



THE SKEWED LANDSCAPE OF BOARDROOMS-PLUGGING THE GENDER GAP

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Abstract

In a world that's changing with dizzying speed, women's equality is still moving along at a glacial pace. This unequal treatment can come in the form of sexual harassment, sexism both subtle and blatant, withholding promotions based on gender, giving a different job title to a woman, lack of flexibility, holding women to different standards than men and preventing women from participating in training opportunities. These, in addition to the cultural tethers that inhibit women and hold them back! By virtually every global measure, women are more economically excluded than men. This pernicious discriminatory pattern running like a thread in all employments gets manifestly egregious in management and corporate boardrooms as conveyed by the abysmally low number of women in leadership positions.

This paper proposes that since women face multiple constraints to jobs, starting early and extending throughout their lives, progressive, broad-based and coordinated policy action is imperative to plug gender gaps. To begin with, mainstreaming gender equality into jobs and growth strategies, reforming legal systems, and engaging the private sector in innovative solutions to promote gender equality is expeditiously required. Real change requires bigger steps. More risks. More investment in programs to mentor, sponsor, train and keep good women in the workplace-steps that would entail fighting mundane battles in individual workplaces, in legislatures, in courts, in the media- every day, maybe year after year! The law of economics and multiple studies of diversity have reinforced that if we tap the entire pool of human resources and talent, our performance would improve. Hence gender equality in the world of work is a win-win situation both for development and for business, in the final reckoning aiding towards a more equitable and prosperous world.

Keywords: Gender Gap, Sexism, Corporate Boardrooms, Gender Equality.

Introduction

From glass ceilings and work-life balance to “leaning in” and office politics, the issues for women as executive leaders continue to stir conversation and controversy. While women are making it to the corner office, the event still generates headlines. As they ascend the corporate ladder and take on greater management responsibilities, they do so with a full understanding of the dynamics involved. Globally women are appallingly scarce in the higher spheres of corporate management. The underrepresentation of women on apex positions occurs across occupations and industries, and regardless of how many women occupy management positions within the organization.

Three areas of continuing concern for gender equality in the corporate sector are vertical segregation in the workplace, which is apparent through the remaining gender imbalance in favor of men in management and corporate boards; the gender pay gap; and the reconciliation of professional and family responsibilities. We do see women entering the workforce at unprecedented levels but the fact is that there are two gaps that really remain. One is the pay gap and what is even more astonishing or disturbing is that we see it in cases where there really are equal credentials and equal background. The other is the leadership gap and no matter how you measure it, or where you measure it, you have women at the entrance level in pretty healthy numbers, then those numbers dwindle, they start getting smaller in the middle and when you look at the top, there are very few places where you see more than 13 to 15 per cent of women at the executive level.¹

Women tend to have lower economic activity rates than men, are concentrated in fewer occupations, work fewer hours in paid employment (due to higher prevalence of part-time working) and have more career interruptions, largely due to care responsibilities. These differences understandably contribute to lower earnings (gender pay gap) and slower career progressions. Furthermore, the disadvantages accumulate over the lifetime to lower pensions in old age. Also, women are less represented in formal employment than men.

The above inequalities contribute to wage inequalities. Although women perform better at school than men and form the majority of university graduates, women continue to earn less than men. Frequently women earn less than men for work of equal value!

¹<http://knowledge.insead.edu/women-in-business/the-gender-gap-711>.



What's keeping Women from the Top?

The Bane of Stereo typing.

One reason for women's lower remuneration may be gender-biased job and competency evaluations. A growing body of research points to stereotyping as one of the key contributors to this gender gap in corporate leadership. On account of stereotypes, women's leadership talent is routinely underestimated and underutilized in organizations—and organizations need women's talent in order to succeed. Women are seen as better at stereotypically feminine “caretaking skills” such as supporting and encouraging others. Both women and men assert that men excel at more conventionally masculine “taking charge” skills such as influencing superiors and problem solving, characteristics that are seen to be essential components of leadership responsibility.² Research shows that these perceptions are even more salient when women seek to become leaders or advance in traditionally male-dominated fields, such as engineering and law. In these contexts, women are viewed as even more “out of place” and have to put considerable effort into proving otherwise.³ These perceptions inhibit women's advancement because “taking-charge” skills and stereotypically masculine behaviors, such as assertiveness and competition, are often seen as prerequisites for top-level positions⁴ To the extent that people still equate stereotypically masculine behaviors and traits with effective leadership, men are cast as “natural” leaders, while women constantly must prove that they can lead. Also, partly because of the perceived incongruity of women in leadership, gender stereotypes create different standards with which to evaluate women compared to men in similar positions. High-status jobs are seen as requiring stereotypically masculine qualities, while women are expected to be modest and self-effacing, so women must walk a tightrope between being seen as too feminine to be effective and too masculine to be likable. Most women experience tightrope issues, with twice as many reports of “too feminine” as “too masculine” problems.

Another challenge consists of stereotypes' prescriptive nature: people believe that men and women should behave in ways that are gender-consistent; the prescriptive nature of gender stereotypes prevents change by making it difficult for women and men to go against norms that enable them to “fit in” for fear of social rejection and of all the negative consequences it might entail.⁵ The assertive, authoritative, dominant behaviors that people associate with leadership are frequently deemed less attractive in women. As a Catalyst⁶ research confirms, despite the numerous business contributions of women leaders, men are still largely seen as the leaders by default. It's what researchers call the “think-leader-think-male” mindset.⁷ As “atypical leaders,” women are often perceived as going against the norms of leadership or those of femininity. Caught between impossible choices, those who try to conform to traditional—i.e., masculine leadership behaviors are damned if they do and doomed if they don't” meet gender-stereotypic expectations, thus pushing women out onto the tightrope-disliked but respected if they do, and liked but not respected if they don't!

Thus stereotypical perceptions create several predicaments for women leaders—all of which put women in a double bind. Women who lead are left with very limited and highly unfavorable options no matter which way they go, no matter how they might choose to behave as leaders.

Mothers' caring role is more culturally accepted. Gender role expectations can therefore reinforce the unequal sharing of paid work and unpaid care. Gender biased company cultures and gender role expectations in the corporate world are recognized barriers to gender equality. They lead to prejudices against women's competence as leaders and managers but also affect men

² Mark D. Agars, “Reconsidering the Impact of Gender Stereotypes on the Advancement of Women in Organizations,” *Psychology of Women Quarterly*, vol. 28, no. 2 (June 2004): p. 103-111.

³ David J. Maume Jr., “Glass Ceilings and Glass Escalators: Occupational Segregation and Race and Sex Differences in Managerial Positions,” *Work and Occupations*, vol. 26, no. 4 (November 1999): p. 483-509.

⁴ Sabine Sczesny, “A Closer Look beneath the Surface: Various Facets of the Think-Manager-Think-Male Stereotype,” *Sex Roles*, vol. 49, no. 7/8 (October 2003): p. 353-363.

⁵ Alice H. Eagly and Steven J. Karau, “Role Congruity Theory of Prejudice Toward Female Leaders,” *Psychological Review*, vol. 109, no. 3 (July 2002): p. 573-598.

⁶ Catalyst is the leading research and advisory organization working with businesses and the professions to build inclusive environments and expand opportunities for women at work.

⁷ Crystal Hoyt, “Women Leaders: The Role of Stereotype Activation and Leadership Self-Efficacy,” *Kravis Leadership Institute Leadership Review* (Fall 2002), http://www.leadershipreview.org/2002fall/article2_fall_2002.asp; Virginia E. Schein, “A Global Look at Psychological Barriers to Women's Progress in Management,” *Journal of Social Issues*, vol. 27, no. 4 (Winter 2001): p. 4-13; Sabine Sczesny, “A Closer Look beneath the Surface: Various Facets of the Think-Manager-Think-Male Stereotype,” *Sex Roles*, vol. 49, no. 7/8 (October 2003): p. 353-363.



who take on a more active caring role and can act as barriers to men's more equal sharing of family care. Family responsibilities are still predominately considered a woman's affair.⁸

Gender stereotypes can become a powerful yet invisible threat to women leaders and the organizations in which they work and lead. The impact of stereotypic bias is often underestimated. Some argue that stereotypes must reflect real differences in the behavior of men and women, or else they would not exist. But research shows that stereotypes do not accurately represent reality; they misrepresent it.⁹ Others might argue that belaboring the issue of stereotypes dilutes the focus from inroads already forged. But that progress has been remarkably slow.

There is a multiplicity of conscious and unconscious biases against women (by both genders); the career expectations patterned for men; and the lack of sponsorship available for women. These barriers form a vicious cycle that is most effective in keeping women from the top.

The biases women face at work are of a similar and pervasive nature as biases faced, for example, by Muslims because of repeated associations between fundamentalist terrorism and Islam. Similarly the profound and unconscious association made by US police officers between blacks and life-threatening danger that substantially differs from that made when the same forces face non-black citizens.

Career Interruptions

Female executives were more likely to follow paths filled with "horizontal" career interruptions. Reasons vary and include motherhood, a husband's career, family commitments to children or aging parents, or personal preferences. Women consider such temporary exits from their career a natural thing. However, reintegrating back into the organization and finding a job that suits their talents often proves impossible.¹⁰

The big hurdle in this case has nothing to do with skills and pertains to women's deviation from the "standard" career path designed by and for men. Perverse labeling (conscious or subconscious) sets in as well: women find themselves characterized as unable to be counted on, lacking professional commitment, or presenting insufficient experience given their age. The solution lies in changing false perceptions and establishing a number of "ladders" that allow women back on the path.¹¹

Lac of Sponsorship

A major hurdle to the top is the matter of sponsorship. Sponsoring is crucial to earning the assignments that allow an individual to show that he or she is "CEO" material.

Recent research by INSEAD Professor Herminia Ibarra carried out jointly with Nancy M. Carter and Christine Silva, Vice-President and Research Director of Catalyst, an organization devoted to promoting opportunities for women in business, confirmed that although women enjoy the same career mentoring and coaching as men, critical differences appear in terms of what they identify as "sponsoring" which is significantly inferior to that enjoyed by men. Men tend to sponsor largely other men, those that do look to sponsor a female subordinate will find the value of the association discounted by the thinking "*if he's sponsoring her, he must like her a lot...*" While this in itself should be bad enough, minority leaders (including women) who actively sponsor minority candidates (including women) are themselves labeled as less competent than executives whose

⁸UNECE discussion paper series, no. 2009.4 December 2009,

http://www.unece.org/fileadmin/DAM/oes/disc_papers/ECE_DP_2012-1.pdf

⁹Through the extensive research on gender differences and similarities, we learn that women and men are actually more similar than different and that there is more variation within each group (women and men) than there is between women and men. See, for example, Janet S. Hyde, "The Gender Similarity Hypothesis," *American Psychologist*, vol. 60, no. 6 (September 2005): p. 581-592; Elisabeth Aries, *Men and Women in Interaction: Reconsidering the Differences* (New York: Oxford University Press, 1996).

¹⁰<http://knowledge.insead.edu/women-in-business/whats-keeping-women-from-the-corporate-heights-3817#tozmFtBfzT5ZEWYP.99>.

¹¹<http://knowledge.insead.edu/women-in-business/whats-keeping-women-from-the-corporate-heights-3817#tozmFtBfzT5ZEWYP.99>.



attitude toward minorities are less positive ... unless the latter are white males.¹² Women have a longer road to build credibility. They have to establish their credentials over and over; it never ceases.

Accelerating the closure of the corporate leadership gap The Business Case for Gender Equality

In today's globally competitive marketplace, organizations cannot afford to underutilize any segment of the talent pool, nor place constraints on what counts as effective behaviors. Research shows that diverse talent supports innovation and business success, yet organizations underutilize and undervalue their highest-potential female talent. To ensure that vital leadership talent is effectively assessed and deployed, companies must address stereotypic bias head on. Ultimately, it is not women's leadership styles that need to change but the structures and perceptions that must keep up with today's changing times. Companies versed in negotiating complex social and financial interactions must help employees see that stereotypes, like first impressions, are mutable—and not truths cast in stone.

No matter how high women's levels of preparation and aptitude for corporate leadership roles, no matter how many women are promoted, if companies fail to acknowledge and address the impact of stereotypic bias, they will lose out on top female talent. By creating a false dichotomy between men's and women's characteristics, stereotypes narrow the range of effective behaviors within the workplace overall.¹³

Companies need to make sure they're placing managers based on qualifications, not presumptions. A dual approach of encouraging voluntary measures and corporate social responsibility for gender equality on the one hand, and regulating and enforcing change through legislative reforms on the other hand is required.¹⁴

Positive correlations between greater gender diversity in management and corporate boards and high corporate performance (as reflected in studies McKinsey and Company 2007, a 2007 Catalyst study) world over highlight a business case for greater involvement of women in management and corporate decision-making. It is now widely argued that the advancement of women and the promotion of gender equality in the world of work not only benefits women and men but brings clear advantages for businesses. A gender-sensitive perspective can help companies to recruit and retain the best employees, make the best use of human resources, improve productivity and competitiveness, as well as the public image.¹⁵ Women's experiences as mothers and daughters provide a different view of issues. Women have a different perspective on life and therefore on how to conduct business. Women bring knowledge of female buyers' behavior. Many senior businesswomen have overcome challenges on their path to success, more so than men. Maybe because of this, many women bring a stronger sense of objectivity to the boardroom. Women tend to be more sensitive to cultural dynamics and to people's strengths, weaknesses, motivations, and potential.¹⁶ Furthermore, female and male directors are likely to have had different career experiences, and thus will often hold different opinions on the efficacy of many strategic options.

In addition, research has shown that male directors engage in their duties more diligently and miss fewer meetings when there are female directors on the same board.¹⁷ There is even some evidence to suggest that firms with diverse boards outperform their more homogenous rivals.

The business case for gender equality has much appeal to business leaders to whom voluntary commitment to change is preferable to compulsion. A number of governments therefore actively seek to raise awareness and provide incentives to improve the conditions for women's advancement in the corporate sector and promote greater gender balance in economic

¹² Women And Minorities Penalized for Promoting Diversity, <http://blogs.wsj.com/atwork/2014/07/21/women-penalized-for-promoting-wom...>

¹³ The Double-Bind Dilemma for Women in Leadership: Damned if You Do, Doomed if You Don't © 2007 by Catalyst, New York, <http://www.catalyst.org/>

¹⁴ Gender Equality and the Corporate Sector, Lisa Warth, United Nations Economic Commission for Europe, Geneva, Switzerland, Discussion paper series No. 2009.4 December 2009, http://www.unece.org/fileadmin/DAM/oes/disc_papers/ECE_DP_2009-4.pdf

¹⁵ Ibid

¹⁶ Dysfunction in the Boardroom Boris Groysberg Deborah Bell, June 2013, Harvard Business Review <https://hbr.org/2013/06/dysfunction-in-the-boardroom/ar/1>.

¹⁷ Why do Corporate Boards Need more Women? Guoli Chen, INSEAD <http://knowledge.insead.edu/women-in-business/why-do-corporate-boards-need-more-women-3728>.



decision-making and management, across sectors and occupations, and in the share of work and family responsibilities.¹⁸ Government regulation through legislation can contribute to widening access across workplaces and sectors.

The creation of better opportunities for women provides firms with access to a wider talent pool. McKinsey and Company (2007) found that gender diversity in senior management correlates with “organizational excellence” as measured by a set of criteria including: leadership, direction, accountability, coordination and control, innovation, external orientation, capability, motivation, work environment and values. The study found that companies with more than three women in senior management functions score more highly, on average, for each organizational criterion of “excellence” than companies with no women at the top. Another argument for gender diversity is that it enhances creativity and innovation, which are increasingly critical to competitive success. Recruiting women to key positions also allows companies to gain a competitive advantage through deeper cultural adaptation to the marketplace.

Gender balance contributes in a positive fashion to corporate image and reputation and pioneers gain a competitive edge. Employers have a role to play in increasing career opportunities for women to create more gender balance in management and economic decision-making, in addressing the prevailing gender pay gap and in facilitating the reconciliation of professional and family life. Employers have a corporate social responsibility to work in partnership with governments and civil society to attain the goal of gender equality as there are multiple benefits to be gained.

A strong argument in favor of encouraging voluntary commitment by employers, whether based on business-case arguments or appeals to corporate social responsibility, is that cultural change is more likely to occur if actors are voluntarily engaged rather than forced through legislation. Financial incentives and rewards to companies can further strengthen the business case for family-friendly and equality-promoting measures and facilitate their introduction as they reduce the cost barrier faced by many companies, particularly by small and medium-sized enterprises. On a voluntary basis, measures fulfill an important function of raising public awareness of issues of concern and can contribute to paving the ground for consensus on more far-reaching measures, by government, social partners, and employers.

The Case for Legal Regulation

Voluntary initiatives have a positive demonstration and emulation effect, but their impact is not systematic and risks being relatively limited due to the lack of obligation for companies to implement good practice. Also, the business case might not apply for all women and might create opportunities only for the most qualified and skilled, while many low-skilled women and those facing difficulties with reconciling work and family life may remain trapped in precarious employment without career advancement perspectives. Measures and benefits might be subject to “good times” and discontinued in times of economic downturn. To address these concerns, legal regulation by the state is important in order to ensure universal progress for all groups of workers across occupations, sectors and workplaces. This can be done by introducing proactive legislation that aims at overcoming persisting inequalities. Having seen little progress with voluntary efforts, several countries, including Belgium, France, Iceland, Italy, Norway, Spain, and the Netherlands, have enacted legislation that calls for a minimum percentage of female directors on boards. The European Union is considering mandating quotas as well.¹⁹

In 2013, India enacted a new Companies Act, replacing the original 1956 law mandating that all Companies listed on Stock Exchanges must have at least one woman on its Board of Directors. After two deadlines and a threat of fines, more than 70% of India’s top companies have made only token appointments of women to their boards, indicating a small pool of talent, an inability to retain them in the workforce and plain reluctance to induct them. An India Spend (a data journalism initiative) analysis of the benchmark 50-share Nifty of the National Stock Exchange (NSE) showed that only five companies—Axis Bank Ltd, Bharti Airtel Ltd, Idea Cellular Ltd, Infosys Ltd and UltraTech Cement Ltd—have as many as three women directors on boards that vary from seven to 17 members. The analysis found that five state-owned companies have no women on their boards, namely Bharat Petroleum Corp. Ltd, NTPC Ltd, Oil and Natural Gas Corp. Ltd, Punjab National Bank and GAIL (India) Ltd. More than 60 percent of the 1461 companies listed on the National Stock Exchange do not have a single woman member on their Board of Directors indicating an abysmal state of affairs as far as Board diversity is concerned.

¹⁸ *Gender Equality and the Corporate Sector*, Lisa Warth, *op.cit.*

¹⁹ *Dysfunction in the Boardroom* Boris Groysberg/Deborah Bell, June 2013, *Harvard Business Review* <https://hbr.org/2013/06/dysfunction-in-the-boardroom/ar/1>, *OP.CIT.*



Gender quotas on corporate boards - An example of pro-active legislation is the introduction of quotas to increase the proportion of women in management and decision-making bodies such as corporate boards. A noteworthy example for the introduction of gender quotas is Norway, which was the first country in the world to enforce a gender balance in the boards of public limited companies. Spain passed legislation in 2007 requiring companies to have a least 40 per cent of women at the board level by 2015. The Finnish Corporate Governance Code (2008) was designed to apply soft pressure on companies which are not legally obliged to reach a certain quota but who have to publicly explain when they have no women on the boards (applying the “comply or explain” principle).

While several countries have passed legislation requiring boards to meet certain thresholds for female membership and others are considering such mandates, quotas remain a contentious and controversial subject.²⁰

Equal pay legislation-That would entail introduction of equality legislation containing provisions for equal pay for equal work or work of equal value. Although an international legal framework on the principle of equal pay has been in place for several decades, the gender pay gap persists.²¹

Access to family-friendly working arrangements-The ability to reconcile professional with family responsibilities is a key condition for achieving equal opportunities in employment. A key impediment to greater gender equality in the corporate sector is the unequal sharing of paid and unpaid work. Governments need to amend existing legal frameworks to improve access for both men and women to family-related leave and allowances, flexible working arrangements and part-time employment. Maternity leave schemes need to be amended in order to provide mothers with the option of sharing their leave entitlement with the father, for example when returning to work early. Access to flexible working arrangements, including the possibility of reduced working hours are crucial conditions for a successful reconciliation of work and family responsibilities (which include the care for adults as well as children). Access to flexible working arrangements, including working time reduction, can be facilitated through legislation to ensure equity of access across workplaces.

It is needless to reiterate that the advantage of legislation is that it can have wider coverage to address persisting gender inequalities in the corporate sector and hence is a stronger tool for overcoming inequalities across sectors and workplaces. Legislation can further prompt action and speed up change in the desired direction. The challenge is however to effectively implement and enforce legal provisions.

Conclusion

There is a growing consensus that a policy mix of encouraging, enabling, and obliging measures is needed to advance gender equality in the corporate sector combining the following components:

- a. Encouragement of voluntary measures through:
 - Researching and raising public awareness on the economic advantages to be gained from gender equality; further establishing gender equality on corporate social responsibility agendas; Certifying and awarding good practices.
- b. Capacity-building and support through:
 - Training and guidance on how to advance gender equality in the workplace and to implement equality legislation; financial support for the implementation of measures to reduce perceived cost-barriers for employers.
- c. A legal framework that:
 - Is designed smartly to minimize regulatory costs to employers and to maintain maximal flexibility while advancing gender equality objectives; is designed to enable enforcement through sanctions in case of non-compliance; contains provisions for effective implementation and monitoring of impact on equality outcomes.

Many of the observed inequalities in the world of paid work are conditioned by the wider societal environment within which companies operate. It is important to tackle head on, prevailing gender biases and stereotypes, for example in education and training, which contribute to occupational segregation at a later stage. A culture of equality and opportunity is needed within which all can thrive to their full potential in equitable environs and with dignity. Companies increasingly recognize the distinction between diversity and inclusiveness: Diversity is counting the numbers; inclusiveness is making the numbers count. Boards need to improve on both dimensions.

²⁰ *Gender Equality and the Corporate Sector*, Lisa Warth, United Nations Economic Commission for Europe, Geneva, Switzerland, Discussion Paper series No. 2009.4 December 2009,
http://www.unece.org/fileadmin/DAM/oes/disc_papers/ECE_DP_2009-4.pdf.

²¹ *Ibid.*