

Women in the boardroom: Public-private gap widens

ASHLI VARGHESE
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As India celebrates International Women's Day on Friday, the number of women in public sector boardrooms has shrunk in the past one year.

Women hold only 19 per cent of total directorships in the private sector and 14.3 per cent in the public sector for Nifty 500 companies as of March 6, shows data from primeinfobase.com.

Though previous years have been worse, the 472 basis points gap is wider than 2023 (385 basis points). One hundred basis points is one per cent. Women are also less likely to head key board committees, according to the latest numbers shared by primeinfobase.com, which tracks the capital market.

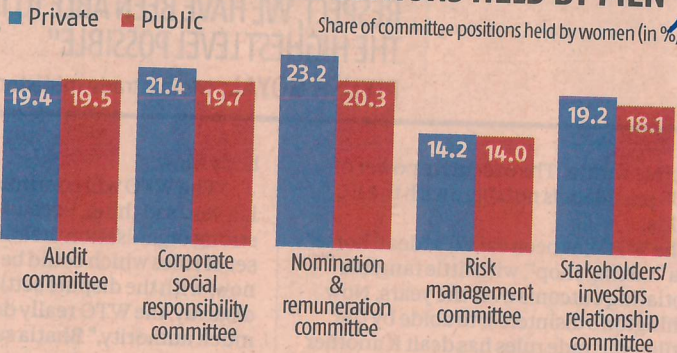
Women occupied 40 additional private sector company directorships, going up from 759 in March 2023 to 799 as per the latest available 2024 figures. This took their share of total directorships from 18.56 per cent to 19.01 per cent. The number for public sector directorships dropped from 85 to 84 in the same period. The public sector share accordingly declined from 14.7 per cent to 14.3 per cent (chart 1).

Women are also a minority on most board committees. Men occupy around eight out of 10 board committee positions. Women are least represented in risk management with around 14 per cent share. They are most represented in the nomination and remuneration committee where they have over 20 per cent share. Representation across key committees is higher in the private sector for four out of the five categories of committees examined (chart 2).

A large number of directorships are expected to see a change in 2024, which can be an opportunity to bring at least 30 per cent representation of women in boardrooms in India, according to a November 2022 report titled "Corporate India Women on



2. MOST COMMITTEE POSITIONS HELD BY MEN



Note: Data for Nifty 500 companies as of 6 March, 2024

Source: primeinfobase.com

Boards" by proxy advisory firm Institutional Investor Advisory Services (IiAS) in association with the Netherlands-based APG Asset Management Asia. Otherwise, at the current rate, the 30 per cent target would be met by 2058, the report noted.

In order to attain 30 per cent gender diversity, based on the current data, over 550 additional women directors will need to be appointed, across the 500 companies, show calculations based on primeinfobase.com data.

The Companies Act 2013, which came into effect in 2014, mandates that independent directors should be on board for 10 years, said Amit Tandon, founder and managing director of IiAS. The 10 years will

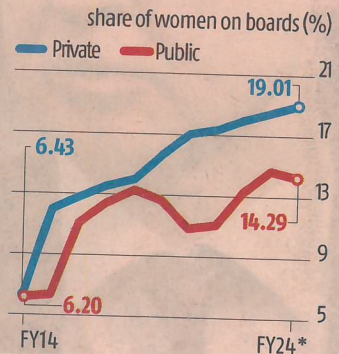
come to an end in 2024, and companies will be required to refresh boards this year, he pointed out.

"We might see an uptick as a consequence. While it is important to look at women's representation across the board, another metric would be to look at women in the workforce. This indicator would be helpful to understand gender diversity at a broader level — not just for the company, but the economy," Tandon added.

Only 11.1 per cent of working-age Indian women were employed or looking for a job as of February 2024, according to data from the Centre for Monitoring Indian Economy. This labour force participation rate is 68.1 per cent for men.

"Low" or "high" are relative

1. BIGGER RIFT



*As of March 6; Data for Nifty 500 companies
Source: primeinfobase.com

terms for directorships, said Pranav Haldea, managing director of PRIME Database Group. "While 20 per cent may appear to be low now, 10 years ago this figure was at less than 3 per cent. It is important to also appreciate that we have made considerable progress, albeit largely driven by the 2014 regulation. While there is a long way to go as far as gender diversity is concerned, with the eventual aim being equal representation, in comparison to a lot of geographies, the share of women is far higher in India," he said. "Diversity, in fact, should not just be restricted to gender but also include other facets like age, backgrounds and ethnicity to truly reflect broader society," added Haldea.