complaints are yet to be disposed of. The data disclosed also revealed that a maximum number of complaints was received from women employed in the private sectors. Though we cannot conclude that sexual harassment is more rampant in the private sector than the public sector based on the data, the number of complaints is indicative of the difficult work environment endured by women in the sector. As for the slow action or inaction on the complaints made, such lethargy would eventually defeat the purpose of the legislation. While there is an undeniable need to tread cautiously in such matters, the process should not appear to have become so apathetic towards the seriousness of the issue that victims lose trust in the system. The PoSH Act should further be fortified with a strict imposition of timeline and provisions for appellate authority, or directions for further course of redressal if the complainant is not satisfied with the action/inaction of the ICC.

---

\(^{25}\) Sanya Dhirgra and Himani Chandna, "MeToo: 70% of Sexual Harassment Complaints Filed with Maneka’s Ministry Yet to be Disposed Of", The Print, 20 November 2018.
Companies (Appointment and Qualification of Directors) Rules of 2014

As per the new rules, the following categories of companies are mandatorily compelled to appoint at least one woman director to their respective board of directors:

1. Every listed Company
2. Every Other Public Limited Company which has:
   a. Paid-up Share Capital of One Hundred Crore Rupees or more; or
   b. Turnover of Three Hundred Crore Rupees or more

Accordingly, the Securities and Exchange Board of India (SEBI) in compliance with the Companies Act, 2013, made it compulsory to have at least one woman director in the board from October 2014. After the amendment to the Companies Rules, the share of women on NIFTY 500 board that hovered around 5% until 2013 surged by more than 180% to 13% by March 2017 (Figure 4)\(^\text{26}\), the global average share of women on board being 20.5%.\(^\text{27}\)

![Figure 4: Nifty 500 Women on Board %](image)

**Source: Prime Database Group**

However, there was a tendency among companies to appoint women from the promoters' families to fulfil the requirement. Soon in 2017, SEBI appointed Kotak Committee under Uday Kotak • MD & CEO of Kotak Mahindra Bank • to suggest measures to improve corporate governance. Based on the committee's recommendations, SEBI amended its listing regulations. Accordingly, there should be at least one woman independent director in the top 500 listed entities by market capitalisation by 1 April 2019. Also, it added that there should be at least one woman director in the top 1,000 listed entities, by 1 April 2020. But, blatant disregard for the regulation was demonstrated by 51 of the top 500 companies that failed to appoint at least one woman independent director as of 1 April 2019 and many of these 51 companies were the top 100 companies by capitalization and public sector entities.\(^\text{28}\)

The concept of promoting board diversity through mandatory quotas is a contentious issue among corporates as well as diversity advocates. Known as the 'Norway Model', after the first country to impose a quota, the system has been implemented in several countries including, Denmark, France, Italy, Belgium and Malaysia. However, very few have fulfilled the quota norms. Analysts opine that

---

\(^{26}\) Institutional Investor Advisory Services (IIAS), Women on Corporate Boards Mentorship Program (WCB) and Prime Database Group, "Corporate India: Women on Board", May 2017.


\(^{28}\) Sindhu Hariharan, "51 Companies Yet to Appoint Women Independent Directors", The Times of India, 9 April 2019.
finding suitable women talent with leadership capabilities in the male-dominated commercial world is challenging for corporations as such, and the challenge is amplified when all are concurrently scrambling to become compliant. As a result, some women hold directorship on multiple boards. Critics fear that less-qualified women will be placed on boards leading to no perceivable change or in the worst case negatively impacting the company. However, despite the criticism, quotas must be perceived as a mechanism to allow some time for women to build experience, gain confidence, exposure and access to a network and enhance their qualifications so that they can earn their place on board through meritocracy rather than reservations. Over time there will be no shortage of women of excellent leadership calibre to be part of the board.

Despite the surge in the representation of women on board, the commitment of the corporations to gender diversity remains questionable. Though a majority of them are independent appointments and not from promoter families, the extent to which they participate in board decision-making process remains debatable because more than 76% of the companies have only one woman on their board.

Is one enough?

Several studies by leading agencies, including MSCI,29 and Egon Zehnder,30 have confirmed that, for a board to notice any perceivable change in its discussions, decisions and even the business performance, there should be at least three women directors. For women board members to start speaking and be listened to, there should be at least three of them on board; otherwise, their lone voice will be lost in the male-dominated board. Notably, gender balance, both in the general workforce or among senior managers, is defined by ILO as 40-60% of either gender.31 Only 5% of the companies on NIFTY 500 have three or more women on board. To make some meaningful impact, companies must move beyond tokenism and nurture the pipeline of leadership talent within the company and the country.

IV. RECOMMENDATIONS

The committed efforts have moved the needle in favour of women in the corporate sector. However, we cannot ignore the miscreants in the milieu who project themselves as organisations that are committed to diversity just to build a positive image to remain attractive to talent, capital and stakeholders. Such organisations simply flirt with the periphery of gender diversity issues by implementing cursory initiatives such as conducting surveys, networking or sharing sessions and forums or debates on gender issues within the organisation. Gender diversity is not merely a social cause but an imperative for impactful economic and business case, therefore it must be taken seriously. Hence, companies and the government must work together and move beyond tokenism to create real impact.

Nurture Talent

Women are burdened by their dual commitment to work and family. Most women, after turning 30 find that their career as well as family responsibilities in terms of maternity and childcare peaking steeply. Unable to balance their dual roles most of them quit the workforce either temporarily or for good. Even those who return find themselves forced to take roles that are lower than their previous roles or settle for lower pay. Eventually, the low-wage and the burn-out caused by their constant struggle to balance responsibilities either force them to quit or become under-performers at their

jobs. Many of them even turn down promotions or settle in less-strategic or support roles that have poor career growth. Women need career breaks not just during maternity or infancy of their children, but they often need to take a break when their children also go through critical stages of education or to provide palliative care for their ageing parents.

Incorporating some of the following work-life balance practices more rigorously is essential to sustain the women talent in the pipeline:

• Provide specific number of days per year as parental leave for fathers and mothers until children turn 10 years of age;
• Provide longer-term leave programmes and/or allow career breaks for parents and/or caregivers along with re-entry programs that allow the employees on long-term breaks to stay connected and return to the work place;
• Facilitate re-entry to the same or higher position through training or refresher programmes;
• Providing flexi-time, remote and part-time work options – this should be normalised by encouraging both men and women to opt for flexible work arrangement to prevent the stigma around such arrangement (negatively impact performance appraisal, being taken less seriously or reflection of poor commitment or competence, only women or people with children can avail such arrangement etc.);
• Provide free/subsidised on-site childcare facilities, or subsidies for childcare or care giver allowances; and
• Provide networking opportunities, sponsorship and mentorship and executive coaching programmes focused on preparing women talent for leadership roles.

Bridge the Gap in Recruitment, Pay and Representation

To make diversity and inclusion a core value, it is essential to bridge the gender gap in critical areas of impact. Some of the measures that companies could implement depending on their unique circumstances and needs are as follows:

• Have fixed pay ranges and negotiation parameters by position;
• Build transparency in allowances and bonus calculations based on well-disclosed matrix;
• Blind screen candidates;
• Have an equal gender mix of potential candidates;
• Ensure diversity in interview panels;
• Publicise the business case of diversity and sensitise male employees;
• Have visible role models; and
• Provide opportunities and work assignments with strategic responsibilities.

Leaders Must Take Charge

The leaders at every level of the organisation must champion the cause of diversity. For this to happen, diversity must be ingrained in the organisational values, and when leaders emulate the values, it evolves into a pervasive culture of the organisation. This can be achieved by setting measurable annual goals, diversity Key Performance Indicators (KPIs) for leaders at all levels so that everyone gets involved and promotes diversity and inclusive measures consciously. Besides championing the cause, it is essential to track and share the benefits achieved through diversity to make the business case of diversity apparent and perceptible to all the employees in the organisation.
Look Beyond
Given the reportedly small pool of female executives, it is essential for companies to look beyond their customary search criterion – ‘prior board experience’. Corporations must identify executives that could be moved up to take up strategic roles, and they must look beyond the corporate community to identify talent from other professional realms such as law, academia, arts and social sector. Doing so would add rich dimensions to board room discussion and bring fresh perspectives and innovative approaches to address risk, governance and strategic issues.

Conduct Periodic Gender Audit
It is essential for organisations to perform a gender balance check at all levels to evaluate the gaps and identify measures to improve parity. Having a diversity and inclusion expert to perform a gender audit to evaluate the firm’s performance and progress in terms of recruitment, salary and benefits, retention, training, development, promotion, networking, and opportunities for advancement into leadership positions is fundamental to building a strong foundation for gender balance.

Mandate Disclosure of Gender Representation
Businesses will voluntarily move towards gender parity in leadership only when they understand and see the value of having a diverse leadership team. To establish the link between diverse leadership teams and the company performance, we need hard data. Several studies have confirmed the correlation between the presence of women on board and leadership positions of companies and the financial performance of the companies.

However, these are only based on surveys, and it is difficult to establish robust empirical evidence of causality. The government should mandate disclosure of data on gender parity by all incorporated companies. Having gender-disaggregated data by requiring companies to disclose female representation across the different levels of the board, executive, management and total workforce, will help us build the necessary hard empirical evidence, and stakeholders subscribing to the cause
of gender-parity - read investor activism - make an informed decision. In the UK, Denmark, and Sweden, companies are required to disclose information about their gender diversity and pay.

Shareholder Activism

As the NIFTY 500 and NIFTY 1000 are making their snail paced progress to fulfil the minimum threshold, the institutional investors and asset managers must consider setting a higher target or moot the public advocacy for improving the gender balance of the boards of investee companies and propel the public debate towards increasing the mandatory threshold. The investors must insist on disclosing policies and procedures to improve diversity and inclusion (D&I) as well as their D&I targets and progress. In several jurisdictions around the world, including the US, UK and Australia, shareholders’ activism is instrumental in driving up the diversity of boards. For example, University Superannuation Scheme, the UK’s largest pension scheme32 insists on balance in boardroom.

V. CONCLUSION

This paper provides an insight into the long-entrenched gender bias in the boards of Indian corporations. With the rigid management practices that are in favour of men, the corporate pipeline of talent tapers towards the top squeezing women out of the pipeline, resulting in a sparse representation of women at leadership positions. Besides ethical reasons to ensure equality, there are strong economic dividends to be gained from gender balance both at national and firm level. Having a diverse board will have profound and far-reaching impact on the society by providing inspiring role models, advancing solutions for women’s issues, promoting gender parity and gender inclusion, and increasing and sustaining the participation of women in the workforce. The resultant enhancement in their income, status and security has the potential to propel the country to an accelerated pace of economic advancement.

About the Authors

Prof Saumya Sindhwani is a faculty in the strategy and leadership area at the Indian School of Business, where she also co-leads the Women’s Excellence Initiative. Her research interests are at the intersection of strategy, leadership and society. She has published three books, titled: Nurturing Business Leaders, Creative Management and Game Changers, and numerous case studies. She has worked in various countries in Europe, Asia and Africa. She regularly publishes in applied journals and presents at various academic conferences and corporate events. She is also a poet & her poems have been published in various anthologies.

Lakshmi Appasamy is an analyst and writer, servicing international market research agencies, corporate service providers and tertiary educational institutions. Her research interests include women’s issues, social enterprises and social and economic inclusion initiatives as well as business regulatory regime. Based in Singapore, she has worked with business leaders and eminent professors with whom she has co-authored several case studies representing a broad range of management subjects.
Disclaimer by ISB
The information provided in this White Paper is strictly a perspective and opinion of the authors on gender issues in Corporate India, resulting in sparse representation of women at leadership positions and does not represent the position of women at ISB or Women's Excellence Initiative at ISB. Its sole objective is to stimulate intellectual debate and discussion. No part of this publication may be reproduced, stored in, or introduced into a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise), in part or full in any manner whatsoever, or translated into any language, without the prior written permission of the copyright owner.

Copyright © 2019 Indian School of Business (ISB). All rights reserved.

Disclaimer by CII
No part of this publication may be reproduced, stored in, or introduced into a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise), in part or full in any manner whatsoever, or translated into any language, without the prior written permission of the copyright owner. CII has made every effort to ensure the accuracy of the information and material presented in this document. Nonetheless, all information, estimates and opinions contained in this publication are subject to change without notice, and do not constitute professional advice in any manner. Neither CII nor any of its office bearers or analysts or employees accept or assume any responsibility or liability in respect of the information provided herein. However, any discrepancy, error, etc. found in this publication may please be brought to the notice of CII for appropriate correction.

Copyright © 2019 Confederation of Indian Industry (CII). All rights reserved.

Disclaimer by AQUILAW
All information contained herein is from sources deemed reliable and as per the law as on date; however, no representation or warranty is being made towards the accuracy thereof. This is for personal, temporary and non-commercial viewing only. The contents of the paper are not legal opinion and not to be relied upon as such. For any queries relating to the laws, professional advice should be sought. No part of this paper, may be copied, reproduced, stored, republished, uploaded, posted, transmitted or distributed in any form or by any means, electronic or mechanical, now known or hereafter invented, without the prior written permission from AQUILAW.

Copyright ©AQUILAW 2019. All rights reserved.
The Indian School of Business (ISB), is a global Business school offering world-class management education across its two campuses – Hyderabad and Mohali. The School has grown at a rapid pace since its inception and already has several notable accomplishments to its credit – it is the youngest school ever to consistently rank among the top Global MBA programmes, the first institution in South Asia to receive the prestigious AACSB accreditation, among select 100 B-Schools to have accreditation from AACSB and EQUIS, one of the largest providers of Executive Education in Asia, and the most research productive Indian management institution. A vibrant pool of research-oriented resident faculty, strong academic associations with leading global B-sCHOOLS and the backing of an influential Board, have helped the ISB fast emerge as a premier global Business school in the emerging markets.

The School is the dream of some of the best minds from the corporate and academic world. A strong support of associate schools - Kellogg School of Management, The Wharton School, the London Business School, MIT Sloan School of Management, The Fletcher School and other global B schools has been a key factor that helped the ISB to emerge as a school offering the best of management education backed by cutting edge research.

The ISB brand is now represented by a network of 10,600+ accomplished PGP, PGPMAX, MFAB and PGPpro alumni and more than 40,000 from the Executive Education Programmes, working in leading companies, government and non-profits spread across 42 countries and upwards of 400 alumni running their own ventures.

In addition to its flagship Post Graduate Programme in Management (PGP), the School has also introduced several new programmes over the years- PGPMAX, a global Executive MBA equivalent programme for senior industry executives, MFAB – a programme for the scions of family businesses, FPM – a PhD equivalent programme that aspires to create a pool of high quality faculty and researchers, Advanced Management Programmes in Business Analytics, Public Policy, Manufacturing and Operations, Infrastructure Management, Health Care Management to meet the demand across industry, government and the non-profit sectors, which have found acceptance.

The School’s rapidly growing resident faculty, currently close to fifty in number, are PhD’s from top universities across the world who have been steadily publishing their research in top-tier journals in every field of management. Not surprisingly, ISB has been acknowledged as the most research productive institution from India by several independent studies.

Both campuses at Hyderabad and Mohali have been designed to meet global standards of infrastructure and facilities. The campuses are equipped with state-of-the-art learning infrastructure – lecture theatres, auditorium, high definition video conferencing facilities to enable collaboration across locations, Telepresence in the classrooms, seamless access to digital and online library resource and more.

For more details visit www.isb.edu
Women's Excellence Initiative (WEI) at the Indian School of Business is a platform for dialogue, discovery and learning for women through masterclasses, mentoring and networking sessions, access to role models, research insights and recognition of achievers. This initiative assists women to acknowledge their strengths, build a support network of mentors & peers from various sectors & industries. It helps them develop competence and confidence to achieve their leadership potential. WEI undertakes research to understand and identify root causes of common issues that affect working women at all levels; women at grass roots, women in corporate and women in the Boardroom.

For more details visit www.isb.edu/Womens-Excellence-Initiative

Professor Saumya Sindhwani
Indian School of Business
Hyderabad | Mohali
India
Email: saumya_sindhwani@isb.edu
AQUILAW is a leading law firm working at the intersection of corporates, governments, technology and business. Through diversity among its lawyers, chartered accountants, economists and a competent support system, AQUILAW specializes in varied industry sectors as well as corresponding practice areas for optimal utilisation of resources to provide excellent solutions driven towards long term goals of its clients. AQUILAW has offices in Kolkata, Delhi and Mumbai with 7 Partners, 1 Associate Partner and 1 Executive Director. AQUILAW has a blend of junior, senior and principal associates. AQUILAW’s practice areas include real estate, infrastructure, projects, corporate & commercial, capital markets, banking and finance, data privacy, environment, public policy and legislative affairs, international trade laws, dispute resolution including international arbitration and litigation, taxation, securities law, technology, media and telecommunications, succession and trust law, intellectual property rights, transactional and allied services.

AQUILAW believes in the idea of ensuring equitable access to justice for women and providing adequate representation of women in all sectors. We are also committed towards policy advocacy for women empowerment, gender diversity and other social causes, aimed towards an inclusive socio-economic growth.

**Kolkata Office**
9 Old Post Office Street, 8th Floor, Kolkata 700 001, India
T: +91 33 4065 5251 | F: +91 33 4065 5252
E-Mail: contact@aquilaw.com
Website: www.aquilaw.com
LinkedIn: [https://www.linkedin.com/company/aquilaw/](https://www.linkedin.com/company/aquilaw/)

**Delhi Office**
A-430, Defence Colony, New Delhi-110024, India
T: +91 11 24331061 | F: +91 11 41631062 | M: 9810115986
E-Mail: contact@aquilaw.com
Website: www.aquilaw.com
LinkedIn: [https://www.linkedin.com/company/aquilaw/](https://www.linkedin.com/company/aquilaw/)

**Mumbai Office**
501/C1, 5th Floor, Poonam Chambers, Dr. Annie Besant Road, Worli, Mumbai 400 018
T: +91 22 2492 3063
401/A, 4th Floor, Fort Chambers, Ambalal Doshi Marg, Fort, Mumbai 400 023
E-mail: contact@aquilaw.com
Website: www.aquilaw.com
LinkedIn: [https://www.linkedin.com/company/aquilaw/](https://www.linkedin.com/company/aquilaw/)
In 2013, CII launched the Indian Women Network (IWN) with the vision of being the largest network for career women. The thought behind the formation of IWN was that career women require a structured network to discuss and overcome challenges that they may be facing at the workplace while presenting to each other opportunities that were present in the ecosystem. The network has spread to 15 States, 7 Zones and 1 Union Territory across the country.

IWN works towards enabling women to become better professionals and achievers in their respective fields by providing various need-based services through:

- A supportive network
- A platform to learn and exchange ideas
- An avenue to network and grow

This is achieved year on year through activities that are organized by each chapter whereby members get an opportunity to network, learn and exchange ideas. It is also supplemented by exposing women to new opportunities presented by the ecosystem.

IWN - West Bengal
The West Bengal Chapter’s (constituted in 2017) activities and initiatives are conceptualized by the members and are executed through its three task forces namely Learning & Development, Policy & Advocacy and Health & Wellbeing
Highlights of IWN West Bengal Chapter in 2018-19

A. Learning & Development
The vertical is focused on interventions in the areas of Leadership - towards the development of leadership capability of women in the industry, through thought leadership and mentoring sessions

B. Health & Wellness
The vertical engaged with various facets of health and wellbeing all the while making members aware of lifestyle choices that impact long-term health and wellness of individuals. Key focus areas were Mental Health, Food & Lifestyle

C. Prevention of Sexual Harassment – Prevention/Prohibition / Redressal
IWN with the objective to make workplace safe for women and simultaneously equip employers in providing women a safe and secure working environment has organized interactions with HR managers from various sectors like IT, hotels and hospitality. The interactions focused on the importance of ‘prevention’ as the best tool for elimination of this menace in a multi-cultural society as ours.

D. Sustainable Livelihood Project in the Gosaba Panchayat: Sunderbans
The IWN West Bengal Chapter in collaboration with the Government of West Bengal and sponsored by Tata Steel Processing & Distribution Limited (TSPDL), has undertaken a project for creating livelihood for women in the age bracket of 18-45 years in one of the villages in the Sunderbans. The project would aim to economically empower women, improve quality of life for communities and try to reach sustainability goals.

Confederation of Indian Industry
Eastern Region Headquarters
6, Netaji Subhas Road, Kolkata – 700 001 (India)
Ph.: 91 33 22307727 / 28
Fax: 91 33 22301721
E: cier@cii.in | W: www.cii.in

Cii.in/facebook  Cii.in/twitter  Cii.in/youtube  Cii.in/Linkedin
The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India’s development process. Founded in 1895, India’s premier business association has around 9000 members, from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from around 276 national and regional sectoral industry bodies.

CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, healthcare, education, livelihood, diversity management, skill development, empowerment of women, and water, to name a few.

India is now set to become a US$ 5 trillion economy in the next five years and Indian industry will remain the principal growth engine for achieving this target. With the theme for 2019-20 as ‘Competitiveness of India Inc - India@75. Forging Ahead’, CII will focus on five priority areas which would enable the country to stay on a solid growth track. These are - employment generation, rural-urban connect, energy security, environmental sustainability and governance.

With 66 offices, including 9 Centres of Excellence, in India, and 10 overseas offices in Australia, China, Egypt, France, Germany, Singapore, South Africa, UAE, UK, and USA, as well as institutional partnerships with 355 counterpart organizations in 126 countries, CII serves as a reference point for Indian industry and the international business community.

Confederation of Indian Industry
Eastern Region Headquarters
6, Netaji Subhas Road, Kolkata - 700 001 (India)
Ph.: 91 33 22307727 / 28
Fax: 91 33 22301721
E: ciier@cii.in | W: www.cii.in

Cii.in/facebook  Cii.in/twitter  Cii.in/youtube  Cii.in/linkedin