

# Cos' Diversity Push Not up to the Mark on Women Fin Leaders

**ONLY 50 CFOs** in 2,328 NSE cos; bias, inability of cos to retain them in their key life states main reasons

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**Mumbai:** An increasing number of companies in India are striving to enhance gender diversity in top finance positions, but women still remain starkly under-represented in the role of chief financial officer (CFO).

Among the top executives in the 2,328 NSE-listed companies in the country, only 50 women hold the post of chief financial officer (CFO) or director of finance, according to data put together for ET by Primeinfobase. In 2019, only 24 women held these positions in a list of 1,678 firms. The sample includes 2,140 Indian private companies, 79 PSUs and 109 global multinationals.

The count remains abysmally low despite an increasing number of mandates for women in CFO roles.

The executive search firms ET spoke with said that nearly one in three mandates for a CFO role makes it imperative to identify and hire a woman professional. And if all parameters for selection are equal on merit, the preference in more than half the searches is to hire a woman candidate.

The low representation, industry experts said, is largely due to a combination of challenges, including bias against women and the inability of companies to re-

tain high-potential women at their key life stages.

Aparna Iyer, who took over as CFO of technology services major Wipro in September, had told ET recently that "the percentage of women is fewer (in CFO roles), but it is representative of the fact that the overall percentage of women in the workforce itself is low".

"Companies need to ensure that they help women stick through with the company through their critical life phases, and that can pay off," she said.

Although a bit late, Indian companies have started making gender diversity in top management roles a priority, and aiding this shift is a growing preference among investors to allocate capital to companies that not only generate financial returns but are also focusing on getting more women into top roles.

Some experts attribute the low growth in the number of women CFOs to a bias in many Indian companies against women taking up such responsibilities.

Only 39 of the total 2,140 Indian private companies, the majority of them promoter-led, have a woman helming the finance function.

Naina Lal Kidwai, chairperson of Rothschild & Co India, said, "Traditional founder-led companies still have a bias against women. They have not embraced diversity the way MNCs and financial sector firms have done. The bias pervades in all job roles and even at the leadership level. In fact, the finance function lends itself better for work-life balance for women in their key life stages vis-à-vis many of the core business functions such as sales that may entail more travel. However, companies are unable to retain many high potential women in finance as they drop off during key life stages due to lack of enabling support systems at work."

Rahul Kakkar, partner and India head, CFO Practice at leadership advisory and senior executive search firm Korn Ferry said, "Global services-oriented businesses have always been ahead of the curve in retaining & developing high potential women talent."

Experts also said the pace of change is not keeping up due to a lack of supply, as many high-potential women drop off mid-career due to maternity needs. The leaking pipeline is also evident in the fact that despite every third Indian chartered accountant (a core qualification for CFO) being a woman, there are not enough women to rise to the topmost leadership role.

## Talent Account

**50** women CFOs/Director Finance in **2,328 NSE** listed companies, up from **24** in **1,678** firms in **2019**, according to Primeinfobase

### Why so few women to head finance?

- ➔ Leaking pipeline in the middle management leading to the exits of many high-potential women
- ➔ Conscious and unconscious biases against women
- ➔ Lack of enough role models

Companies coming up with a specific mandate to hire women CFOs in recent times, say search experts



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