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Whitepaper

A FORTUNE INDIA-SPJIMR STUDY

Enhancing Women Leadership In India Inc.

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SUPPORTED BY



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Chapter 1

EXECUTIVE SUMMARY

Enhancing Women Leadership In India Inc.



A gender-balanced workforce has to be a commitment to business and not just a mandate for the human resources department. It requires the building of an ecosystem that would enable women to be an integral part of the workforce.

The CEO of a mid-sized consumer products company, who was a couple of years away from retirement, was assigned the

task of grooming his heir by the board. A progressive leader, the CEO wanted to groom a talented woman leader in the marketing function for the coveted role. When the CEO proposed her name to the board there was deafening silence, until one of the board members questioned, “How can we have a woman CEO?”. The CEO was baffled to get a similar response from other board members too. “The can-

didate is undoubtedly qualified, but I am not sure if she can deal with the pressures of handling a P&L role,” said another member.

India Inc. has examples galore of companies and boards shying away from hiring women leaders. Will the woman leader be willing to relocate or travel? Will she be able to balance her job along with her caregiving responsibilities? Will she be committed to the role? Children of working mothers usually suffer, hence is it fair to give women P&L roles? Even more interestingly, often the male seniors/colleagues take a negative decision on behalf of the female colleague even without asking her preference: “She won’t leave this city.” Or “She won’t be interested in this promotion”. – These are some of the biases deeply ingrained in the minds of the male-dominated decision-makers of corporate India. No wonder barely 1.6% of the Fortune 500 companies in India have women MDs and CEOs. In The Next 500, a ranking of emerging companies, the number is higher at 5%. Overall, for the Fortune 1000 India companies, only 3.2% are led by women MD/CEOs.

UNSDG goals mandate gender equality by 2030. Not only is India Inc. far away from achieving this, a large part of corporate India doesn’t feel the need to be diverse. “There is no ‘felt need’ to have women in leadership roles or even in the organisation,” says the CEO of a legacy construction materials company. Even though there is an established business case: organisations with women in leadership roles come up with diverse and more impactful solutions. Yet there is little research to substantiate that women leaders translate into higher revenue growth or better profitability. Managements of

companies do acknowledge that a diverse workforce is good for business, but they seldom walk the talk.

Sometimes, it may not be their fault either, as there is lack of availability of suitable woman candidates for roles.

So, what has caused the supply challenge? The culprit is the leaky pipeline in the middle management. Over 30-40% of women employees quit the workforce by the time they enter middle management. This is the time when they invariably get married or have a family. They take maternity leave and the return post childbirth gets challenging as most of them find it difficult to return to work. Organisations also shy away from hiring a woman in mid-management roles as they know there could be a six-month ‘maternity leave’ in the offing. It is paid leave and most organisations don’t want — or can’t afford — to make that investment.

A leading consumer durable major was on the look-out for a general counsel. As part of its diversity agenda, it mandated women-only hiring. It took them six months to get the right candidate — a male hire. “By mandating diversity hiring, we were compromising on meritocracy,” says the CEO. There is a huge dearth of women candidates ready to take on leadership roles.

The Fortune India-SPJIMR study on ‘Enhancing Women Leadership In India Inc.’ brings to the fore not just the challenges of having a fair representation of

women leaders, but also suggests ACTIONABLE SOLUTIONS to the problem after extensive discussions with leaders of corporate India as well as potential women leaders.

Our knowledge partner for this project is SPJIMR, a private non-profit post-graduate management school based in Mumbai. Founded in 1981 under the aegis of Bharatiya Vidya Bhavan, the institute offers several full-time and part-time management programmes.



Objectives of the Study

- ▶ To extensively survey and research the reason why women do not find themselves in leadership roles in India Inc.
- ▶ Suggest 'actionable solutions' to create a roadmap that actively enables the rise of women leaders.

How we did it?

The first leg of the study involved a 'Pilot Study' with in-depth one-on-one interviews with 10 CEOs of India Inc. This helped fine-tune a detailed 'Questionnaire Survey' that was served to:

1. **4 Roundtables** of CEOs/MDs/founders of corporate India
2. **4 Roundtables** of chief human resource officers of corporate India

3. **8 Roundtables** of emerging women leaders who would form the leadership of India Inc. in the future
4. **Questionnaires** sent to Fortune 500/Next 500 companies by Fortune India and CII for their response.

Over 50 companies responded to the survey questionnaires. The final phase of the research was 16 CEO/CHRO/Women Leaders Roundtables held across the cities of Mumbai, Delhi, Kolkata and Bangalore, which included participants from Tier 2-3 cities and towns. The Whitepaper and its ACTIONABLE SOLUTIONS are a result of the findings of these discussions and responses.

The problem: Inherent biases; Need for systemic change

Stalwarts of India Inc. who were part of this research unanimously agree that there is indeed a 'Business Case' for diversity. They say a gender-balanced workforce improves an organisation's productivity by virtue of diverse and innovative ideas that came to the table. That women are better negotiators, networkers and multi-taskers and hence an asset to organisations.

The challenge however, is finding capable women who could be groomed to take on leadership roles.

The primary reason is the 'leaky pipeline' in middle management where maximum women exit the workforce (due to maternity, board exams of children and to take care of elders) and organisations are struggling to fix this.

The 'leaky pipeline' phenomenon states that as a woman ascends the organisational ladder, societal, organisational, familial and individual challenges lead

to her exiting from the workforce. By the time a woman who succeeds in overcoming these hurdles reaches the top she finds herself lonely. Then begins yet another challenge of her fight with the 'old boys club' and asserting her capabilities to prove that she is indeed cut out for the

“I am struggling to get women leaders,” says the chairman of an automobile company. “We are hiring a lot of women graduate engineers and management trainees, but the moment I look for candidates for roles of general managers and above who can become directors, I struggle,” he adds.

coveted CEO role.

The challenge is systemic and requires a complete re-wiring of attitudes and mindsets of leaders. It is important that the leader of the organisation firmly believes that diversity is good for business.

Would a 'quota system' of hiring women help improve gender balance in organisations? It was a vehement no to quotas from the leaders. They believe quotas, especially for senior leadership roles or even middle management hiring, would impact meritocracy.

The leaders who participated in the research came up with ACTIONABLE SOLUTIONS that the government could consider including in policy. Many of these suggestions are also meant for organisations that need to work on a war footing to increase diversity.

1. Tax Rebates, Incentives and Ranking
2. Enhanced Reportage and Disclosures on Diversity
3. Representation of Women on Boards
4. Sponsorship/Allyship in Senior Leadership Roles
5. A Dedicated Body On Diversity Within The Government
6. Right Ecosystem to Expand Base of the Pyramid
7. Support Architecture
8. State-level Public-Private Partnerships
9. Mandates for Gender-specific Hiring

This Whitepaper helps bust the conventional wisdom on why women drop out of the workforce. It offers a detailed rule book on what could be done to ensure India Inc. has a fair representation of men and women in not just leadership roles, but also in the middle rung where bulk of the exodus happens.

Chapter 2

ANALYSIS

Analysing The Broken Rung

Section -1

The analysis section has three parts. We begin by discussing the Pilot Survey findings (Part A), followed by a summary of the survey administered (Part B) and then the analysis of the word cloud from the panel discussion (Part C).

Section -2

The findings section comprises our recommendations to the industry and the government.

Section -1 (Part A)

1. Summary of the Pilot Study

Mandatory clauses in employment opportunities for all the sectors

- ▶ Incentives to MSME to bring in more women in leadership roles.
- ▶ Regional businesses may want to focus on hiring women from their region.
- ▶ Making it mandatory for regional businesses to ensure a certain percentage of women in the workforce.
- ▶ Regional companies need to partner

with local undergrad colleges to groom talent of women.

More extraordinary efforts to promote women entrepreneurship

- ▶ Provide tax breaks for companies that hire more women.
- ▶ Venture capitalists may disclose the Diversity figures of companies they support (a recent ruling in the State of California).
- ▶ Creating platforms for meaningful interactions between women entrepreneurs.
- ▶ Government to procure more from women-led/owned enterprises.
- ▶ Women entrepreneurs may be trained to scale up their enterprises.
- ▶ Quota in loan disbursement to women may be considered.
- ▶ Performance incentives and sops may be provided to women.

Leveraging the presence of women at hybrid workplaces

- ▶ Creating the requisite infrastructure and mindset to enable a hybrid work culture.

Physical presence shouldn't be the only criterion to evaluate performance.

- ▶ Option for women to do hybrid work during the first 10-15 years of employment. (three days office and two days at home)
- ▶ Saving on the commute time could increase productivity.

While the six-month maternity leave is a good move, it is not particularly desired by employers who feel that an extended absence could impact commitment. Allowing women to be hybrid for extended periods could compensate for the maternity break.

Broader reporting by educational institutions on gender-related data

- ▶ Educational institutions to indicate/track the number of women graduating and their career growth after leaving their institution.
- ▶ Higher educational institutions need to find out if the women trained by their institutions pursue meaningful careers.

Increased representation of women on company boards

- ▶ Examine provisions on representation on boards of both unlisted and listed companies.
- ▶ Women-specific focus area training in preparing them for boardrooms.

Section -1 (Part B)

2. Summary of CEO-CHRO Survey

The survey data from the CEO-CHRO study encompasses responses from various organisations regarding gender diversity, women in leadership, and related government roles and initiatives.

Many organisations reported having women in top or senior leadership roles,

albeit the numbers vary significantly across different companies.

Some quotes from respondents:

“We have not set a target to be fair to all genders... However, we are working towards increasing the diversity ratio at all levels.” — An FMCG and industrial manufacturing conglomerate.

“We have consciously worked towards maintaining a healthy gender ratio at our workplace...six of our leadership roles are filled by women.” — A facility services company.

Regarding achieving targets for hiring women in leadership roles, responses indicate a mix of approaches toward setting and meeting targets for women in leadership positions:

“Since women's participation in the workforce has been traditionally low, our target is to increase it by creating a conducive environment... However, achieving this target is a challenge.” — An FMCG company.

“We believe in meritocracy and do not have a specific target for women in leadership roles.” — A textile company.

Many respondents believe that women leaders positively impact both financial and non-financial outcomes:

A participant opined, “Yes, for sure. Women bring in different perspectives... their leadership can drive better financial and non-financial outcomes.”

The role of the government in enhancing gender diversity and breaking job-related stereotypes was widely discussed:

“A sustained long-term campaign over a couple of years highlighting successful women leaders...could help break stereotypes.” — An FMCG and industrial manufacturing conglomerate.

Another response emphasised, “En-

act and enforce anti-discrimination laws: Strong legal frameworks can help create an equitable environment for women.”

Respondents further shared challenges and recommendations for improving gender diversity and inclusion:

“The government should support by creating more vocational training centres for women and provide them with financial incentives.” — An agri FMCG company.

These insights reveal a complex landscape of gender diversity in leadership within Indian organisations, with varying degrees of commitment to enhancing women’s representation. The perceived role of government intervention, from enforcing anti-discrimination laws to promoting women’s leadership through campaigns and incentives, highlights a recognised need for systemic support to achieve gender parity in the workplace.

Summary of Emerging Women Leaders Survey

The survey data from emerging women leaders includes responses from professionals across sectors such as:

Agriculture, Alco Beverage, Food, FMCG and Media, among others. The respondents vary in age from 34 to 43 years and hold a range of designations, account director, chief of inclusion, diversity and culture, general manager, international business, talent lead, etc.. They have varying years of work experience, from 12 to 20 years, and have spent less than 1 to 7.5 years in their current organisation.

Here’s a summary of key findings based on the snippets:

Leadership Readiness: Respondents feel prepared for leadership roles, citing years

of experience in leadership positions, diverse role exposures, and self-confidence in their abilities. One respondent mentions, “I am fully prepared to undertake leadership roles due to my extensive experience and the diverse roles I have handled.” At the same time, another highlighted the importance of technical skills and the need for further development in strategic areas. **Family Support:** The support from immediate and extended family is overwhelmingly positive, with many acknowledging that reaching their current level would be difficult without such support. One participant shares, “My family is incredibly supportive of my career aspirations, providing encouragement and understanding the demands of my job.”

Organisational Support for Women: Responses indicate a range of initiatives within organisations to support women, including diversity and inclusion programmes, flexible work arrangements, and leadership training. However, perceptions of effectiveness vary, with some suggesting more must be done to create equal opportunities.

Government’s Role in Promoting Women Leaders: Participants believe the government could ensure there are enough women leaders within corporate India through policy interventions and support systems. Proposals include ACTIONABLE SOLUTIONS in this report and removing biases in hiring practices. Suggestions for the government to break stereotypes include providing equal opportunities, introducing women into traditionally male-dominated sectors, launching multi-media campaigns featuring industry leaders, and improving public awareness about gender equality in the workplace.

These findings reflect optimism and call for action, highlighting both the progress

made and the challenges in achieving gender equality and diversity in leadership roles within corporate India.

Section 1 – (Part C)

Panel Discussions

180 CXOs/CEOs and emerging women leaders nationwide participated in this study.

The authors wanted to see the differences in the responses of men and women leaders amongst those present to identify the prevalence of unconscious bias in the responses, if any, across the four cities in India where the panel discussions were held.

Word Cloud (using otter.ai and chatgpt4) was made to analyse the frequency of responses from the transcribed voice recordings. The authors first independently identified the emerging themes from the tapes and then validated them through discussions between them through brainstorming.

A cluster of themes around a single problem was aggregated, and the solutions provided by the respondents were identified to address that problem. Thus, the policy recommendations emerged (Chapter 3).

Overall, Word Clouds across four cities



Overall, Word Cloud illustrates recurring themes in women’s leadership across four cities: Bengaluru, Delhi, Mumbai, and Kolkata (clockwise)

Insight – We find women’s Leadership figuring prominently in Bengaluru, reflecting greater sensitivity amongst the representatives there. In Kolkata, the focus was on work, and women and leadership appeared as two different constructs. In both Delhi and Mumbai, Diversity seems prominent. However, in Mumbai, Gender Diversity was the focus, whereas, in Delhi, the focus is still on careers and disclosures, indicating that organisations across cities witnessed cultural influence on the Diversity agenda.

Senti-Meter

Methodology – Sentimeter Coding and Sentimeter Analysis

Sentiment Analysis was performed on the coded data for deeper insights. This helped the researchers probe into the sentiments of the respondents. The data was categorized into a) emerging themes b) persona-wise c) location wise, categorisation.

The Analysis helped us move beyond the initial quotes of “who said what” and arrive at the dominant patterns based on the underlying sentiments expressed.

This would enable more meaningful and actionable data for policymakers.

Method

All the statements per category were baselined to 100%. Weighted average was taken across all regions basis the persona and location.

Example:

If there are 2 positive statements, 2 negative statements and 1 neutral, it will be calculated as:

► **Positives – 0.4**

► **Negatives – 0.4**

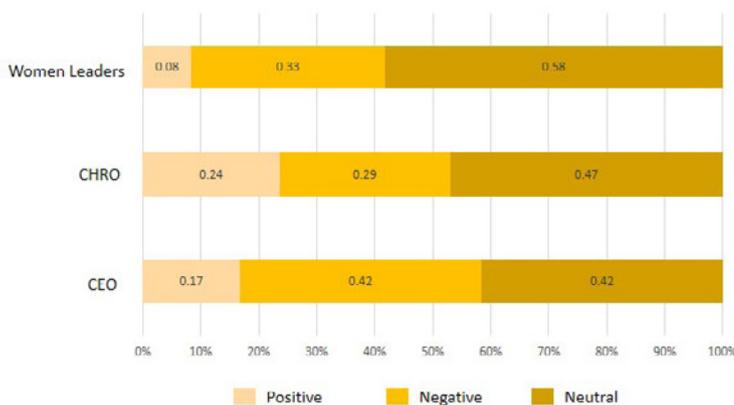
► **Neutral – 0.2**

For creating the senti-meter, NPS score (Positive – Negative) was used.

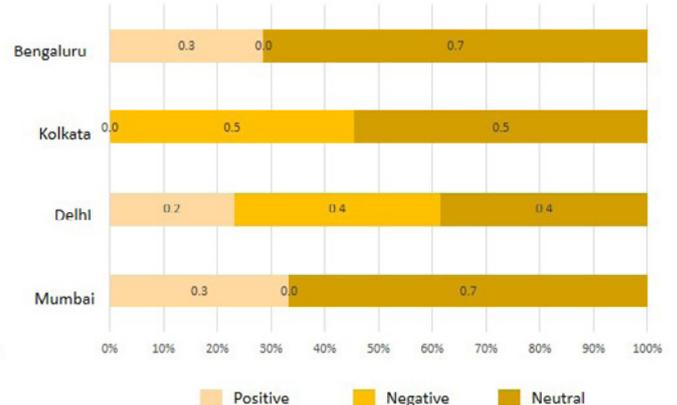
Final value of swing: $(0.4 - 0.4) * 90^\circ$

Sentiment for Supportive Infrastructure and Partnerships/Parental benefits

Supportive infrastructure and Partnerships/
Parental Benefits - By Designation

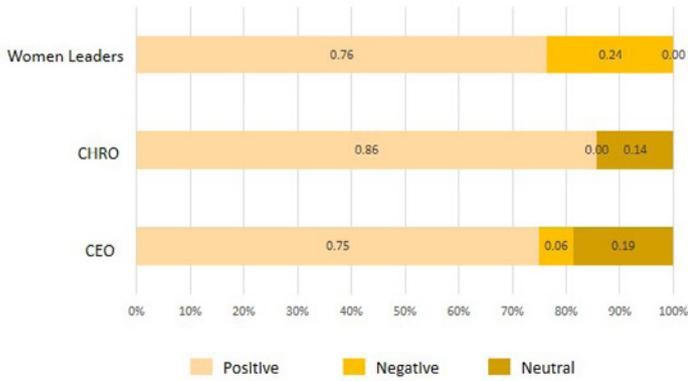


Supportive infrastructure and Partnerships/
Parental Benefits - By Location

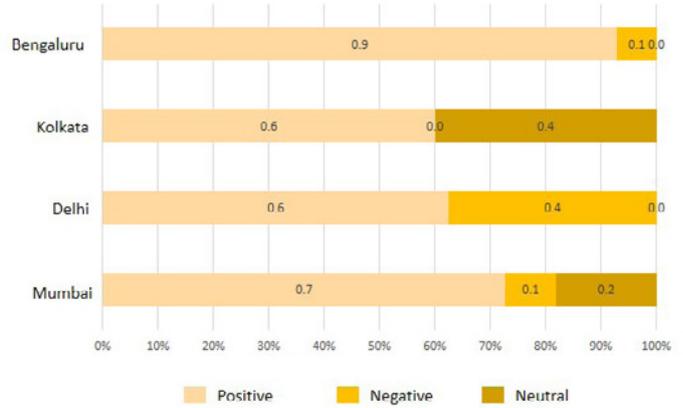


Sentiment for Gender Agnostic Hiring

Gender Agnostic Hiring - By Designation

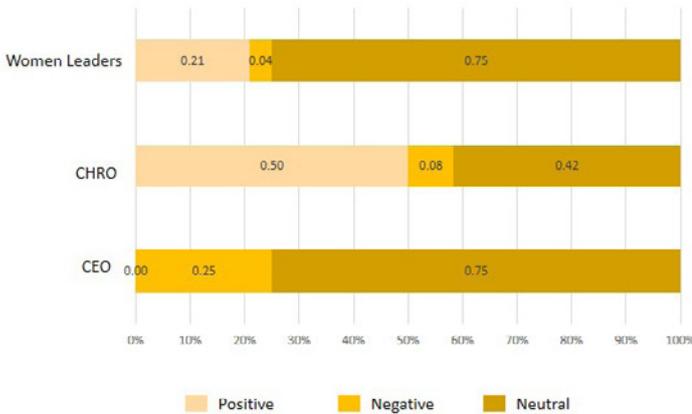


Gender Agnostic Hiring - By Location

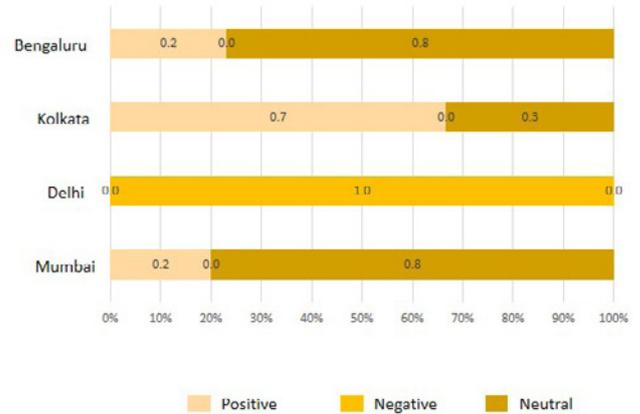


Sentiment for Reporting and Disclosure

Reporting and Disclosure - By Designation

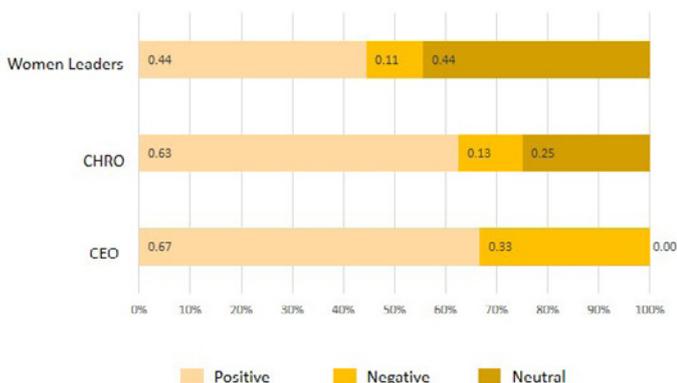


Reporting and Disclosure - By Location

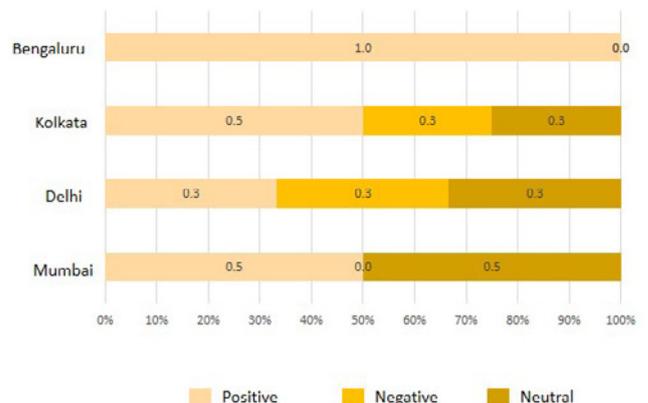


Sentiment for Tax Benefit

Tax Incentives - By Designation

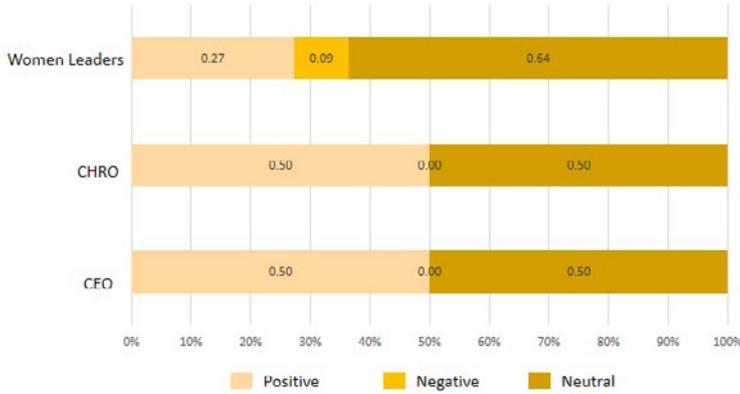


Tax Incentives - By Location

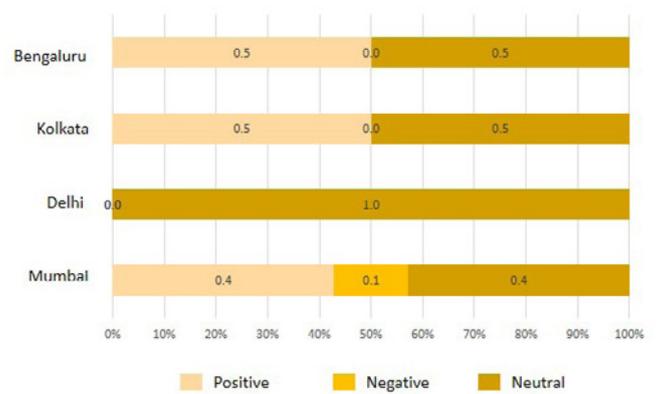


Sentiment for Sponsorship and Allyship

Sponsorship and Allyship - By Designation

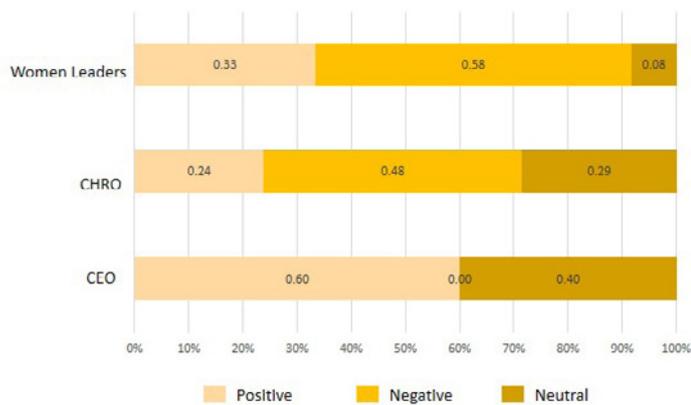


Sponsorship and Allyship - By Location

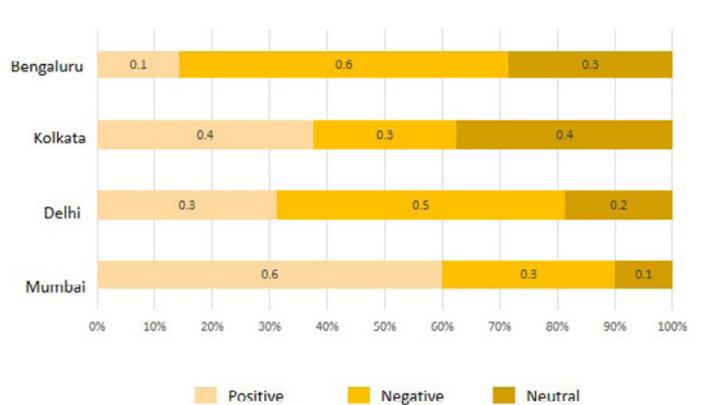


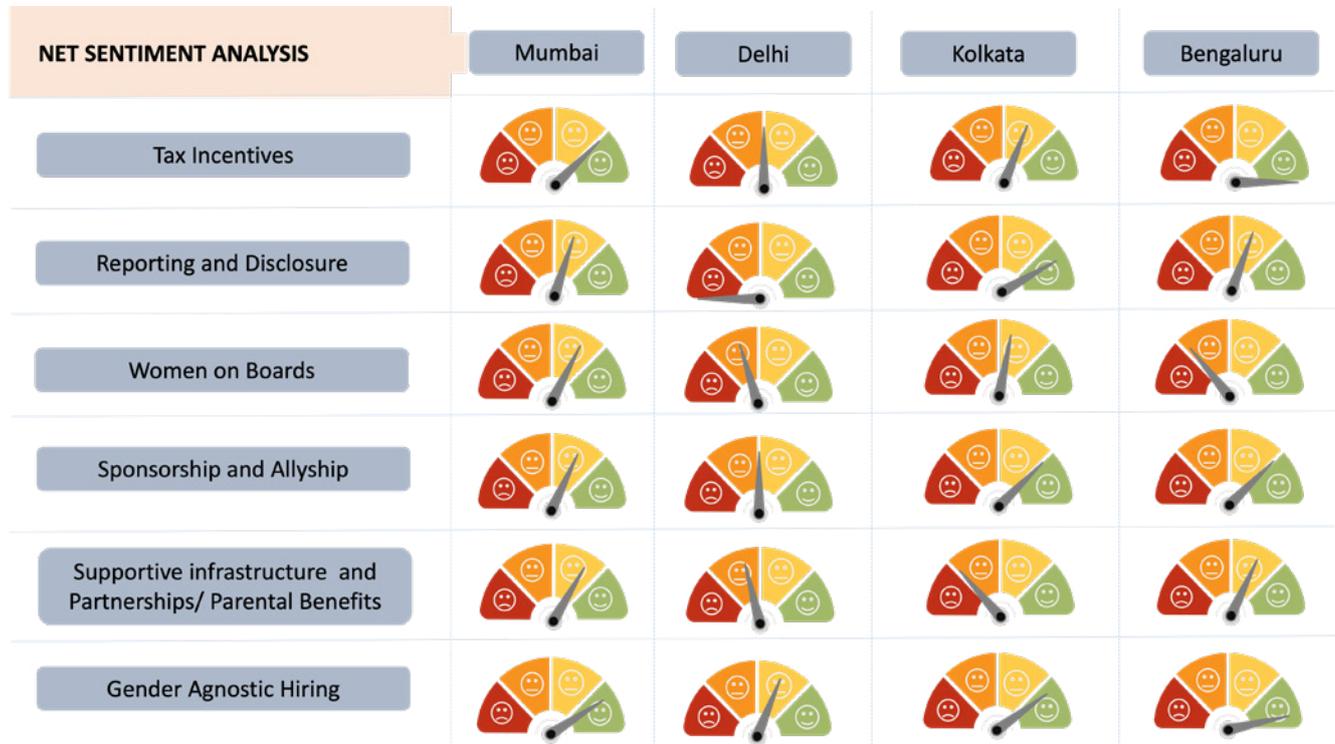
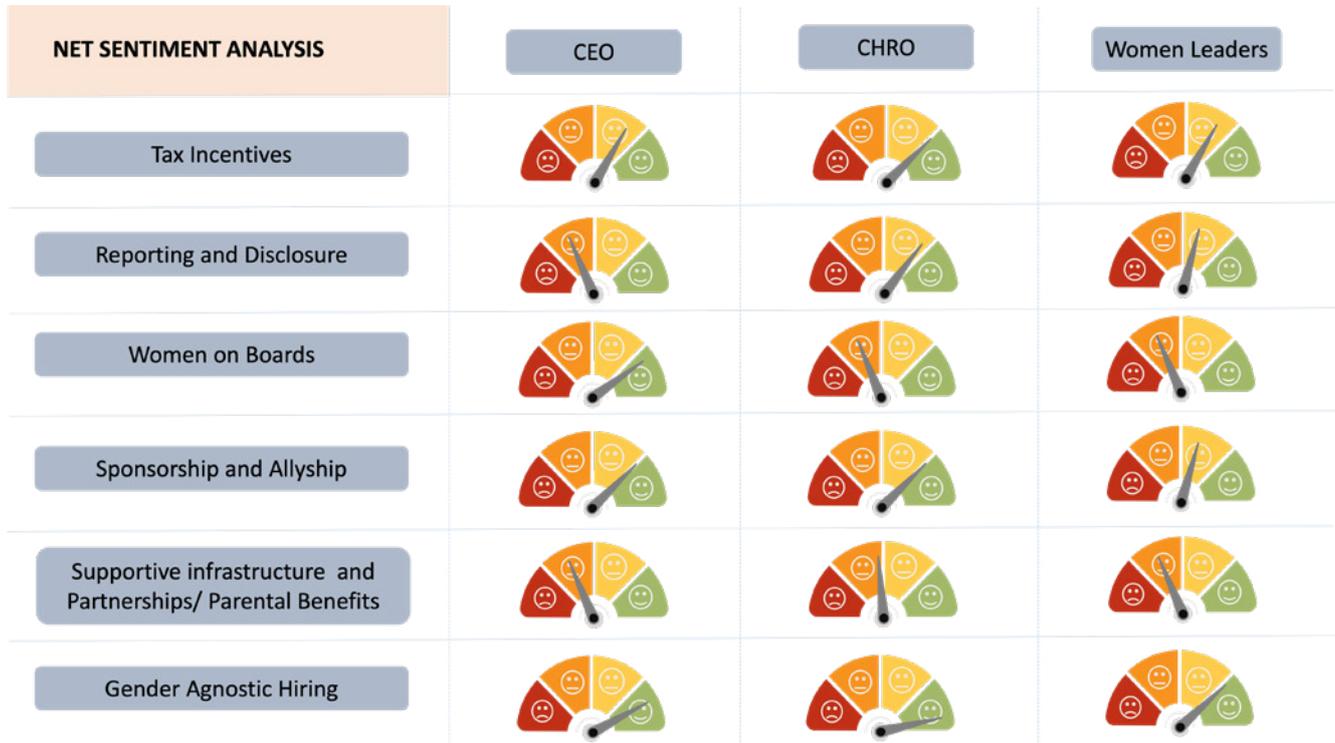
Sentiment for Women on Boards

Women on Boards - By Designation



Women on Boards - By Location





Chapter 3

ACTIONABLE SOLUTIONS

Fixing The Leaky Pipeline – The Broken Rung – Glass Ceiling Will Fix By Itself

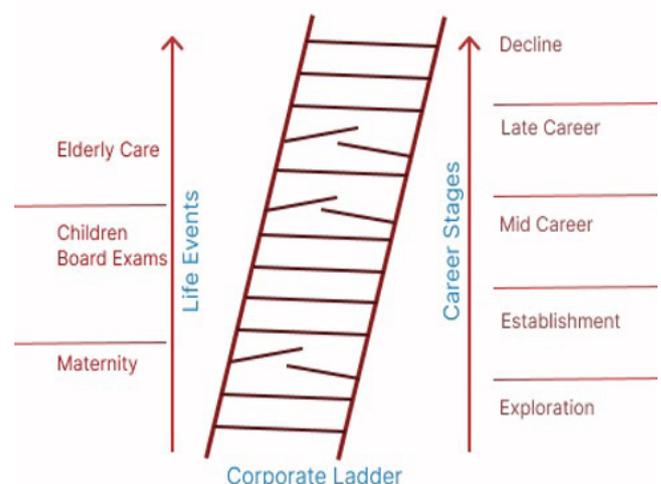
Organisations are often focused on fixing the glass ceiling. That's equivalent to addressing the symptom, rather than the disease. The severe shortage of women leaders at the top is entirely due to the broken middle rung of organisations. Hence, there is a need to fix the broken rung in the middle management. Once fixed, the flow of women leaders rising up the ladder will eliminate the glass ceiling by itself. When women leaders make it to the mid-level, on average, the Indian women are in their thirties. This is the time they get married or are starting a family and more than often find it impossible to return to the workforce. Primarily, because of three main reasons:

- 1) **Child care**
- 2) **Organisations make it harder to return — loss of seniority, pay loss, disinterest in individual**
- 3) **Elder care**

The millennial and Gen-Z women don't wish to opt out of the workforce because

of maternity. However, they do not want to come back to the same organisation because they have to often pay a penalty for maternity leave. Many organisations refuse to take the woman employee back at the salary she deserves.

The CEO of a leading FMCG company once asked his team to approach every woman employee the company had lost post maternity leave to check wheth-



er they were unemployed. Surprisingly, 80% had gone back to work, but with a different organisation. They were asked why they didn't return to the FMCG major. They said that when they were coming back from maternity leave, they were given soft jobs which they were not interested in. Thereafter, the company came up with a policy that it wouldn't lose a single mother. The company followed them through the natal so that they don't have a change of heart and made sure they have an exciting career with it. It fixed the problem by offering 'returning mothers' core roles in sales, marketing and market research--even offered them P&L roles. For those who opted to work from external locations, the company allowed them to travel to their base location once or twice a week and work for the rest of week from their chosen location. If a woman leader got chosen for an international posting and she wasn't ready for it since her children were young, the company asked her to try out the role for six months and then decide. These flexible policies along with the decision to offer women important roles worked. In the past 10 years, this organisation has increased the representation of women from 18% to 46%.

The fractured middle rung is not just due to women finding it difficult to return after maternity. When ready to take up leadership roles, they are often in their mid to late forties and that is when comes yet another disruption in their careers — their children around that time get ready for board exams and many want to give up their career to be with their children. The third broken rung is due to pressure of taking care of elders at home. Many women, especially in their

late forties and early fifties take a break to take care of their elderly parents or in-laws.

How does one fix the broken rung?

1. Tax Rebates, Incentives and Ranking

Problem:

With women increasingly opting out of the workforce in the middle management a lot of organisations don't want to hire women at all. Hiring a woman especially in the mid-level could mean a possible maternity leave in the offing and companies often don't want to make that investment. They not only have to pay full salary during maternity leave, they also have to groom or hire someone for her role when she is away. For organisations it is an additional investment they are often not prepared for.

Solution:

Providing tax rebate/incentive to individual or corporate, or both. Also, rank/recognise organisational diversity at the national level.

Corporate tax reduction

Companies which are doing considerable

“Companies that demonstrate tangible metrics should have a corporate tax reduction because chances are they have invested in upgrading skill sets, upgraded training, and have taken a lot of load off the policymaker,” says the CEO of an inverter company.

“We are playing catch-up and to get to the desired level of gender balance, a tax sop to the organisation would definitely help,” says the CHRO of a consumer products company.

work in increasing gender diversity could be offered a corporate tax reduction. Or, they could set off some of their expenses against taxes due. This will incentivise organisations which don’t do enough to bring more women into the workforce to pull up their socks.

These tax breaks could also be in the form of GST breaks for setting up child care centres. “Provide GST Breaks for child care centres, which would address the issue of capital expenses, making it easier for companies to provide the benefit,” says a CEO.

Tax sops to individuals

Apart from incentivising organisations with corporate tax or GST reductions,

Africa’s Rwanda is known for its pathbreaking gender equality initiatives. The International Financial Corporation (IFC) had tied up with banks in Rwanda to provide tax credits to women employees increasing their representation to almost 65% in the top management team.

In the U.S., the State of California increased solar consumption by offering a tax credit to citizens. It was given to any citizen who adopted solar on her rooftop. “If I give you an income tax credit now and you invest your own money, I don’t have to do grid expenses,” explains the CEO of an inverter company.

incentivising the women with income tax reductions across salary slabs would be helpful too. The CHRO of a financial services company says that substantial income tax reduction for women could make couples rethink the decision of the wife giving up her job post maternity or to look after the parents. The onus would equally be on the man to look after the child or the parents.

Rank/reward organisations working on women leadership & diversity

A ranking methodology for organisations to apply and get ranked could be on the lines of government of India’s National Institutional Ranking Framework (NIRF) for B-school ranking or the state rankings or even the Swachh Sarvekshan which ranks the cleanest cities. Following an assessment by a third party, these could also lead to recognition and award to organisations which are making significant investments in women leadership and diversity. A national award for the ‘Most Diverse Organisations in India’ could be an incentive for companies to improve their gender balance quotient.

In Japan, as part of the government's efforts to incentivise companies to promote the participation and advancement of women in the workplace, the Ministry of Health Labour and Welfare started issuing 'Eruboshi' certificates to companies which excel in gender diversity. Eruboshi-certified companies can use this certification mark for their promotion. They are also granted points in public procurement. In 2019, a new special certification system — 'Platinum Eruboshi' — was introduced, granting companies more points in public procurement.

This ranking and its methodology could also become the basis of tax incentives to organisations, if any.

2. Enhanced Reportage and Disclosures on Diversity

Problem:

It is mandatory for listed organisations to report their diversity status, but most unlisted companies don't report. In fact, many of them hire women as freelancers or on contract roles so that they could avoid investing in maternity and other benefits.

Solutions:

Mandatory diversity reporting

Progressive leaders of India Inc. strongly believe that diversity reporting should be made mandatory for all organisations, listed as well as unlisted. They also ask for making diversity reporting detailed

and not just how many women have been hired. The mandate that organisations with revenue upwards of ₹500 crore have to 2% of their profits on CSR (corporate social responsibility) activities has pushed them to compulsorily invest in CSR. Similarly, a mandate making it compulsory for both listed and unlisted companies to report their diversity status could significantly help in changing the narrative.

A significant number of leaders of corporate India have also advocated the disclosure of gender pay parity at the workplace. A disclosure on pay parity, say leaders of India Inc., could empower women with information to negotiate better salaries.

National Diversity Council

Formation of an industry level self-regulatory body such as a National Diversity Council and diversity council in each industry/sector that would periodically report progress to the Government. Organisations could be asked to set up Diversity Offices which should be independent of the HR function. The head of the diversi-

"In the Companies Act can we get companies to declare where they are in pay parity, can we talk about returners from maternity leave? If the company offers paternity leave, how many men are taking paternity leave and working from home? This could help in making organisations conscious about diversity," suggests the CHRO of an alcobev major.

France has a Gender Equality Index, whereby according to law, French companies with more than 50 employees have to publish the score obtained on the gender equality index on their website every year. Factors such as salary are marked on a 40-point scale. The indicator identifies the average earnings of women and men in a company, including performance bonuses and benefits. To get the full 40 points, a company will need to narrow the gap between women and men earnings to zero. Similarly, the percentage of men and women who have benefitted from a salary increase are marked on a 20-point scale. To get full points, a company will have to give the same salary increase to women as men. If a company gets less than 75 out of 100 points, they have three years to comply, else they are financially sanctioned up to 1% of their payroll.

ty office could report directly to the MD/CEO. Diversity and gender balance has to be a leadership agenda. Data would hence flow from Diversity Offices of companies to the Diversity Council of sectors and then possibly to the National Diversity Council.

3. Women On Board of Directors

Problem:

The decade-old mandate to ensure at least one woman member on boards has certainly worked in favour of women rep-

resentation on boards. While the number of women on boards of listed companies has increased from 8% to 17%, only a handful of women directors are mostly in demand. Therefore, there is a need for more women in the leadership pipeline. There is a need for more competent women on boards with adequate exposure and training.

Johnson & Johnson's chief diversity officer, for instance, reports directly to the CEO and chairman, which means that its entire diversity agenda is overseen by top-level management. J&J has a mandate for 50% women in top management positions by 2025.

Solutions:

Increase participation of women on boards

In 2022, the European Union adopted a new target of 40% non-executive director seats to be held by the 'under-represented gender' by June 2026. Though most companies have been able to meet the earlier threshold of 30%, less than one-third have been able to meet the 40% threshold.

Only 1.8% of Fortune 500 India companies have at least three women directors on the board. And only about 20% comply with the one women director norm as of FY23. If 49% of the population comprises women, their representation on boards should not be less than 30-50%. After all, the organisation and board need to mirror the consumers, feel

the leaders of India Inc.

There is an opportunity coming. More than 800 independent directors on company boards will have to mandatorily retire in March 2024 as their 10-year term comes to an end. Over 1,200 positions are likely to fall vacant, which creates an opportunity for organisations to increase the number of women on their boards.

Rethink parameters of qualification

Around 22.4% of women leaders hold more than one seat, which means they are on multiple boards. The reason for this is India's small pool of women leaders. This makes it important to widen the horizon and look beyond the corporate pool. It could be academicians, women from the social sector or even from the world of art and culture.

"If you are running an engineering company, it doesn't mean that you need

Research by Kanter and Konrad suggests that a single woman on board could lead to tokenism, social segregation and ineffective interaction between the genders. Studies have found that unless you have at least 30% female representation, there will be no significant benefits of having more senior female leaders. Similarly, an analysis of 90 U.S. banks in 1999, indicated that female participation in boards boosts a firm's performance once a minimum threshold of female board members has been achieved.

to have a woman engineer on your board. You bring a director on the board for different reasons. It is not for the knowledge of the industry but for the qualities and skills she brings to the table," explains the CEO of an infrastructure consulting firm.

4. Sponsorship/Allyship in Senior Leadership Roles

Problem:

One of the major reasons for poor representation of women in leadership roles in India Inc. is the top leader/management's lack of conviction in the importance of a diverse leadership team. It is only when the MD/CEO of an organisation is determined to have women in the leadership team as well as in the lower rung, can it become a reality.

Solutions:

Sponsorship/allyship, not mentorship

Corporate India has myriad women mentorship programmes. However, progressive leaders believe that women need sponsors more than mentors. A sponsor is essentially a top leader who would work with a capable woman and help her rise up the ladder.

Need for an industry body to enable sponsorship

Industry/government could mandate a body that would enable sponsorship of women leaders. Australia, for instance, has Chief Executive Women (CEW), an industry body which engages directly with government and business to advocate for evidence-based policies which support women leaders. The CEW also makes informed contributions to the de-

“You need two-three guys to say we will back her to take up the CEO role. You need to do that for men too, but you need to do it more aggressively for capable women because they often get forgotten when they enter the boardroom for a promotion conversation,” points out the CEO of an infrastructure company.

“We have to make it possible for women to stay in an organisation and for that men need to change their mindset and be their sponsors, not mentors. As a sponsor, you are committing to ensure that you get a woman from the role of a manager to a CXO,” adds the senior partner of a global consulting firm. The firm has assigned a male sponsor for all its mid-level women managers. In fact, women managers were asked to choose their male sponsors and later on during a company off-site the women were given the choice of selecting the male partners in the firm who they wanted to be present at the off-site. **“I was asked by my male colleagues the idea behind this exclusion policy and my reply to them was that they need to know how it feels to be excluded,”** says the senior partner of the firm.

bate on gender balance. One of its biggest contributions has been to bust the myths surrounding women in leadership with hard data.

5. A Dedicated Body on Diversity Within the Government

Problem:

The government and corporate India lack a dedicated body to focus on gender diversity and inclusion despite well-intentioned laws and policies in place.

Solutions:

A Diversity Think-Tank

The think-tank can provide for issues ranging from improving city infrastructure to financial/digital inclusion for women. Some of the aspects this dedicated gender diversity body needs to focus on how one can provide more flexibility to a women’s career (due to the challenges of the Broken Rung at different career stage) by looking at the overall career architecture and crucibles of experiences

The dedicated body may even consider how to increase training. Organisations believe that it’s easy to increase gender diversity from 15%-35%. The challenge is when it attempts to move from 35% to 50%, as that is the time when they find it difficult to find capable women talent. The diversity think-tank can examine such challenges and propose effective solutions.

6. Ecosystem to Expand Base of the Pyramid

Problem:

Only 1.6% of MDs and CEOs of Fortune 500 India companies are women. In The Next 500, a ranking of emerging companies, the number is higher at 5%. Overall,

for the Fortune 1000 India companies, only 3.2% are led by women MD/CEOs. India Inc. indeed has to cover massive ground to reach a stage where 30%-40% of its leaders are women. However, for a fair representation of women in leadership roles, not only does one need to mend the broken rung in the middle, a lot of work needs to be done at the grass-root level too. Unless the base of the pyramid is fixed, one will not get the pipeline of talent.

Solutions:

Changing mindsets, breaking biases

Women typically are hired by factories for packaging or other softer roles. Why can't a woman manage an assembly or a delivery line? Organisations need to change mindsets. They need to believe that a diverse workforce will make them a better performing company. Around 20% of welders and painters in a car manufacturing unit in Gurugram are women. It has the first ever woman auto painter in India who also happens to be a mother of two kids.

To get to this level the company had to overcome several biases such as women can't do welding and painting, they can't hold a 5-6 kg welding gun. The management then got 20-year-old boys and girls who had never done welding before for a one-week training. Post the training was a blind testing of their skills and girls turned out to be better welders than the boys.

Similarly, an infrastructure company has recruited girls from tribal villages and trained them to operate machines which till date was considered a male bastion. Women on the construction drive excavators.

Incentivising girls for STEM education

Girls could be given scholarships for STEM education. Private sector could partner with the government to provide internship and skill training to girls undergoing STEM education.

A truck manufacturing firm has tied up with junior colleges and engineering colleges in the vicinity of its manufacturing facility to promote STEM education among girls. While it offers scholarships to girls opting for STEM in junior colleges, it incentivises engineering colleges to give admission to a certain percentage of girls every year, and the company hires from that pool of girls.

7. Support Architecture

Problem:

One of the major reasons women drop out of the workforce is the lack of support infrastructure in the form of a reliable daycare for their children or assisted living services for the elderly.

Solutions:

Creches and kindergarten schools and care facility for elderly

While many organisations have set up dedicated creches at their facilities, employee needs are different. Employees prefer creches, elder care facilities closer home than at work. Though most organisations have creches and daycares in their manufacturing units one seldom sees care facilities on corporate campuses. Setting up one's own care facility would involve enormous costs which most organisations can't afford. In that case organisations could partner with professional care-giving service providers or reimburse those costs to the em-

ployees instead. This could work on the lines of the gym membership which allows a member to utilise the facility closest and most convenient — just what the employee needs.

Offer parental benefits

A number of progressive companies across the world have consciously done away with the term ‘maternity leave’ and have coined a new term ‘parental leave’ which makes husband and wife equal partners.

A top-ranking financial services company has rechristened its maternity leave policy as ‘Enhanced Parental Leave’ that gives paid six months leave even to men. “The message here is that men are equal partners in bringing up a child and if they are allowed paternity leave, it would encourage their wives to join back where they are working,” explains the CHRO.

Similarly, a leading FMCG company calls its paternity policy as ‘Care-Givers Policy’ which is open to both men and women. “Earlier we had a policy for women who come back to work after maternity, today we say it’s no longer about women. We have men who say my wife has delivered and she wants to get back to work, can you give me a career break? So, I have well-being leave for both women and men,” explains the CHRO.

Corporate gender-policy interventions

The need of the hour is gender-sensitive policies. Women have different needs than men and organisations need to take cognizance of the same — offering flexible work hours, having policies that could take care of late-night commute could be a huge boon. Many organisations do have these policies, but a large number of

Sweden ranks No.1 in the Gender Equality Index of the European Union. One of the reasons it has been able to achieve that status is because of Equal Family Policy that straddles across childcare and parental leave. A family policy that supports working parents with the same rights and obligations for both women and men makes it easier for parents in Sweden to find a decent work-life balance. Childcare is guaranteed to all parents, thereby making it easier for either of them to return to work.

Sweden replaced gender specific maternity leave with gender-neutral parental leave way back in 1974. Each parent is given six months off from work when a baby is born.

don’t have gender sensitive policies.

The policy interventions could also give the option to ‘returning mothers’ the choice of location. It is all about creating a support system that would allow a woman to thrive in an organisation. For instance, an infrastructure company which has a diversity rate of just 6% is working hard to offer women facilities that would help them to stay on in the workforce. It recently allowed a woman engineer returning from maternity not just to choose a project site of her choice but also offered accommodation to her on the project site so that she could bring her child and the nanny.

A six-month maternity break often makes a woman employee’s skills redun-

A consumer products company for the longest time didn't have women's toilets at its distribution points. When the CEO of the company realised that toilets were one of the reasons why women were not willing work with their distributors, he ensured that all its 3,000 distribution points had facilities for women. "We not only constructed toilets, we also worked to break the mindset of the trade which was against taking orders from women. We created an environment to make it viable for women to work," explains the CEO.

dant. Therefore, companies could have well-structured policies around reskilling for 'returning mothers'. The India operations of a global beverage company has a policy of re-skilling women returning to work after maternity.

8. State-level Public-private Partnerships

Problem:

Several states have existing policies against women working at night. Every state government has different laws for women working on shop floors of manufacturing units. This lack of uniformity makes it difficult for organisations to employ women on the shop floor.

Solutions:

Organisations need to partner with state governments

When a leading FMCG company set up

its state-of-the-art production facility in Eastern U.P., it set up an ambitious target of 50% women on the shop floor. However, the laws of the State of U.P. didn't allow women to work on the shop floor after 7 p.m. That became a deterrent to get them to work in shifts. The company approached the chief minister with an assurance that it would take care of the safety of women and urged the state government to change the law. It set up hostels for the women as well as a guest house so that their parents could come frequently to see if their daughters were taken care of. If the women were coming from nearby villages, there were buses with security that picked them and dropped them back. The CM eventually changed the law and the company today has 40% women working on the shop floor of its factory.

Organisations need to work hand-in-hand with government bodies and help create an ecosystem where a woman would feel safe to go to work could substantially help in encouraging women to join the workforce. Female participation in the labour force in India has increased to 37%, which is indeed impressive but a lot still needs to be done.

9. Mandates for Gender-specific Hiring

Problem:

An organisation loses 30%-40% of its women talent by the time they reach middle management. To fix this broken rung, organisations have to set mandates for gender specific hiring.

Solutions:

Infuse Talent

Organisations could mandate gender

specific hiring. The CHRO of a consumer company points out that most organisations set mandates to be gender-balanced, but don't do enough to increase the enhancement of women candidates. "We need to infuse talent and that requires disproportionate effort and disruptive thinking. One way to do it is putting out targets and being uncompromising about it not for just 2-3 years but for 10-12 years."

A Mumbai-headquartered global consulting firm has made it a mandate that 50% of its new hires from campuses every year would be women. A day-one recruiter in all the leading IIMs and IITs, this consulting firm has decided to look for talent beyond these premier institutes. The IIMs and IITs, says a senior partner of the firm, didn't have enough diversity to offer.

A family-owned consumer durables company, extremely male dominated, set out on a mission of becoming gender-balanced. The CEO of the company, a professional, says that his first task was to actually get the management to believe there was a clear business case in a diverse team. Thereafter, to remove biases, he asked the HR team to mask the identity of the candidates. The candidates were judged on the basis of meritocracy. Though the decision did evoke opposition initially, the organisation succeeded in its objectives.

Re-examine hiring/evaluation process

In order to promote gender-specific hiring, organisations could mask the identity of candidates during the evaluation process for promotions/role change/role enhancement to prevent biases from creeping in and to evaluate those candidates on pure merit.

The diversity head of a global consulting firm mandated that each team should have nothing less than 45%-50% women. "We didn't want to have a conversation on why we want to have a gender balanced team, but a conversation on how to make it work. We made sure we managed to improve the yield of the diverse team massively. We thereby made it apparent about the bias we lived with all these years by not being conscious about the merit of having a gender-balanced team," he explains.

A significant number of CEO/CXOs/CHROs part of this study are in favour of masking the names and sex of candidates during evaluation for hiring.

Gender-neutral forms

A large number CEO/CXOs/CHROs part of the study advocate gender neutral forms. They advocate gender neutrality not only for employment forms but also for forms issued by educational institutions. "The first level of bias happens when applicants are asked whether they are male or female," says the CEO of an infrastructure firm.

“I was opening a Demat account, and you have to put your father’s or husband’s name; I don’t have a husband and my father has passed. From a customer’s point of view, is it an appropriate question to ask? Even if you are the primary breadwinner, your sense of being is being compromised. Many of our regulatory policies are associated with a man and that impacts confidence, we could change some of that,” adds the CEO of a consumer goods company.

Sweden has ‘The Discrimination Act’ that came into force in 2009. The Act demands employers to provide equality between women and men. It also states that employers need to even out gender pay parity. Nevertheless, women earn less than men and that’s because they tend to work part-time when they have children. As a result, their wage hikes are less frequent.

Bridge gender pay parity

Often, the woman, the lower paid one among the couple, has to sacrifice her ambitions to raise the family/care of elderly. Pay equality could reduce the chances of this being an automatic choice. Apart from the suggestion to disclose gender pay parity in organisations so that women could negotiate better salaries, it was

also argued that addressing the complex issues of pay parity requires education and upskilling of women, to be qualified as great talent. “Also, narrower the pay gap in salaries, chances that the woman will step behind to stay back is lower and this too may reduce the leaky pipeline,” says the CEO of a power company.

Chapter 4

RESEARCH METHODOLOGY

The Process

The Approach

The study is designed to capture the experiences of leaders who have championed the cause of organisational diversity. The analysis relies on dual perspectives and narratives of corporate leaders as well as several emerging women leaders who are getting ready to undertake future leadership roles. Such a research approach enables understanding the evolving role perception of women in leadership positions and is instrumental in arriving at actionable recommendations.

The choice of respondents (CEOs/CXOs/CHROs and women leaders in the making) enabled analysis of sector-specific and gender-specific leaders' responses (through their conversational analysis using AI/ML tools). Therefore, unlike other studies, this study is devoid of generalisations.

The research design for the whitepaper was aligned with the Research Question the Honourable Union Minister for Women & Child Development, Ms Smriti Irani, had posed: "Why are there not enough women in senior leadership roles?"

The nature of the research design ensures that the underlying themes surfaced

through a detailed three-stage process wherein the outputs at each stage were carefully analysed to determine the dominant/recurring themes.

Stage -1 – Pilot Study

Stage- 2 – Questionnaire Design and Survey

Stage 3 – Panel Discussion (Main Study) + Survey

The Process

The study was an outcome of several rounds of iterations between Fortune India and SPJIMR at different stages of the research. It began by formulating questions and exploring barriers facing women in reaching senior levels. The barriers were classified as follows:

- a) National Level
- b) Organisational Level
- c) Family Level
- d) Individual Level

1. The Pilot Study

Fortune India and SPJIMR conducted a pilot study with 10 senior women in leadership roles representing a gamut of In-

dustries such as retail, manufacturing, media, logistics, FMCG, ecommerce, MSME, banking, and fintech. The pilot study comprised semi-structured interviews conducted by two interviewers representing academia from the organisational and leadership area at SPJIMR, specialising in diversity and inclusion, and a senior Fortune India editor who reports on diversity-related topics. An interview schedule with a list of 10 questions was prepared to ascertain societal, organisational, community/family level and Individual level factors responsible for lack of women in senior leadership roles. The second part of the interview was ascertaining the respondents' recommendations to increase the number of women in leadership roles at the societal, organisational, community/ family and individual levels.

Based on the discussions, a thematic/content analysis was done on their responses to arrive at broad recommendations/focus areas for the solutions.

The study identified some early themes that became the basis for designing a survey questionnaire that was extended to CEOs, CHROs/CXOs and emerging women leaders (those in second rung of management currently) in the country. Researchers analysed the data independently through an AI-driven app to arrive at clusters of common themes.

The pilot study respondents were invited on Zoom / Google Meet for a one-on-one- in-depth conversation. Their conversations were analysed through otter.ai to arrive at the major themes. Significant policy recommendations were mainly linked to the widely recurring themes.

2. Questionnaire Design and Survey

Based on the themes that emerged from

the pilot study, the interview schedule was revisited and a detailed questionnaire with open-ended qualitative/descriptive questions was prepared. (see annexure 1)

The questionnaire was circulated to organisations in the Fortune 1000 list through a survey. The survey was designed for two target audiences to align with our research objectives and questions.

- a) CEOs/CHROs/CXOs — Typically level 1 for MD/CEO and level 2 for CHROs/CXOs.
- b) High-potential, emerging women leaders who were in second rung of management or business heads or CEOs of smaller organisations/founders of start-ups/entrepreneurs (mostly below 40 years of age).

The identified themes were added to the questionnaire design and sent to the respondents through social media and email.

A detailed questionnaire survey among CEOs, CHROs, and CXOs of Fortune 500 India list and emerging companies Fortune India Next 500 list from among Fortune India's Top 1,000 companies is the universe of the Study.

The questionnaire has questions about the intent of organisations to hire women, challenges of retaining women in the workforce, what they are doing to groom women leaders, whether there are roadblocks to women in leadership roles, or an unconscious bias.

3. Panel Discussion — Main Study

The main study was the focused group discussions through a carefully constituted panel across four cities in India on the following aspects of 'Why There Are Not Enough Women in Leadership Roles'.

- a) What is the business case for diversity

- by each company?
- b) Why do they think it is essential for them to promote Diversity?
- c) What actionable steps can the government undertake based on their experiences that can become a policy-level intervention?

The 4X4=16 closed-door panel discussions in different cities covered the following topics:

1. What stops women from going up the corporate ladder?
2. How can organisations prevent a leaky pipeline of women attrition?
3. Is India Inc. suffering from an unconscious bias?

All the panel discussions involved MDs/CEOs/CHROs/CXOs, executive search partners and diversity experts. The purpose of conducting closed-door panels was to invite candid views from the panelists without fear of being quoted.

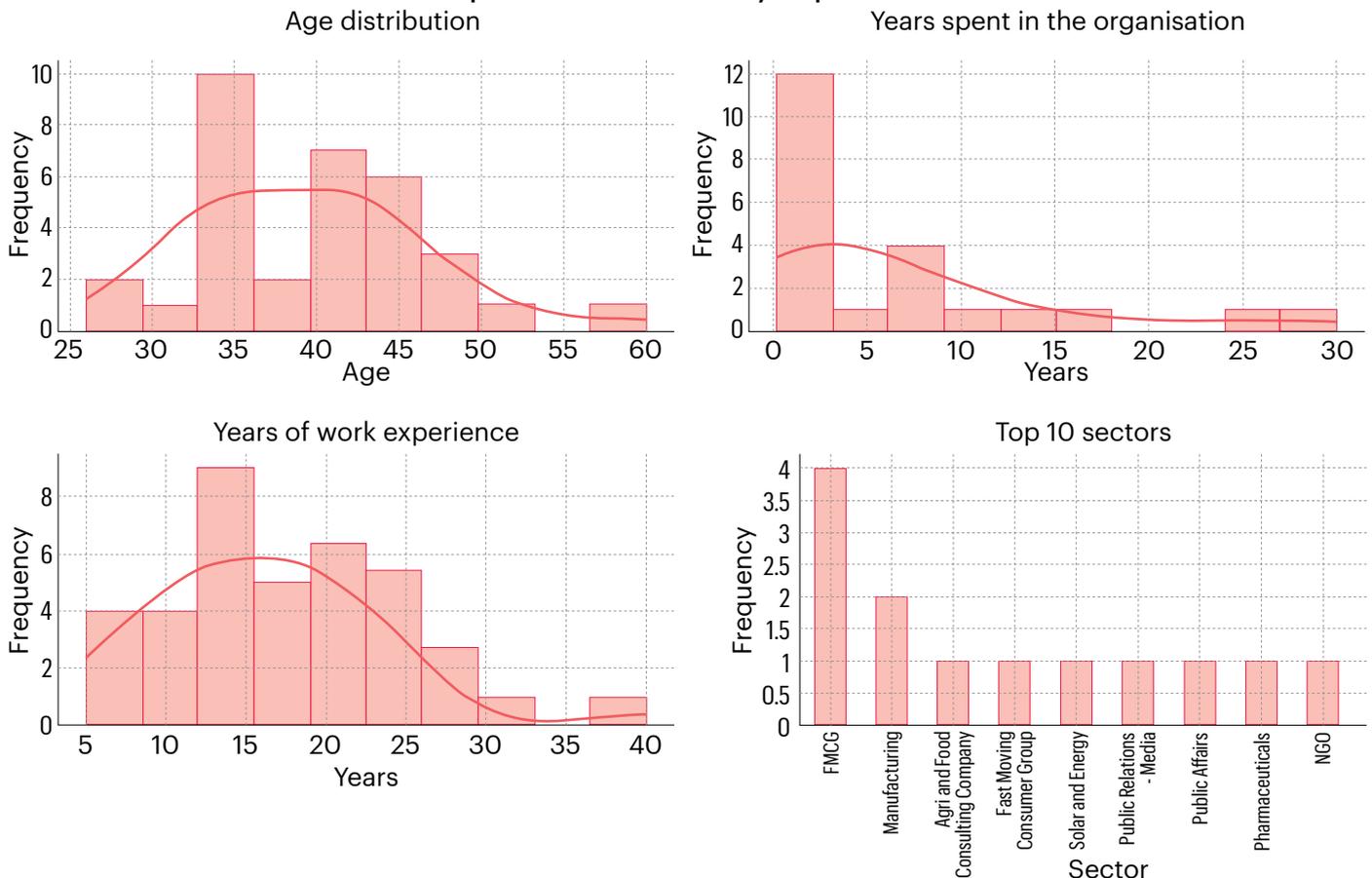
It was ensured that from tier 2-3 India there should be not just MSME owners but also women role models who can talk about their challenges and how they overcame them.

Ethical Considerations: The identity of individuals and organisations have been masked to protect their identity as requested by them, and no references are alluded to the respondents in the Whitepaper.

Participants / Sample

1. Survey

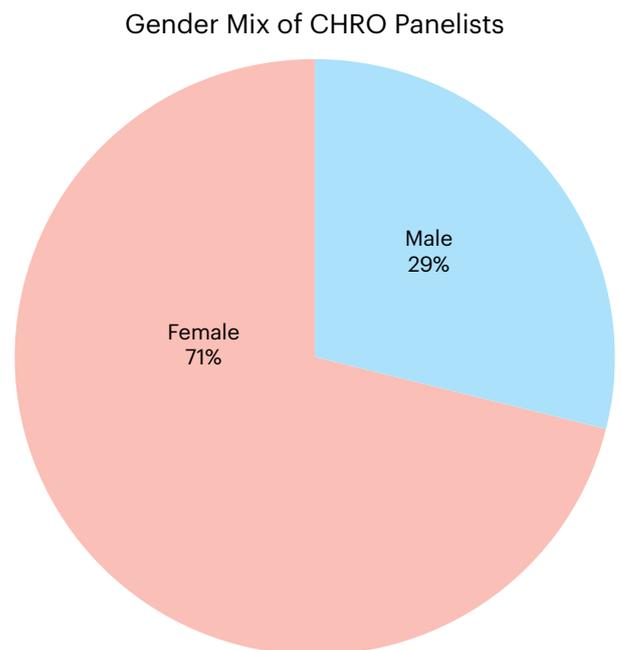
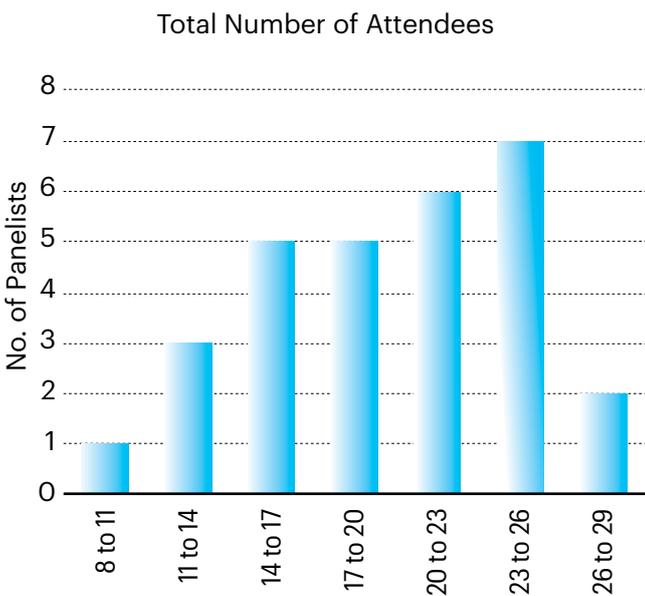
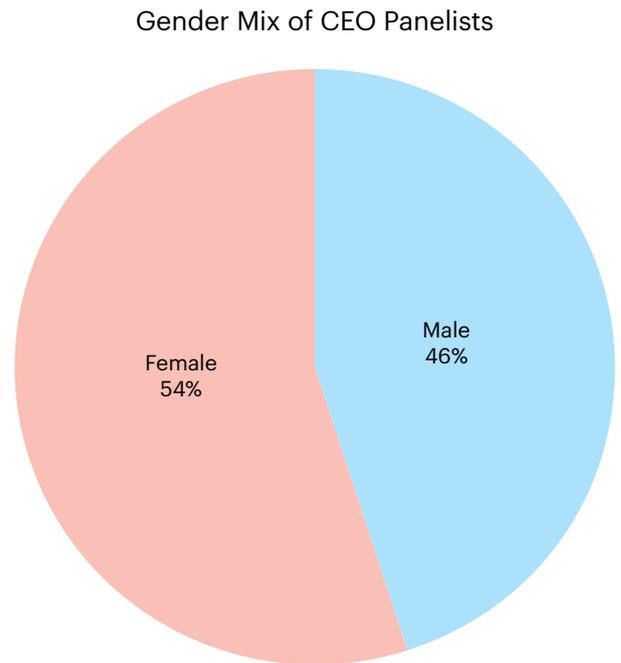
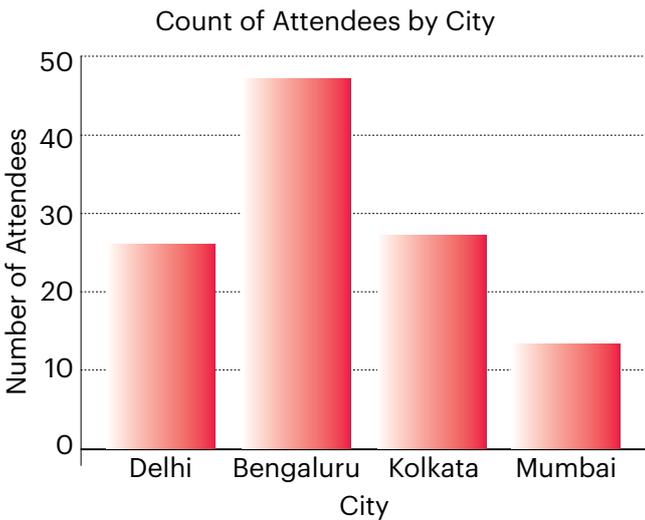
Descriptive statistics of survey respondents



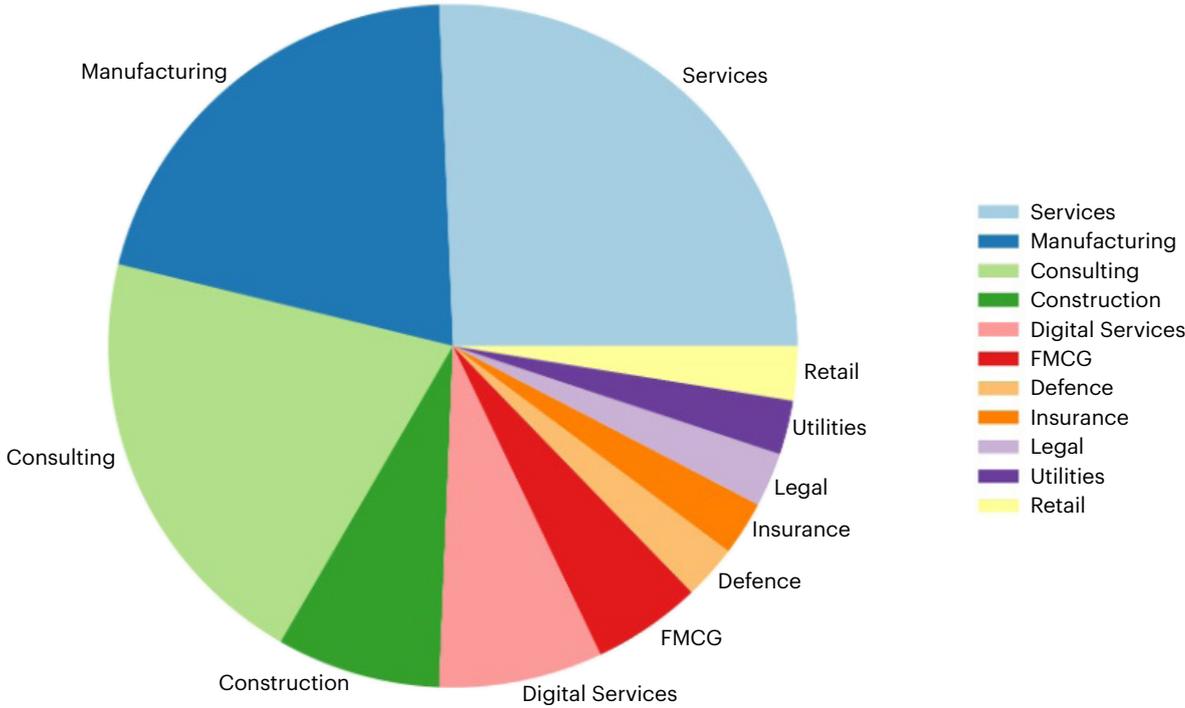
2. Panel Discussions

Location: The study entailed 16 panel discussions in Delhi/NCR, Mumbai, Kolkata, Bangalore.

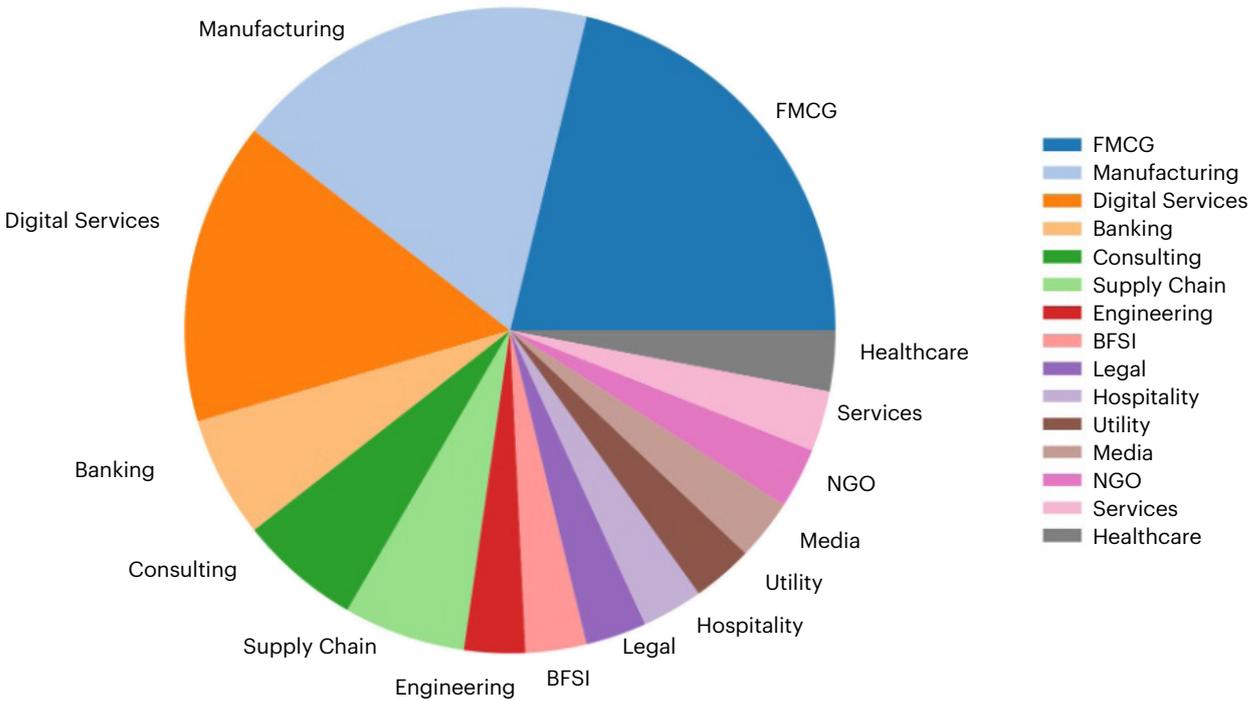
Demographic Analysis of Respondents



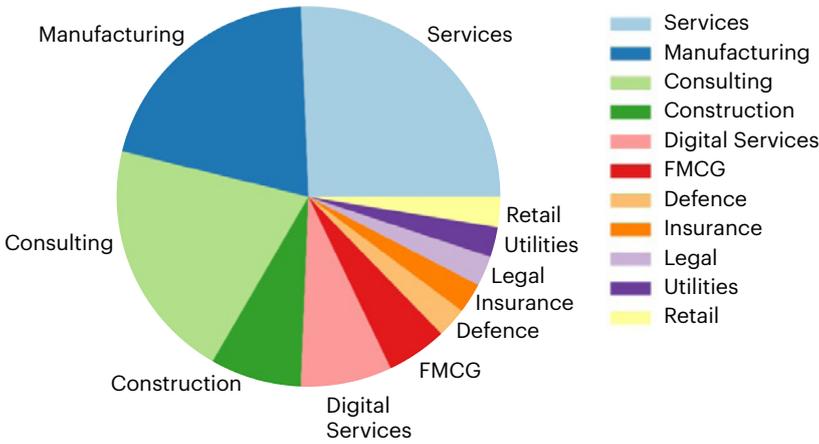
Sector-wise Representation of CEO Panelists



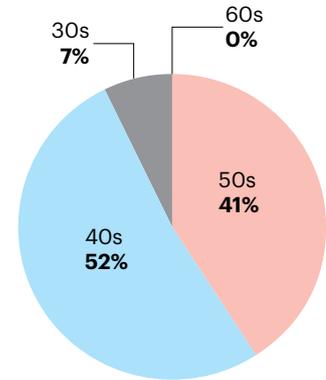
Sector-wise Representation of CHRO Panelists



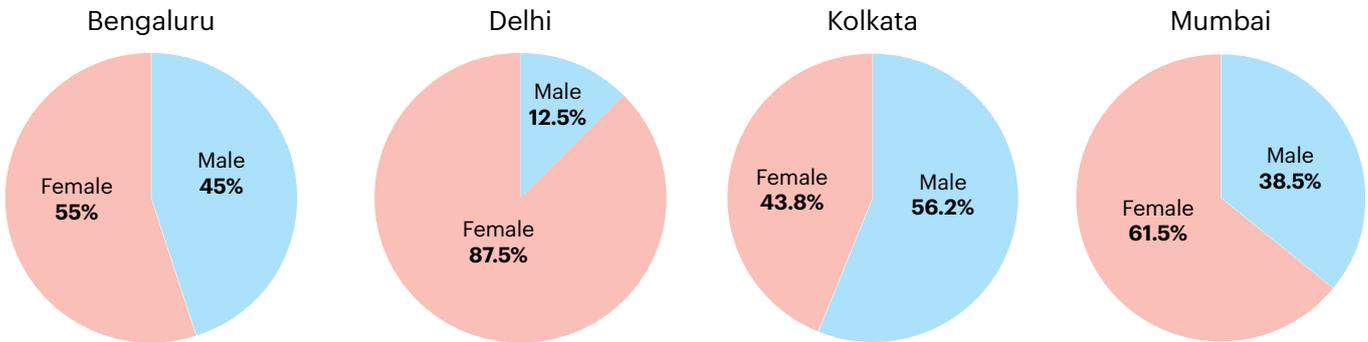
Sector-wise Representation of Women Leader Panelists



Age Distribution Women Leaders



Gender Mix of all panelists across locations



Data- Analysis Technique:

Tech-based Research

The development of the whitepaper followed a unique and differentiated approach — we extensively used an AI/ML-driven app (otter.ai) to transcribe the recordings and arrive at analysis depicted through word clouds and extensive sum-

maries and insights. The same was triangulated through an online Google-based survey of respondents and manual interpretations through recordings by researchers and media experts.

As the Study was qualitative, extensive thematic / content analysis was undertaken on the transcribed data by two researchers.

Chapter 5

CONCLUSION

Why Diversity Is Important

The Fortune India-SPJIMR study on ‘Women Leadership in India Inc.’ used a three-pronged research methodology — A pilot study followed by a questionnaire survey and finally 16 roundtables with CEOs/CHROs/CXOs and emerging women leaders. The latter, particularly, presented strong views on women in leadership roles.

A close look at the responses to the questionnaire and the views expressed by the leaders and women leaders in the making reveals a complex landscape of gender diversity in leadership within Indian organisations, with varying degrees of commitment to enhancing women’s representation. The perceived role of government intervention — which include suggestions such as enhance reportage and disclosures on diversity; a higher representation of women on boards and tax incentives for corporates as well as individuals — highlights a recognised need for systemic support to achieve gender parity at workplace.

Our respondents unanimously agreed that there is indeed a strong business case

for diversity, but have been finding it difficult to walk the talk. For some of them it is lack of suitable women candidates who could be groomed to take up leadership roles, for others it is breaking out of a male-dominated mindset which has been the biggest challenge. A strong diversity mandate from the government along with some great business incentives could definitely be the gamechanger.

“Since women’s participation in the workforce has been traditionally low, our target is to increase it by creating a conducive environment... however, achieving this target is a challenge,” says the CHRO of a FMCG company.

“Enact and enforce anti-discrimination laws. Strong legal frameworks can help create an equitable environment for women,” emphasises the CHRO of a textile company.

“The government should support by creating more vocational training centres for women and provide them with financial incentives,” says the CEO of an agri FMCG company.

Emerging leaders say 'No' to WFH

The conventional belief is that allowing women to work from home would enable companies to have a better gender balanced workforce. Emerging women leaders, particularly, strongly object to this idea — “Working from home is indeed convenient, especially for a mom like me. However, if I am not seen in office regularly, I will run into the risk of getting sidelined,” says the marketing manager of a logistics company.

“With six months of maternity leave I already felt redundant. Had I continued to work from home even after that I wouldn't have been taken seriously at all. A hybrid model is desirable, but certainly not working from home all the time,” says the sales manager of a media company.

Top leadership of companies subscribe to this view — “The issue is not working from home. The issue is how do we groom women to be leaders. They are not going to be able to become leaders if they sit at home. One of the key things required in a leadership role is your ability to communicate and ability to lead and that is a people

skill which you will learn only when you are interacting with people and being with people. For me to do that I need to have the support system where I can leave the child behind,” says the Partner of a legal consulting firm.

“Just sitting at home and being an individual contributor works in certain software development roles. But for most other roles, be it creative thinking, brain-storming or problem solving, collaboration is important. People need to be there in offices. Therefore, we say come to office 4-14 days in a month,” adds the CHRO of a financial services company.

The writing on the wall is clear — Diversity has a strong business case and the need of the hour is aggressive mandates to ensure the leaky pipeline in the middle management is fixed, giving way to more women making it to leadership roles. But repairing the leaky pipeline doesn't mean promoting work from home. Women need to be out there in the field, companies and the government have to create an enabling environment for them.

For feedback on the Whitepaper, please write to:
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