

# Gender Balance at Management Level

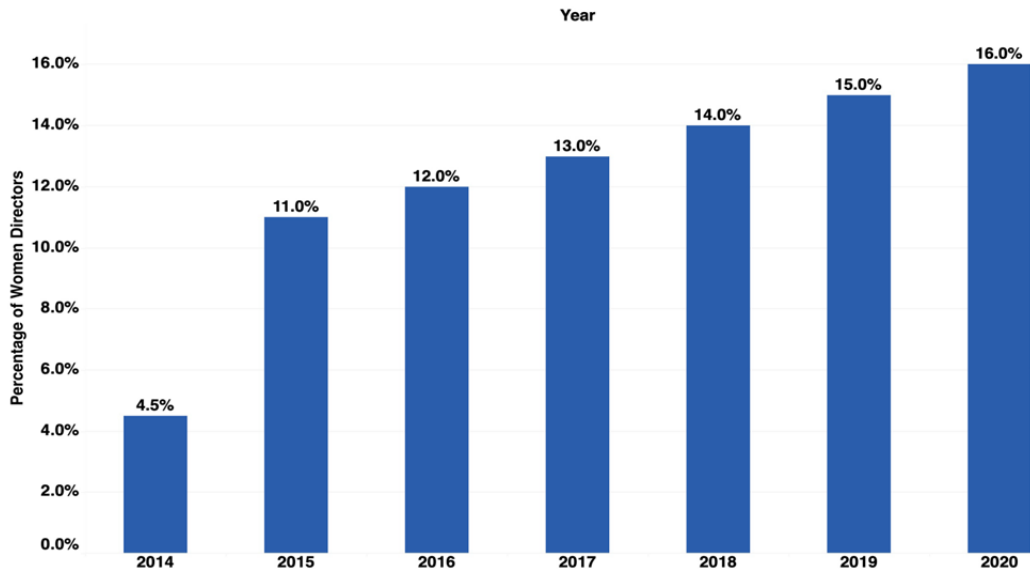


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There has been a significant improvement in the Gender Balance at the Board of Directors level in the last eight years. The Companies Act 2013, and SEBI regulations have been the major drivers but there has been increased support for this change at senior corporate leadership in India. The number of Women Directors has increased from 4.5% in 2014 to 16% in 2020.

Not only the number of Women Directors increased, they are making a very positive impact on the functioning of Boards in India. Improvement in Gender balance in organizations through concerted effort is achievable.

I Chair the Board of ICRA, Moody's subsidiary, where we have 4 Women Directors out of 8 Directors (50%) and the NRC and the Audit Committee Chairs are Women Directors. Accenture India which has 250,000 employees, women account for 45% of workforce and it has the Goal to reach 50% by 2025. Unilever has goal to reach 50% gender balance by 2025. United Nations has achieved 42% women in its worldwide staff and targets to achieve 50%.



Percentage of Women Directors in NSE500 companies between 2014 and 2020

However, the number of women at Top Management and Senior Management levels in India continues to be very small. Research Report "Glass Ceiling" by Prof. Promila Agarwal of IIM, Ahmedabad, studies Gender Balance at Management Level in NSE 200 companies.

Following are the key findings:

## TOP MANAGEMENT (top 10 Executives):

- In the 109 companies studied, only 5% are women in Top Management
- Only two, Cipla and Trent had 3 women in Top Management
- Nine had 2 women in Top Management including Biocon, Castrol India, Cummins India, HUL, Kotak Mahindra Bank, Piramal Enterprises, and Titan.
- 21 companies had 1 woman in Management.
- 76 Companies (72%) do not have any woman in Top Management.

## SENIOR EXECUTIVES (earning over 1.02 Cr /year)

- Only 7% are Women Senior Executives.
- Companies with higher percentage of Women Senior Executives are HUL (22 Women or 19%), Kotak Mahindra Bank (26 or 18%) HDFC Bank (18 or 10%), and L&T Infotech (40 or 8%).
- Financial Services at 82 have the highest number of Women Senior Executives, followed by IT (74), Consumer goods (34) and Pharma (20).
- Functional roles with higher number of Women Senior Executives includes Finance (40), HR (28), IT (25), Operations (24) and Marketing (20).

It is in Companies self-interest to increase the number of women at Top Management and Senior Executive levels.

It will require a concerted effort by Companies Board of Directors and Chief Executive Officers to improve Gender Balance. Following is a suggested Framework:

1. **Gender Diversity Goals:** Establish Corporate Goals for 2025/2030/2035 (starting with current situation) for percentage of women at different levels: Board of Directors, CXO, Senior management, Middle management and Junior levels and the entire company as a whole.

2. **Diversity Action Plans:** Develop Diversity Action Plans to reach the Goals. This may include:

- Constitution of Diversity Councils consisting of men and women from various levels in the Company.
- Diversity cultural training at all levels.
- Increase the percentage of women at intake.
- Mentorship and support.
- Family Friendly Policies (celebrate maternity, childbirth, children school/college admissions, increased Maternity, Paternity leave, provide Childcare Facilities or Childcare Allowance, help in elder care, bring child to work day, subsidies for tuition payments, Annual Company Picnic, encourage men to attend PTA).
- Spouse Job Considerations for Transfer, Job Sharing.
- Providing opportunities to come back to corporate world to women who have taken a career break.

3. **Progress Report:** Annual Progress Report on achievements on Diversity Goals and Action Plans.

These actions to promote Diversity will have a positive impact on the performance and value of Indian companies as well as improve their ESG positioning with the Investors.

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