

REPRESENTATION OF WOMEN ON THE BOARD OF LISTED BANKS IN INDIA

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Gender diversity in the Board is increasingly being considered as a facilitator for better decision-making as a result of directors having a range of experiences and backgrounds. This calls for progressively higher women representation on the corporate Boards. However, this desirable stimulus has not manifested itself with only few women holding the Board positions. This should be of concern to all businesses not just because gender parity is morally right, but beyond the gender numbers game, it is about the richness of the board as a whole, the combined contribution of a group of people with different skills and perspectives, different experiences, backgrounds and life styles and who together are more able to consider issues in a rounded, holistic way.

Women Directors – Legal framework in India

The business world has for long experienced inequality in gender representation at the work place. However, in the modern era the status of women is changing. The Government of India has propagated many laws for the empowerment of women. One such revolutionary initiation taken by the Government is the appointment of at least one woman director in certain class of companies' board of directors under the land mark legislation The Companies Act 2013. The second proviso to section 149 (1) of the act makes it mandatory for every listed company to appoint at least one woman director. Every other public company having paid up share capital of Rs. 100 crores or more or turnover of Rs. 300 crore or more as on the last date of latest audited financial statements, is also required to appoint at least one woman director. SEBI vide its circular dated 17th April, 2014 has made it mandatory for all the listed companies to appoint at least one Woman Director on their Board of Directors in alignment with the requirement of Section 149 of the Companies Act, 2013, under corporate governance norms.

This legislation by the Indian Government is a good start for empowering women in the corporate world. There are several capable women around who can add value to the boards, with this mandatory requirement these deserving women will get a chance to prove their mettle and companies will start witnessing the merit of women directors. This paper examines the extent to which listed Banks in India have responded to the new legal provision.

Banking Industry in India

The Indian banking system consists of 26 public sector banks, 25 private sector banks, 43 foreign banks, 56 regional rural banks, 1,589 urban cooperative banks and 93,550 rural cooperative banks, in addition to cooperative credit institutions. Public-sector banks control nearly 80 percent of the market, thereby leaving comparatively much smaller shares for its private peers. Of these 24 Public sector and 18 Private sector banks are listed on BSE.

The percentage of women employees in Banks in India is 24% which is among the highest ratios in female to male workforce in any industry. This is due to the work culture in banks being suited to female candidates, pay and perks, banking professionals are viewed at a higher pedestal than all the other working classes especially female bank employees, and the

growth prospects that banks offer to female employees.

Objective of Study

The study has been conducted to assess and analyze the representation of woman directors on Board of Directors of listed Indian Banking companies in response to the legal mandate of Companies Act, 2013 that each listed company must have at least one woman on the board.

Data and Methodology

For the purpose of study, the list of all the public and private sector banks listed on (BSE), was drawn. There are 24 public sector and 18 private sector banks which are listed in India. The details of the board of directors of these 42 banks were accessed from the websites of the selected banks. The information was examined and analyzed to determine the number and proportion of total number of directors and woman directors among them.

Analysis and Findings

The data pertaining to women Directors in Indian Banks listed on BSE annexed and the findings emanating from the analysis of data relating to women representation on the Boards of listed banks in India is summarized herein below:

Table 1

No. of Indian Listed Banks with different no. of Women Directors					
Women Directors	0 Women Director	1 Women Director	2 Women Director	3 Women Director	Total
No. of Banks	2	28	10	2	42
%	5	67	24	5	100
No. of Indian Listed Public sector Banks with different no. of Women Directors					
Women Directors	0 Women Director	1 Women Director	2 Women Director	3 Women Director	Total
No. of Banks	1	16	7	0	24
%	4	67	29	0	100
No. of Indian Listed Private sector Banks with different no. of Women Directors					
Women Directors	0 Women Director	1 Women Director	2 Women Director	3 Women Director	Total
No. of Banks	1	12	3	2	18
%	6	67	17	11	100

- It is observed that 95% of the listed banks in India have complied with the legal requirement of having at least one women Director on the Board. Two banks, one each in public and private sector is yet non-compliant with the stipulated legal mandate. However, 28 banks (67%) have just one women Director, whereas 10 banks have 2 women Directors, and 2 banks have 3 Women Directors on their Board. Thus two third of the listed banks have only tended to merely comply with legal provisions by inducting just one Women Director on the Board.

- It is observed that there is no difference between Public sector and Private sector banks in India so far as minimum level of women representation on the Board is concerned as in both the group of banks 67% of the entities have a minimum of one Women Director. However, a higher percentage (27%) of Public sector banks have two Women Directors as compared to just 11% of the private sector banks who have two Women Directors. Further none of the public sector banks has three or more Women Directors, whereas 2 banks in private sector have three Women Directors.
- 5(21%) public sector banks have a Women Chairman and/or Managing Director as against 4(22%) amongst the private sector banks.

Improving women representation on the Board of Indian listed Banks

- Bank executives in India must address gender disparity in the boardroom as a business imperative. There is a wider need to recognize that "unconscious bias" often exists in Boardroom meetings. This calls for a change in mind set and recognition of women Director as a

facilitative resource for progressive enhancement in organizational value.

- Banks need to develop and implement training modules for women at key points in their career progression to groom them for Board positions.
- Nomination and Remuneration Committee should ensure that the Board selection process is non-discriminatory / gender neutral and should actively explore the options of inducting progressively more women in the Board
- Women need to build up knowledge and skills required for Board position, be open-minded, and build facilitative network. It is very interesting to be a part of the company decision making. It is worth it.
- Opportunities for Board membership for women are growing. Women need to understand the process, expectations, benefits and need to believe in themselves and be confident that they can achieve Board position.

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Annexure

Women Directors in Indian Banks listed on BSE as on 25 th September, 2016						
S.No.	Name of the Bank	Total no. of Directors	Chairman/ MD M/F	No. of Women Directors	No. of Male Directors	% of Women Directors
1	State Bank of India	14	F	1	13	7
2	Bank of Baroda	13	M	2	11	15
3	Punjab National bank	9	F	2	7	22
4	Central Bank	10	M	1	9	10
5	Canara Bank	14	M	1	13	7
6	IDBI Bank	9	M	1	8	11
7	Bank of India	11	M	2	9	18
8	Indian Bank	11	M	1	10	9
9	Union Bank	11	M	0	11	0
10	Syndicate Bank	8	M	1	7	13
11	Allahabad Bank	12	M	1	11	8
12	IOB	9	M	2	7	22
13	UCO Bank	8	M	1	7	13
14	State Bank of Bikaner & Jaipur	10	F	2	8	20
15	Corporation Bank	12	M	1	11	8
16	Oriental Bank	11	M	1	10	9
17	Andhra Bank	10	M	1	9	10
18	Vijaya Bank	12	M	2	10	17
19	State Bank of Travancore	9	F	1	8	11
20	Bank of Maharashtra	9	M	1	8	11
21	Dena Bank	12	M	1	11	8
22	State Bank of Travancore & Mysore	13	F	2	11	15
23	United Bank	9	M	1	8	11
24	Punjab & Sind Bank	9	M	1	8	11
Private Sector banks						
25	HDFC bank	11	F	2	9	18
26	ICICI bank	13	F	2	11	15
27	Kotak Mahindra	10	M	1	9	10
28	Axis bank	15	F	3	12	20
29	IndusInd bank	9	M	1	8	11
30	Yes bank	10	F	1	9	10
31	IDFC bank	9	M	1	8	11
32	Federal bank	10	M	2	8	20
33	RBL bank	11	M	1	10	9
34	City Union bank	10	M	1	9	10
35	Karurvyysa	11	M	1	10	9
36	JK bank	9	M	0	9	0
37	DCB bank	13	M	1	12	8
38	South Bank	10	M	1	9	10
39	Karnataka bank	11	M	1	10	9
40	Lakshmi vilas Bank	11	M	1	10	9
41	Dhanlaxmi bank	11	M	1	10	9
42	Standard Chartered Bank	21	M	3	18	14

Source: Compiled from the website of BSE and web sites of respective banks as on 25th September, 2016