

WOMEN CEOS REMAIN A RARE BREED

Only 15% of Nifty 500 companies have women on their boards and less than 5% have women chief executives, underlining the big gender gap at the top

Surbhi Bhatia & Pramit Bhattacharya
MUMBAI/NEW DELHI

Every Women's Day (8 March), companies of all hues and stripes run campaigns showcasing their commitment to gender equality. Some also get chocolates and flowers for women employees. But when it comes to appointing women to senior management positions, most companies fail to walk the talk, shows a *Mint* analysis of gender data across top listed firms.

Across Nifty-500 firms, only 15% of board members were women in 2019, data sourced from NSE Infobase shows. Among CEOs, CFOs, the gender gap is large though has one woman less on its board now, after Martina Cheung resigned last year. Ten firms did not have a single woman director at the end of fiscal 2019, but eight of them have a woman director now, according to the latest information on their website. Two of them, Bharat Heavy Electricals Ltd (BHEL) and UCO Bank still don't have a woman on their boards, according to their websites.

In sectors, healthcare, telecom, consumer goods and construction have a relatively larger share of women directors. Mining, metals, banking and finance have a relatively smaller share. Across sectors,

Yet, a majority of firms have not cared to go beyond the mandated requirement. As many as 60% of Nifty-500 firms had just one woman on

the board, which the law mandates, as of fiscal 2019; 31% had two; and only 5% had three women. Only eleven companies, or 2.2% of the Nifty-500 firms, had more than three women on the board. (*Chart 2*) As of fiscal 2019, not a single Nifty-500 firm had more women than men on their board, the NSE Infobase data shows.

Only three firms had equal representation: Apollo Hospitals Enterprise Ltd (5 men and 5 women directors), Crisil Ltd (4 men, 4 women), and Vinati Organics Ltd (3 men, 3 women). Perhaps it is not a coincidence that the managing directors in all three firms are women. Apollo is run by the Reddy sisters (bit.ly/2TtwW5Q), Crisil by Ashu Suyash, and Vinati Organics by Vinati Saraf Mutreja. Crisil though has one woman less on its board now, after Martina Cheung resigned last year.

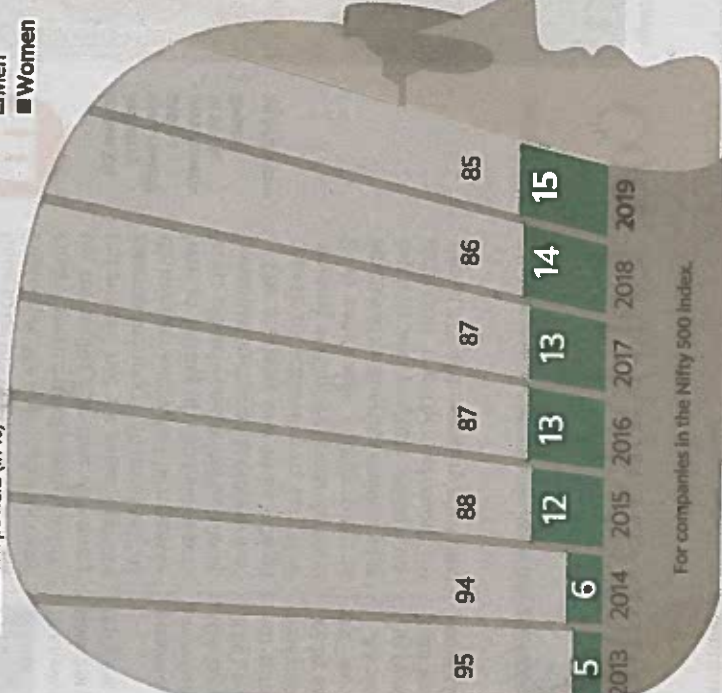
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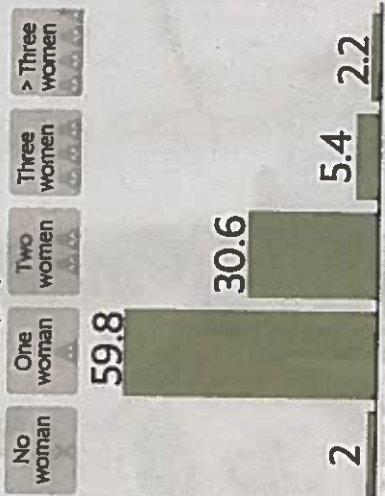
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Chart 1
Women's representation on corporate boards has increased in the last few years
Directorships held (in %)



Source: NSE info base (Corporate Information Database, resinfobase.com), Organisation for Economic Co-operation and Development

Chart 2
Most firms still have only one woman on the corporate board
Proportion of firms (in %)



For firms in the Nifty 500 index. Data as of 31 March 2019.

Chart 3
The gender imbalance across top positions on board remains high
As a % of total such positions held

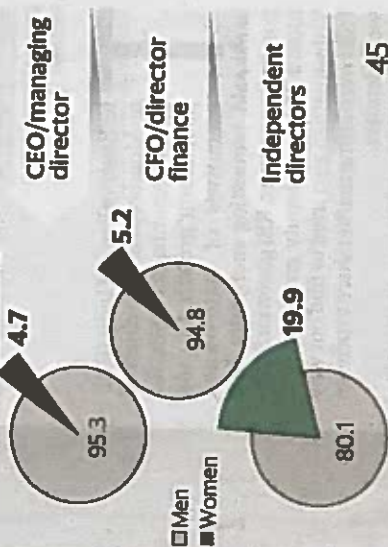
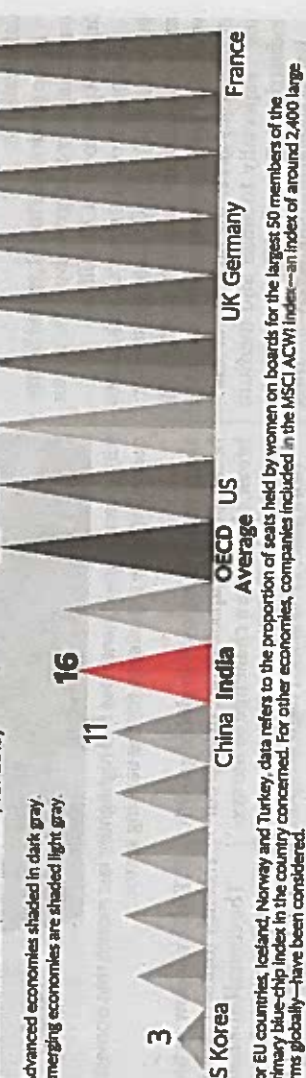


Chart 4
Women's representation on boards in India is lower than OECD average, higher than EM peers
Women on boards of the largest publicly listed companies (As a % of total board members, for 2019)



few make it to the corner office. When it comes to positions, such as the chief executive officer (CEO), or the chief financial officer (CFO), the gender gap is large. (*Chart 3*) Among independent directors, the gender gap is lower. A gender quota introduced by Securities and Exchange Board of India (Sebi) in 2015, which mandates large firms to have at least one independent woman director on board,

could explain the relatively better gender balance when it comes to independent directors. Globally, the picture is not too different when it comes to women CEOs. Among advanced economies of the Organisation for Economic Co-operation and Development (OECD), roughly 5% of CEOs were women (bit.ly/2V7v2x1), as of 2016. The share of women directors in OECD countries is, how-

ever, higher than that of India. Most OECD countries had introduced gender quotas in boardrooms several years ago, and that seems to have pushed up women's participation in corporate boards. (*Chart 4*)

Most of India's emerging market peers have a smaller share of women board members than India. Very few emerging markets other than India are mandated to have women on their boards.

Among emerging market peers, South Africa and Turkey have a relatively higher share of women board members compared to India. In Turkey, the capital markets regulator had mandated the inclusion of at least one woman board member in 2009 and, in 2013, asked firms to set and disclose a voluntary target level of women on boards (with the minimum floor set at 25%) by a target

date they specified (bit.ly/2InEaTX). South Africa does not have gender quotas, but the Johannesburg Stock Exchange made it mandatory for listed firms to disclose gender and race representation in 2016. A growing body of research suggests that having more women on board can be financially rewarding. A 2016 study by researchers at the International Monetary Fund (IMF) showed that across two

million European firms, there was a strong positive link between return on assets and the share of women in senior positions (bit.ly/2mzW5y). And yet, the force of law has proved to be more powerful than the logic of profit-maximization. Firms have tended to induct more women on their boards only when prompted by regulators and lawmakers; rarely on their own.

surbhi.b@livemint.com

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