



## WOMEN FOR BETTER CORPORATE WORLD

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### ABSTRACT

*Women are behind beautiful creation. Women give birth and take care of her children dearly. She also takes responsibility of her spouse and his family. In India, still joint families surviving thanks to the women. She is at the centre stage of joint families, big families or small families. She identifies all the individual and household requirements and fulfils them by doing so she is in the center stage of her family. In changing times she also took up outside work. She replicates her role in her professional life as well. India is a progressive society and women are in forefront of the corporate growth, which is responsible for India's robust economy. However, the number of women governing the corporate world is still far from the desired level. If not more at least they need be in equal proportion to the opposite gender. This paper identifies the trials and the roles of women in a male dominated corporate world. The paper emphasizes the need for more women on corporate boards. It also stresses that more women directors will bring in better performance, productivity, transparency and good corporate governance and reduction of frauds. Therefore it is essential to have better encourage more women for better governance and mitigation of frauds which will ensure continuance of economic growth of India. This paper also discussed the stories of few women luminaries of Indian corporate world.*

**Keywords:** Women, Corporate Governance, Corporate Fraud, Glass Ceiling, Gender Bias, Gender Diversity, India

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## **Introduction**

Article 16 of the Constitution is clear in stating that “there shall be equality of opportunity for all citizens in matters relating to employment or appointment to any office”. Women in India likes to embark on work opportunities, however we don’t get to see their number at par with men. It is true in the corporate world. Women bring a different perspective to leadership, and can form more widely skilled and creative executive teams. Research from the Commonwealth of Nations has shown that women have a more participative management style, and tend to be more inclusive and collaborative in their decision-making. They are also likely to have greater social sensitivity and are less willing to take impulsive risks.

## **Need for Women in Corporate World**

In India, women make up more than 48 percent of the population. Therefore, almost half the talent pool is women, and how can a nation or an organization grow and prosper if 50 percent of the talent pool in the country is ignored. The second is that as economies are evolving, women are becoming a very important part of the customer base itself. So, again, as you design your businesses, your products, your services, how can you get a better understanding of that 50 percent of your customer base if you do not have a similar mind-set in your decision making?

And finally, diversity in the employee base is very important for very comprehensive decision making. Whenever you make a decision and you have diversity in the people who are making decisions, you make decisions in a much more comprehensive manner.

## **Women in Corporate World**

Educational attainment and economic participation are the key constituents in ensuring the empowerment of women. Women will then have access to well paid jobs, or enhance their ability to influence changes to create a better society.

However, this has not manifested itself in equal representation at the top level. Out of India’s BSE 100 companies, women CEOs are only five. The situation is equally concerning among the BSE 500 firms. Of the 17 companies with woman CEOs on the BSE 500, about two-thirds have women directors, according to ETIG data. These include companies such as Apollo Hospitals,

Axis Bank, Jindal Saw and Biocon. Only 25% of BSE 500 companies with male CEOs have more than one woman on the board. In the case of Nifty 50 companies run by male CEOs, only 22% have more than one woman on the board. Companies such as UltraTech Cement (BSE) 0.58 % and Cipla (BSE) 1.47 %, which have male CEOs, are exceptions, having four and three women directors, respectively.

**BSE 500 COS having women CEO's**

| <b>Companies</b>     | <b>Women On Board</b> |
|----------------------|-----------------------|
| Apollo hospitals     | 4                     |
| Jindal saw           | 3                     |
| Axis Bank            | 3                     |
| Biocon               | 2                     |
| CRISIL               | 2                     |
| ICICI Bank           | 2                     |
| LIC housing finance  | 2                     |
| NMDC                 | 2                     |
| Punjab National Bank | 2                     |
| State bank of India  | 2                     |

Table: 1 Women members on boards of BSE 500 COS having women CEO's

(Source: ETIG data base)

**Advantages of Having Women in Top Management**

- Women CEOs show an enlightened attitude to boards and promoters. A greater gender diversity at board level is a desirable outcome for companies and businesses
- Organizations with female CEOs generally find it easier to comply with the regulatory requirement, which is aimed at redressing the gender imbalance and promoting diversity in the boardroom

Female directors have a significant impact on board inputs and firm outcomes. It was observed that female directors have better attendance records than male directors, male directors have fewer attendance problems the more gender-diverse the board is, and women are more likely to join monitoring committees. These results suggest that gender-diverse boards allocate more

effort to monitoring. Accordingly, we find that chief executive officer turnover is more sensitive to stock performance and directors receive more equity-based compensation in firms with more gender-diverse boards. ICICI Bank is making efforts to recognize unconscious bias that can hinder women's progress by being more inclusive in decision making, and by providing flexible work options

### **Future Imperatives**

- There should be at least two women on corporate boards
- Of the two, one should be an independent director. One woman on the board puts a lot of unfair pressure. One more person will reduce that pressure. Being an individual from a different background isolates the person from the rest of the group. That issue of singling out goes away if we have more than one woman on board.

### **Effect on Gender Diversity for Corporate Frauds**

Nurturing women leaders is not only a momentous business opportunity but a need of the hour also. There is a significant body of research that suggests gender diversity can have a positive impact on financial performance as well as brand perception. It also has a considerable positive impact on corporate frauds. Cumming, D., Leung, T. Y., & Rui, O. (2015) formulated a theory on the effect of board of director gender diversity on the broad spectrum of securities fraud, and generated three key insights. First, that gender diversity on boards can operate as a significant moderator for the frequency of fraud. Second, that the stock market response to fraud from a more gender-diverse board is significantly less pronounced. Third, women are more effective in reducing both the frequency and severity of fraud. Results of empirical tests are consistent with each of these theories. Therefore, the presence of more women in corporate world will reduce the incidents of corporate fraud.

### **Conclusion**

The number of women on corporate boards is increasing, yet their representation is far from uniform across firms. Although, India being the second country in the world to have a female Prime Minister, corporate firms have less women in top level. There is a need of more women on

corporate boards in India. There is a gender gap existing which may yield to glass ceiling. This gap must be filled. Indian girls and women are smart, capable, and intelligent. Future of Corporate India will be shaped by women leaders. Women has progressed, became independent and self-confident both economically and intellectually. The approach of the society towards working women is changing.

## References

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ETIG data base