

Women on boards in corporate India

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Abstract

Gender diversity, Gender inclusion, Gender Mainstreaming is being considered as major thrust areas in every policy of India. India has realized that exclusion of women and their contributions never take the country towards the true social and economic development. Hence India has initiated several measures to empower women in all respects. No doubt all these efforts have led to bring drastic and major changes in the country. Thanks to the efforts of all the previous and present governments, because now women are not only seen in almost all every sector but they are creating their own mark in their respective fields say it in public administration, politics, business, teaching, social work etc. Moreover, in certain situations they are becoming indispensable. In spite of all these good signs still there are certain areas wherein gender diversity needs to become a pleasant reality. One such area is company boards.

Among the Indian corporate boards, the gender diversity or gender balance is quite alarming. The government of India has enacted a new Companies Act in 2013. According to this it is mandatory to have at least one woman on its board in all the companies listed on stock exchanges. Many major corporate giants however, remain unaffected and still continue to drag this matter without implementing the norm. Though very few are implementing the norm it is not being implemented in its true spirit. In this back drop the paper has been developed. It presents the exemplary and inherent skills in women that make corporate boards effective. Further it discusses whether the companies need to look at it just as a norm or as a diversity driver.

Keywords: gender diversity, gender equality, women empowerment, glass ceiling, the companies act, SEBI

Introduction

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Research Purpose

The purpose of the present paper is to present the exemplary and inherent skills in women that make corporate boards

effective. Further it discusses whether the companies need to look at it just as a norm or as a diversity driver.

Research Approach

The study is non-empirical in approach and relied on secondary data. The views and concepts presented in this paper may further help in conducting an empirical research. Current scenario of representation of women in Indian corporate boards: The representation of women in Indian Corporate is not giving a good picture about women in leadership positions. Their representation portrays the clear under representation in Indian corporate boards too. According to a study by a reputed research firm reveals that women's share in Indian corporate boards is just 9.5 percent for BSE companies. The study further presents that in spite of the latest amendment in the Companies Act of 2013, which specifies in its provisions that every listed company has to appoint at least one woman in their boards found not being implemented in its true spirit. But the current scenario of Indian boards appears to be better when compared with some countries like Japan, Portugal etc. This research further identified that it's Norway which has topped in the representation of women in their boards. It presents that in the boards of public listed companies of Norway the representation of women is 35.5 percent. Thus, though the gender gaps in the global industry boards appears to be narrowing down but still the above figures do not indicate that not only India but also in the developed countries perfect representation and participation of women in the companies' boards is not found. The companies are not still

linking increasing percentage of women in the company boards with the better financial performance and innovations of the company.

Role of exemplary skills and qualities of women in enhancing the effectiveness of boards

The equal or considerable representation of women in company boards is appearing just confined to talks in the public platforms but nothing as such is happening in their actions. The government of India also has imposed gender quotas in the public listed companies. Many opposite voices are heard questioning the place of meritocracy in such moves. They are strongly advocating that till today there is no consistent evidence for establishing the fact that board gender characteristics influence company performance one way or the other. But still there are many incidents that proved that proper gender diversity in the company boards helped the company to take many strategic and effective decisions. Certain characteristics in women are found quite useful for the companies to take important decisions. From the many studies on gender and competencies certain exemplary skills and qualities are identified among which women are presented below:

- Women exhibits High Integrity and Honesty: These are very much significant for the corporate boards in today's business environment wherein ethics and norms are drastically deteriorating. Hence such qualities of women ensure the good corporate governance and create space for ethics in decisions for the company.
- Women are Result oriented: In many studies women are proved to be very result oriented. May it be in her daily routine as a home maker or in her profession. Hence this is yet another skill demonstrated by women that is most required in decisions of corporate boards.
- Intuition: This is one of the exemplary skills very often displayed by women at home and work place. This further makes the other board members also to go for out of box thinking which ensures the business organizations to visualize the future events and happenings in business world.
- Exceptional relationship building skills: The boards to function effectively require better rapport between the directors. Hence in such boards woman has a great role to play because as many studies proved that she has exceptional skills in building good relations between herself and others and she is also capable of building better relations in between the other board of directors.
- Inclusive approach of decision making: This specific skill among women made many companies to think about gender diversity in company boards. This kind of decision making process ensures the boards to make accurate and valid decisions.
- Woman is known for her motivating skills: This goes with a saying that "behind every successful man there is a woman". This saying holds good even for the company board decisions. Woman director with her extraordinary motivational skills inspires every other member thus focusing on further progression of the company.
- Champions of Change: This is another important skill exhibited by women for making the major companies to invite gender diversity in their boards. "Change or perish" are becoming catchy for everyone be it for an individual, organization or business organization. Hence

this created a welcoming situation in the company boards for women.

- Collaborative skills: Organizations are initiating several steps to improve the collaborative and team building skills among their employees since they need to work in teams not in isolation. This principle is equally valid for the effective functioning of corporate boards. Hence this outstanding skill is very much present in women because this aspect has been well proved in woman social life and also in her professional life.
- Powerful and highly prolific Communication skills: This is one such skill area where women have outshone men. The effective communication plays a very vital role in decision making process and effective management. The proficiency in this area enables the boards to outperform in achieving both financial and non-financial goals.

Corporate boards need to look gender diversity as just a norm or a diversity driver

Many Corporate are against such provision of appointing at least one women company boards showing non availability of sufficiently qualified women for this position as one of the major reason. But the fact is that they are not ready to diversify in true sense of the word. That's why they started appointing women director from their family members. Thus they still are considering it as norm which needs to fulfilled and not in real spirit as diversity driver. But certain companies have realized the fact that women can outperform men in the companies' boards with their exemplary skills. Having been realizing the truth that it is not difficult to find qualified women to serve on corporate boards started initiating measures to identify qualified women through executive search firms, in the Universities, business and trade associations etc. Few other companies are grooming such skills among the executives with C-titles. College deans and professors, public sector leaders, attorneys and others can be terrific additions when building a diverse board.

Conclusion

The representation of women in the boards of public listed companies became a hot and contentious topic in the discussion in various business platforms and academic forums and in professional associations. The skill sets among women no doubt helps to exhibit best performance of the company boards. Not only for this reason is the diversity welcomed in the corporate boards but also because diverse groups tend to make more thorough, more comprehensive decisions.

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