

WOMEN ON CORPORATE BOARD-ARE WE GENDER SENSITIVE ENOUGH?

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Abstract

“You can’t have it all” was rightly stated by Mrs. Indira Nooyi, CEO of PepsiCo in an interview at Washington in July 2014. The fairer sex is somewhat responsible for marginal representation on boards apart from the patriarchal society we abode in. The pull factors like societal expectations and self guilt are major factors hindering the women to leave the career ladder in the lurch. Though research studies have proven that inclusion of female directors helps in increasing profits, but the top position is still eluding the women. One of the leading reasons for this grimy scenario is lack of gender sensitivity in the male dominated society which puts forth various queries regarding the bulging gap. Gender Sensitivity in the new millennium is the core of corporate world. With lesser number of women at top of the ladder it put forth various queries. The paper brings forth with the help of a pilot survey the sensitivity of both the genders towards each other in our modern society basically referring to work place and to understand the psychological differences of both the genders on career break and progression post marriage.

Keywords: Corporate Board, Gender Sensitivity, Pull & Push Factors

1. INTRODUCTION

“In too many instances, the march to globalization has also meant the marginalization of women and girls. And that must change”. -- Hillary Clinton

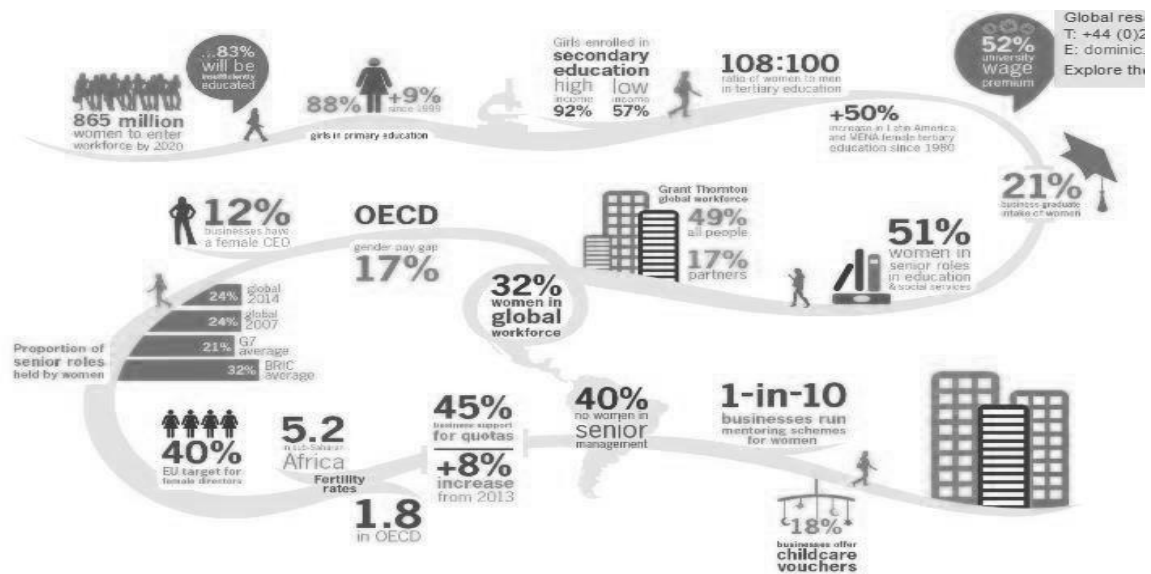
On 24th Sep 2014, developing nation like India reached to Mars but women of this universe are still lagging behind in contrast to their male counterparts both in pay grade and career progression although having an equal or more qualifications and experience. Though research studies have proven that inclusion of female directors’ in corporate boards increases profits, but the top position is still eluding the women. In 2012 women constituted only 10% of board members of European organizations (IZA world of labour 2014). One of the prime reasons for this grimy scenario is lack of gender sensitivity in the male dominated society which put forths various queries regarding the bulging gap. Gender sensitivity is not about pitting women against men. It is basically the perception people hold about gender and to provide equal opportunity to both the genders for social, economic and political growth. Incidentally the peak age of career shaping and bearing kids go hand in hand. Upbringing of women is so deeprooted that they find it morally difficult to leave the family responsibilities. This has been going around in the past and still daunts, leaving the gap much bigger and wider. The fact is confirmed by The World Economic Forum’s Corporate Gender Gap Report 2010 based on a survey of 600 of the heads of

Human Resources at the world’s largest employers. The United States (52%), Spain (48%), and Finland (44%) have the highest percentage of women employees whereas India is having lowest percentage of women employees (23%). *The Grant Thornton IBR 2014*, “Women in business: from classroom to boardroom” report further cements the percentage of women in senior management to only 24%. The report charts out career progression of women across the world.

- Only 24% companies are running globally to promote women’s leadership
- Only 18% provide vouchers for child care and only 6% have in house company childcare facilities

The Grant Thornton IBR 2014, “Women in Business” has some very startling India findings. The percentage of women in Senior management is 14%, and 50% of companies have no specific programs to mentor women. In the US, women held 14.8% of Fortune 500 board seats in 2007 (Catalyst, 2007). The percentage of female directors in Australia, Canada, Japan, and Europe is estimated to be 8.7%, 10.6%, 0.4%, and 8.0%, respectively (Equal Opportunity for Women in the Workplace Agency—EOWA, 2006; and European Professional Women’s Network—EPWN, 2004). The 2014 Cranfield Female FTSE board report launched (26 March) reveals that the number of women on the boards of FTSE 100 companies has risen to 20.7% (from 17.3% in 2013) and 15.6% on FTSE 250 boards (from 13.3% in 2013). All these figures are indicative of the fact that women are still marginally represented in board rooms and the progress in subsequent years is still very sluggish.

Figure 2. The Grant Thornton IBR 2014, "Women in business: from classroom to boardroom"



Source: <http://www.grantthornton.at/files/GTI%20IBR/women-in-business-international-business-report.pdf>

2. LITERATURE REVIEW ON WOMEN ON BOARD

The role of women in board positions is getting increased attention (Daily, Certo, & Dalton, 2000; Terjesen, Sealy, & Singh, 2009; Vinnicombe, Singh, Burke, Bilimoria, & Huse, 2008). Norway has even introduced formal laws to have quota in boardrooms to have women representation. The earlier researches done in this arena point out the quantitative representation of women and further pattern followed in subsequent years (e.g., Brancatto & Patterson, 1999; Burke & Mattis, 2000; Conyon & Mallin, 1997; Daily, Certo, & Dalton, 1999). The studies basically try to figure out the underrepresentation of women in boards (Burke, 1997; Singh & Vinicombe, 2004) and further pattern of women in corporate boards (Burke, 2000; Gregoric, Oxelheim, Randøy, & Thomsen, 2009; Hillman, Shropshire, & Cannella, 2007). Few studies point out the perception of women and their experience as board directors (e.g., Bilimoria & Huse, 1997; Huse & Solberg, 2006). There are hardly any, barring few studies which explore the differences in working pattern of women directors to male (e.g. Hillman, Cannella, & Harris, 2002; Ruigrok, Peck, & Tacheva, 2007). Only two scientists (Bilimoria and Piderit, 1994; Kesner, 1988) investigated the working role of women in corporate boards through study of committee. There is still a wide gap and much research is needed to narrow the bulging periphery of dearth of women in board room.

2.1. Literature Review on Gender Sensitivity

As gender pertains to the roles performed by men and women and the power relationships between them, gender affects most areas of human existence including health (Vlassoff and Moreno, WHO Report, 2004). This often places them at considerable disadvantage in terms of their access to resources and goods, decision-making power, choices, and opportunities across all spheres of life (RHO, 2004).

One area that has not received the same level of attention especially in the context of Indian Woman Professionals' is the relation between career decisions and family responsibilities. Men are no longer considered to be the sole 'economic provider' for the family. With the rise in females' education, their psychological need to develop self-identity, materialistic orientation, status consciousness, and the rising cost of living, married women are entering into professional careers, and at the same time taking care of the family members. The dual (family-career) life style is on the rise and joint/extended families are being replaced by nuclear families. As a result, a new picture in marital life is emerging. (Patra & Suar, 2009). The paradigm shift in participation of women in workforce started in 80s, though, last one decade alone has seen a heavy flux of situation (Dutta, & Singh, 2003). Even though Indian husbands are supportive of their wives' participation in the workforce, they are yet to assume responsibility for sharing domestic chores (Ramu, 1989; Wesley, Muthuswamy & Darling, 2009). Women in India experience considerable pressure, in the morning before going out to work and after work, to do all that is necessary for the family (Rout, Lewis and Kagan (1999). This apathy of sensitivity towards the fairer sex often leads them to make choices which under normal circumstances they wouldn't have chosen. They succumb to dual pressure and leave the career ladder midway.

3. NEED FOR WOMEN ON BOARD

If the talent of all the population is not taken into consideration both the economy and the performance is bound to regress. A Canadian study entitled 'Not just the right thing, but the bright thing', looking at public, notforprofit and private boards, found that boards with three or more women on them showed very different governance behaviors to those with all-male boards. (Brown, D.,

Brown, D. and Anastasopoulos, V. (2002) Women on Boards:

Not just the Right Thing. But the “Bright” Thing, Report, 341-02: *The Conference Board of Canada, Ottawa*. Boards which are diverse and include women are supposed to be effective boards. Women bring a fresh new insight, have different perspective which adds to new perception, generation of new ideas, new experiences as well as new insights to take on challenges. The culmination of all these results in better decision making. As per “The Bottom Line: Corporate Performance and Women’s Representation on Boards”, Lois Joy, Nancy M Carter, Harvey M Wagener, Sriram Narayanan, *Catalyst, 2007* companies having more females bettered in contrast to their opponents with 42% higher return in sales, 66% higher return on invested capital and 53% higher return on equity. Scandinavian countries have been pioneer in this. Norway has been instrumental since it has framed a regulation for boards of public listed companies to have at least 40% female representation in 2008. This step is a turning stone to bring women in major pipeline. However the repercussions still need to be gazed as effect needs long term sustainability. The diversity is required not only in quantitative terms but also in qualitative terms as it would generate experiences from different background, lifestyles, and would generate solutions in holistic manner with different perspective.

Homogenous boards tend to have decisions based on group think. Studies have shown that where governance is weak, female directors exercise strong oversight, can have a “positive, value-relevant impact” on the company, and that a gender-balanced board is more likely to pay attention to managing and controlling risk. (Diversity and Gender Balance in Britain plc: a study by TCAM in conjunction with The Observer and as part of the Good Companies Guide, London, UK: TCAM. 2009). A 2010 survey commissioned by search consultancy Heidrick & Struggles and conducted by Harvard Business School researchers suggests that women appear to be more assertive on certain important governance issues such as evaluating the board’s own performance and supporting greater supervision on boards. The research emphasizes that this would bring in a new dawn of better performance. Heterogeneous views leads to innovation, a better bonding with customers, stakeholders and helps in dealing with better risk management.

The European Commission has considered a binding minimum quota for female board members of 30% by 2015 and 40% by 2020, and some countries plan to implement similar quotas or have already done so The following statement is from the international business magazine *Business Week*: “After years of analyzing what makes leaders most effective and figuring out who’s got the Right Stuff, management gurus now know how to boost the odds of getting a great executive: Hire a female” (Sharpe, 2000, p. 74). With women on top positions it will set a role model for other women in the pipeline and they can be a role model and a mentor which would bring forth more women to *Lean in*. No doubt shareholders and stake holders would identify more

with a company legitimately with per se more representation of women.

4. RESEARCH METHODOLOGY

The researcher undertook the survey to find the perception and thought process of natives of small city like Nagpur and social connections through social media like Face book about women empowerment. Questions were framed both closed and open ended to get the answers.

4.1. Objectives of the study

- To study the sensitivity of both the genders towards each other in our modern society basically referring to work place.
- To understand psychological difference of both the genders on career break and progression post marriage.
- To understand if the work environment in companies is free from sexual harassment or not.

4.2. Hypothesis

H0:

1. There is no significant difference in the career progression of females after having family.
2. No significant efforts been made to change the male defined jobs for females.

H1:

- There is significant difference in the career progression of females after having family.
- There are significant efforts been made to change the male defined jobs for females.

4.3. Sample Size & Data Collection

Primary data was collected by conducting a survey where the sample consisted of 76 respondents including students, salaried, self employed and house wives. The questionnaire consisted of demographic variables as: Name; Gender & Occupation. Secondary data was collected from various journals, newspapers and websites.

4.4. Limitation of the study

The study was limited to Nagpur region and social media and only and the sample size is not adequate to draw generalizations. The survey had mainly salaried class and students which may bring forth few new insights to the survey.

4.5. Data Analysis & Interpretation

Following is the analysis and interpretation of the details of the sample collected:

The following responses were elicited using a Likert scale- 1-5 where, 1 is Strongly agree (SA), 2 is Agree (A), 3 is Neutral (N), 4 is Disagree (DA) and 5- Strongly Disagree (SDA).

Table 1. Descriptive Statistics using Likert scale

Sr. No	Question Heading	SA (1)	A (2)	N (3)	DA (4)	SDA (5)	Mean	Mode	Std Error	p-value
Q1	"Gender is perception difference between men and women"	34	16	14	7	5	2.104	1	0.144	0.00000001
Q2	"Man is the bread earner and women is the care taker"	4	8	7	16	41	4.051	5	0.143	0.000000000946
Q3	"Pressure on today's woman balancing work life in comparison to traditional household woman"	21	25	10	9	11	2.519	2	0.1575	0.00157
Q4	"Domestic violence is widespread across all strata's of Indian society"	26	21	18	5	6	2.246	1	0.1397	0.0000038
Q5	"Modern dressing attracts men to take undue advantage of women"	9	15	6	13	33	3.61	5	0.1695	0.000283

Source: survey sample

Q1. As the mode value is 1 this proves that gender is basically the perceptual difference between male and female.

Q2. With mode being 5 this shows that the attitude of the alpha male and modern women is changing and they strongly believe that women too are an economic support to the family.

Q3. Widening horizons have increased the responsibilities and duties of women in comparison to past times with mode coming to 2.

Q4. It is an irony that still domestic violence exists in all strata's of Indian society with mode circling itself around 1.

Q5. One can breathe a sigh of relief with all the negative happening in the society, as respondents of this survey believe that modern dressing has nothing to do with all the wrong acts with mode nearing to 5. Majority of them disagreeing to the opinion.

Table 2. Data in form of Responses to Various Open Ended Questions

<i>a. Gender Frequency of Respondents</i>		
Response	Number of respondents	In percentage
Male	33	43%
Female	43	57%
<i>b. Suppression of women</i>		
Response	Number of respondents	Percentage
Yes	61	80%
No	15	20%
<i>c. Safety of gender</i>		
Response	Number of respondents	Percentage
Yes	36	47%
No	40	53%
<i>d. Whom do you readily accept as your boss?</i>		
Response	Number of respondents	Percentage
Female	37	49%
Male	39	51%

Source: survey sample

a. Gender Frequency

- Females outnumbered males in participating in this questionnaire by 14%.

b. "Most of the suppression both mental and physical goes unreported"

- The women are still chained and bounded to societal norms and still are not able to voice against the suppression (total 80%) that they face and maintain silence for the dignity of the family.

c. Is Indian working environment safe for either of the gender?

- Safety of working environment still needs miles to leap which is evident from sexual harassment act 2013 coming into force.

d. Whom do you readily accept as your boss?

- Most of the respondents readily accept male as their boss including female respondents which reaffirms the fact that there is no attitudinal change to redefine the dominant male defined jobs.

HYPOTHESIS 1: The researcher conducted 1-sample t-test to test the below mentioned hypothesis. Assuming a test mean of 3 which represent (neutral response).

H0: There are no significant efforts been made to change the male defined jobs for females.

H1: There are significant efforts been made to change the male defined jobs for females.

Table 3. Descriptive Statistics

<i>t-Test 1-sample</i>	
<i>Test Mean</i>	3
<i>Confidence Level</i>	0.95
<i>N</i>	77
<i>Average</i>	2.766234
<i>Std Dev</i>	1.234335
<i>SE Mean</i>	0.140665
<i>T</i>	1.662
<i>TINV</i>	1.665151
<i>p - One sided</i>	0.05033
<i>p - two sided</i>	0.100661

Source: survey sample

Result: Since the p-value (0.05033) is greater than 0.05 we accept the Null Hypothesis that no significant efforts been made to change the male defined jobs for females. This further confirms by another question "Whom do you readily accept as your boss?" where both the genders are more comfortable in accepting male as their boss.

HYPOTHESIS 2:

H0: There is no significant difference in the career progression of females after having family.

H1: There is significant difference in the career progression of females after having family.

Table 4. Descriptive Statistics

<i>t-Test 1-sample</i>	
<i>Test Mean</i>	3
<i>Confidence Level</i>	0.95
<i>N</i>	77
<i>Average</i>	2.766234
<i>Std Dev</i>	1.403905
<i>SE Mean</i>	0.15999
	1.461
<i>TINV</i>	1.665151
<i>p - One sided</i>	0.074051

Source: survey sample

Result: Since the p-value (0.074051) is greater than 0.05 we accept the Null Hypothesis, this shows that there is no significant difference in the career progression of females after having family. This inference may be due to most of the respondents are female and working, contributing to the household income even if it accounts for part time job.

5. DISCUSSION BASED ON ANALYSIS OF SURVEY

Based on the responses received and its analysis using Likert scale the researcher would bring forth few discussions to improve gender sensitivity:

- Companies can adopt mentoring by senior women employees which would boost the confidence of women who rejoin the workforce post break.
- If flexi time is introduced and women are allowed to work from home it will wider the working spectrum of women workforce and enhance their economic contribution.
- Only passing of a legislative act will not ensure safety, perception of people- needs to be changed. This could be achieved by corporate training, strict compliance of policies, and sensitizing the so called educated class.

- Ensure pay parity between men and women workforce with no gender defined job for a particular gender. This could be done by frequent job rotation as well as teams consisting of both the genders.

6. ROADBLOCKS TO WOMEN ON BOARD

The women face male culture in board room with key issues like flexi timing, child care responsibilities, and the atmosphere. There is a lot of hue and cry for more women to be included but in the end it is just a lip service with manipulative games and unwillingness to yield power to the fairer sex. They are welcomed with hostility often benevolent attitude. With the era of networking, women are still behind the male protagonists. The current scenario offers a male culture and if she needs to succeed she has to creep in the male values and culture though she may be having different notions about values and culture.

Another most important striking feature which is neglected by companies is that women even today are primary care taker of the family. Often at the crossroad of their career they need to balance between family and career, especially at the age of 30s and 40s which is often the prime time of their careers. Facebook's chief operating officer, Sheryl Sandberg in her new book, "*Lean In*" seems to side this with the explanation that a male-driven culture is at the root of the problem. She requests women to lean in by being more assertive and work towards in pushing their career. Though it may proclaimed that society has progressed, still only females have to opt for part - time working to take care of child or adult dependents. Only handful males can be counted who opt to work part time to shoulder family responsibilities. So the obvious choice of shouldering heavy responsibilities of a directorship falls on males.

It has also been observed that females are of much younger age in contrast to their male counterparts in boards as they are the recent joiners' whereas the males have long served the boards. This only shows lack of flexi working opportunities to women. The fairer sex due to marginal role models often tend to undervalue their skills and are hesitant to take on the challenges. This culminates in stereotyping role for women where they are offered safe zones despite being academically sound, experienced and capable of encountering challenges. Lack of diversity only ends in cacophony of voices without the true representation of half the better, half of the world.

7. SUGGESTIONS

We need to look at the problem holistically not just having bird's eye view. Women can't be placed at the top until there are ample in the pipeline. For this sustainability child care policies needs to be taken care of. They should be allowed to rejoin at the same position they left the ladder. Companies too need to wider their horizon and search for wider women talent. Basically companies need to address their own women talent who are still at the lower pedestal and develop monitor and train them for future horizons. This requires women to believe in themselves and look forward for

opportunities. *Lean In*, as Sheryl Sandberg, the chief operating officer of Facebook calls it.

Organizations should have mentoring programmes as well as boards internships so that women gain first hand experience before experiencing the real worth of being a board member. Some countries have taken serious steps in this direction and to start with have quotas for the inclusion of women. To mention few below are the name of some pioneers:

- **Norway** - In 2002 the government of Norway gave the deadline to private listed companies to have at least 40% women on boards in proportion to their board members by July 2005. In coherence with this in January 2006 legislation was brought which regulated that by January 2008 they should achieve the target. Year 2009 saw the fulfillment of this.

- **Spain** - Instrumental in passing gender equality law in 2007 where by it was mandatory for public companies and IBEX 35-quoted firms to attain the target of 40% if having employees more than 250 till year 2015. Companies doing so will have priority in allocation of government contracts.

- **Iceland** - Both public and private listed companies having more than 50 employees need to have 40% from each gender by 2013 as per the law passed on quota in 2010.

- **Finland** - The companies since 2008 are supposed to have one male and one female in their board.

8. CONCLUSION

Women are underrepresented in the higher levels of job which remains a conundrum to be solved. The modern man is supportive of her but this needs to be revolutionized so that it is not restricted to only certain strata of society. With the global programme to induct women on boards the dream is not distant yet women empowerment would just remain a slogan or a distant dream until the jobs are redefined to suit either of the gender. This will have more women in top managerial position with command in their hand. Men need to be sensitive and women too need to break the glass ceiling to echo in the upper corridors of the corporate ladder. If there is one thing that societies can do, it is to create an environment where women are equally treated like men.

I would like to be optimistic with the dream where the fairer sex is equally represented by concluding with the below mentioned lines of **Sonny Carroll**:

The Empowered Woman

The Empowered Woman, she moves through the world with a sense of confidence and grace. Her once reckless spirit now tempered by wisdom. Quietly, yet firmly, she speaks her truth without doubt or hesitation and the life she leads is of her own creation.

She now understands what it means to live and let live.

How much to ask for herself and how much to give. She has a strong, yet generous heart and the inner beauty she emanates truly sets her apart. Like the mythical Phoenix, she has risen from the ashes

and soared to a new plane of existence, unfettered by the things that once that posed such resistance.

Her senses now heightened, she sees everything so clearly. She hears the wind rustling through the trees; beckoning her to live the dreams she holds so dearly. She feels the softness of her hands and muses at the strength that they possess. Her needs and desires she has learned to express. She has tasted the bitter and savored the sweet fruits of life, overcome adversity and pushed past heartache and strife. And the one thing she never understood, she now knows to be true, it all begins and ends with you.

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