

Indian boardrooms have a long path to diversity

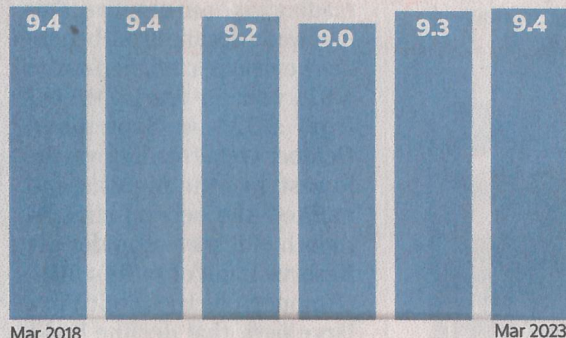
BY NITI KIRAN

What does a typical Indian boardroom look like? While there are hues of diversity, it is mainly a grey-haired club where men still call the shots despite women gaining ground in boards. A *Mint* analysis of data of Nifty 500 firms sourced from primeinfobase.com showed close to half of the members of this coveted club are aged above 60 years, and millennials occupy just a minuscule 1.2% seats. Besides, the board composition remains heavily skewed towards non-executive directors, suggests data for the last five years. In terms of gender diversity across firms of varied ownership, multinationals lead ahead with the highest share of women directors.

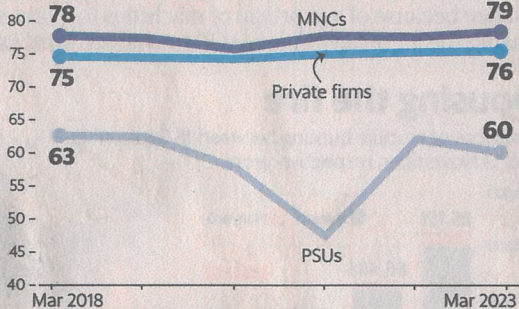
Balancing act?

A company's board, which is a decision-making body, inherently demands the exercise of judgement. Therefore, an optimum size and composition plays a key role. While the board size of Nifty 500 companies has relatively remained stable over the years, the dominance of non-executive directors has inched up.

Average board size in Nifty 500 firms



Share (%) of non-executive directors, by ownership

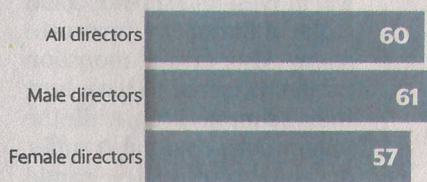


Based on the available data for Nifty 500 companies. Source: primeinfobase.com, Mint calculations

Age isn't just a number

Age certainly takes precedence both in the case of promoter and non-promoter directors. While close to half of the directors are aged above 60 years, another one-third are in their 50s. On an average, women directors are only four years younger to their male counterparts.

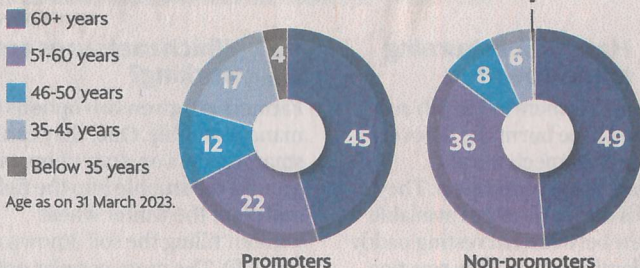
Average age of directors (in years) in Nifty 500 firms, by gender



Age as on 31 March 2023. The corresponding median ages are: 60, 61, and 58.

Source: primeinfobase.com, Mint calculations

Age split of directors in Nifty 500 firms (share in %)



Age as on 31 March 2023.

Women continue to be underrepresented in the C-suite and hence as executive directors on boards. But it is still largely a pipeline issue and reflective of the fact that societal norms are changing very slowly. While there is still a long way to go, legislation has helped increase the number of women in the boardroom, and that is an absolute win.



SONAL AGRAWAL, managing partner, Accord India

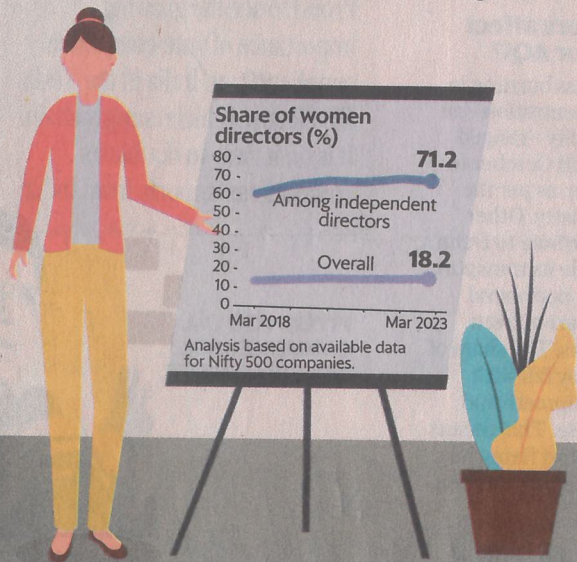
One of the hallmarks of the reboot of Indian boardrooms is the diversity that is now becoming visible across domains, skill sets, gender and age. Boards are increasingly adopting the diversity that's representative of their customers and employees. We're seeing a trend of young members being inducted on boards of companies that are focusing on Gen Z and millennials as key target segments.



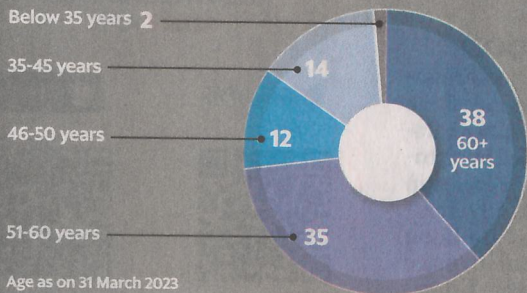
MONICA AGRAWAL, managing director, financial services lead for Asia Pacific and India, Korn Ferry

Gender skew

Thanks to regulatory measures, women have begun to get more spots in companies' boards. Despite these hard-fought gains, they still are under-represented in the executive arena. Again, younger cohorts of women are thin on the ground.



Share (%) of women directors, by age



Truly independent?

With around 50% board seats being occupied by independent directors, there is growing emphasis on their role. Almost 14% of the independent directors in the sample have tenures over 10 years but with upcoming potential vacancies (many of them are heading towards an expiration of their term by the end of this fiscal year), a big churn is expected at board levels.

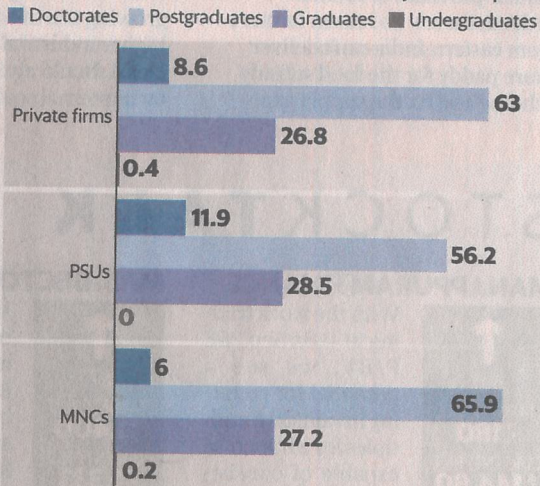
Share (%) of independent directors, by length of tenure completed as on 31 March 2023



Skill sets

The value these board members bring to the table is immense, which is reflective of their varied skill sets, expertise and educational backgrounds. In terms of educational qualifications, a majority of directors have a postgraduate degree followed by graduates. Public sector firms have more directors with doctorate degrees.

Highest education qualifications of directors, by ownership



Based on data available for Nifty 500 companies for 31 March 2023.
Source: primeinfobase.com, Mint calculations