

Women in Management – An Enquiry with respect to the Board Composition of NIFTY Companies

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ABSTRACT

Women participation in management is in its introduction stage in India. The Companies Act, 2013 mandatorily requires at least one woman on the Board in the specified class of companies. Similarly, SEBI's listing agreement also requires the listed companies to have a woman director on the Board. India has taken legislative action and imposed quotas and also used other measures like moral persuasion and introduced voluntary measures through corporate governance codes or gender diversity policies or guidelines etc. As the presence of female top managers in the industrial sector shows the existence of high paying jobs for women and also encourages other women to seek better employment, this study looks at the proportion of female participants in boards of major 50 NIFTY Companies. The average proportion of top female board members is quite low at about one or two. This appears to be driven in part by gender disparity in education level and the lack of female managers in relatively large firms.

1. Introduction and Research Problem

Gender disparity is now recognized as a pervasive phenomenon across the world. A number of studies show that women lag behind men in areas such as education, health, political empowerment, wage rates and incomes, and labor force participation rates. Consequences of gender disparity do not stop with lower well-being of women relative to men but may extend to lower growth and lower economic development (Klasen 2002). In India also we can see such discrepancies. Here we can see a male dominating society. So women are always backward in the areas like education, job participation etc. A common policy pursuit is the alleviation of constraints that impede women's labor force participation. Participation rates increased in women's employment. But it is often concentrated in low paying and vulnerable jobs. Hence, it is crucial to examine the presence of women in not only high paying jobs but in jobs with significant decision making responsibilities which are thus less vulnerable (Elson 1999).

This paper attempts to answer the research questions as to what level of representation of women exists in the board of NIFTY companies with special reference to top 50 NIFTY companies.

1.1. Objectives

The study aims to assess the number and percentage of women representation in the board of top 50 NIFTY companies.

1.2. Methodology

The present study investigates the women representation in boards by collecting the relevant information from the corporate disclosure in official websites.

Along with descriptive statistics, statistical tools such as averages, percentages, T- test, One way ANOVA were used.

Data Evaluation Criteria

The collected data were formed into tables by highlighting major five variables:

1. Company
2. Type of Company
3. Board Size
4. Number of Women in Board
5. Percentage of Women in Board

2. Results

After observing the information from the official website of NIFTY listed companies the following results were obtained:

One way ANOVA of the number of women directors in the board among different sectors of NIFTY 50 companies produced the following results:

Table-1 – Summary of ANOVA

Groups	Count	Sum	Average	Variance
Automobile	6	89.65	14.94	56.86
Cement & Cement Products	2	35.61	17.80	179.35
Construction	1	7.14	7.14	
Consumer Goods	4	73.96	18.49	59.16
Energy	8	84.39	10.55	47.23
Fertilizers & Pesticides	1	9.09	9.09	

Financial Services	11	145.81	13.26	41.28
IT	5	90.56	18.11	110.74
Media & entertainment	1	12.50	12.50	
Metals	4	51.81	12.95	10.63
Pharma	4	63.38	15.85	52.43
Services	1	12.50	12.50	
Telecom	2	32.47	16.23	7.59

Source: Computed using MS-Excel

Table 1A: ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	402.8236	12	33.57	0.6136	0.8167	2.0247
Within Groups	2024.2688	37	54.71			
Total	2427.0924	49				

Source: Computed using MS-Excel

One way ANOVA confirms that there is no significant difference among different sectors of NIFTY 50 companies in the number of women directors.

Table 2
Descriptive Statistics - Sector wise

	Automobile	Cement & Cement Products	Construction	Consumer Goods	Energy	Fertilizers & Pesticides	Financial Services	IT	Media & Entertainment	Metals	Pharma	Services	Telecom
Mean	1.33	2	1	2.25	1.5	1	1.45	1.8	1	1.5	1.75	1	2
Standard Error	0.21	1	0	0.25	0.27	0	0.25	0.49	0	0.29	0.48	0	0
Median	1	2	1	2	1	1	1	1	1	1.5	1.5	1	2
Mode	1			2	1		1	1		2	1		2
Standard Deviation	0.52	1.41		0.5	0.76		0.82	1.10		0.58	0.96		0
Sample Variance	0.27	2		0.25	0.57		0.67	1.2		0.33	0.92		0
Kurtosis	-1.88			4	0.88		0.63	-3.33		-6	-1.29		
Skewness	0.97			2	1.32		1.50	0.61		0	0.85		
Range	1	2	0	1	2	0	2	2	0	1	2	0	0
Minimum	1	1	1	2	1	1	1	1	1	1	1	1	2
Maximum	2	3	1	3	3	1	3	3	1	2	3	1	2
Sum	8	4	1	9	12	1	16	9	1	6	7	1	4
Count	6	2	1	4	8	1	11	5	1	4	4	1	2

Table 3
Descriptive Statistics – NIFTY50 Companies

Board Size	Women	%
Mean	11.68	14.18
Standard Error	0.42	1.00
Median	11.50	12.5
Mode	11	25
Standard Deviation	2.99	7.04
Sample Variance	8.96	49.53
Kurtosis	0.14	0.06
Skewness	0.17	0.96
Range	14	27.78
Minimum	4	5.56
Maximum	18	33.33
Sum	584	708.85
Count	50	50

Average board size 11.68 whereas women in board are 1.58 and percentages is 14.18. Minimum board size is 4 but maximum is 18. Women minimum number is 1 and maximum is 3.

3. Conclusion

From all these analysis it is a clear evident that number of women in board in top Indian companies are only in minimum requirement. Increased number of women in board is only the result of the changes in Indian companies Act 2013. We can

see some gender disparity in selection of board members. But the number of women representation has increased and it shows progress in the mind of Indian societies. There is scope for further research in other different areas also.

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