

# STATUS OF WOMEN IN THE CORPORATE WORLD: AN OVERVIEW

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## ABSTRACT

According to our Constitution of India treats both men and women equally. But in real situation women are not treated equally with men in the Indian society. Because, our traditional society was constructed men are superior while, women are weaker section in the patriarchal setup. The employment opportunities for women are limited but today the scenario has changed after impact of globalization. Women were held the highest positions such as President of India, Union Ministers, Chief Minister's as well as various positions itself. After enacting the Companies Act, 2013 the women entered the corporate world also. Women have also entered the board room of many companies explicates this is a positive move towards women empowerment in the corporate world of India. In this backdrop, thus here we are discussing the entry of women in board room and its result.

Keywords: Women, Corporate World, Women Empowerment, Gender Equity, Workforce.

## INTRODUCTION

Traditionally, Our Indian society is a male patriarchal setup but in this modern era, the status of women has been changed. Several laws are enacted for providing security and special status to women. yet the inclusion of women in the highest level of business and management has not been promising. In Companies Act, 2013 the appointment of women in the board is one of the mandatory provision. The present paper focus on the issue of representation of women director on the board and its effect.

## PROVISION OF THE WOMEN DIRECTOR IN THE COMPANIES ACT, 2013

The following table indicates that as per the provision of section 149(1), every company shall have a board of directors consisting of individual as director and shall have

(a)	In case of public sector (company)	Minimum number of directors three
(b)	In case of private sector (company)	Minimum number of directors two
(c)	In case of one person company	Minimum one director

Maximum number of directors fifteen.

Provided that a company can appointed more than highest directors by passing special declaration. The Companies (Appointment & Qualification of director) Rules, 2014 provide the class of company which shall appoint at least one women director. The classes of companies are –

- (1) Every listed companies
- (2) Every other public companies having
  - (a) Paid up share capital of one hundred rupees or more ; or
  - (b) Turnover of three hundred rupees or more; as on the last date of audited financial statement.

### **TIME FRAME FOR APPOINTMENT OF WOMEN DIRECTOR**

The time frame for the appointment of the director in the newly incorporated company should comply with the above mentioned requirements within six months from the date of its incorporation other existing companies should comply with the condition within one year from the date of the commencement of the provision.

### **INTERMITTEN VACANCY**

In case of any intermittent vacancy of women director the same has to be filled by the board at the earliest but not later than the immediate next board meeting or three months from the date of such vacancy whichever is later.

### **OTHER REQUIREMENTS IN THE ACT**

As per the section 152(5) any person as director including women director shall not act as director unless he/she gives his/her consent to hold office as director in form DIR 2, on or before appointment and such consent has been filed by the company with the registrar of companies in form DIR 12 within 30 days of his appointment. Women director must obtain Director Identification Number and shall give a declaration that she is not disqualified to be appointed as director.

### **SEBI GUIDELINES RELATING TO WOMEN DIRECTOR**

SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 also mandatory to every listed companies to appoint at least one women director in the board. And also on the basis of recommendation by a committee headed by Mr. Dual Kotak SEBI inserted the following provision on 9<sup>TH</sup> may 2018 which should be complied within 11 months.

“Provided that the Board of directors of the top 500 listed entities shall have at least one Independent women director by 1<sup>ST</sup> April, 2019 and the Board of directors of top 1000 programmed listed entities shall have at least one Independent women director by 1<sup>ST</sup> April 2020.” The top 500 and 1000 entity shall be determined on the basis of market capitalization as at the end of the instant financial year.

### **NEED OF WOMEN DIRECTOR'S IN THE BOARD**

In India more than 48 % of the population consists of women. Therefore, nearly half of the talent pool is women by ignoring them a nation or an organization can not be developed. women directors are likely to be more in tune with women's needs than men which helps to develop successful products and services because women drives 70% of purchase. Research proves that women director in the board helps in increasing the production and sales and also corporate social responsibility. It has proven that companies with women as director have a greater return on equity i.e., 4.4% while companies having with men on the board has rise on return of equity of 1.8% on an average per year.

### **POSITION OF WOMEN DIRECTOR IN INDIA**

In India, after the mandatory provision of section 149(1) of the Companies Act 2013, the number of women on corporate board enlarged, yet almost half of the appointments made by the companies were of the persons from within the family members of promoters or top executives instead of professional capacity.

As discussing about Companies itself appointing women such as Reliance Industries appointed Nita Ambani,

Wife of the Chairman Mukesh Ambani as a director in order to comply with this rule. Vijaymallya also introduced his stepmother into the board. Moreover, several companies such as Apollo hospital, Asian paints also appointing family members on their board.

According to recent research survey revealed by prime database, Out of 1814 Chief executives and Managing directors of NSE listed companies only 67 or 3.69% are women as on 6<sup>TH</sup> march 2019. This shows that the percentage of women CEO's and MD's has remain nearly stagnant since March 2014 when out of 1249 CEO's and MD's, 40 or 3.2% were women.

India has ranked 12<sup>TH</sup> in the world as per study titled "women on board 2020" India had indeed made progression compared to where we in progress at the beginning of the 20<sup>TH</sup> century but we know this development is not nearly enough.

Over 100 firms missed deadline to appoint women directors. At least 37 of the ones which missed the Securities and Exchange Board of India deadline were government owned.

Moreover, "If the numbers (women CEO's) haven't changed, it is evident that although the stated intent to progress multiplicity & create opportunities for women at all levels, action has not corresponding the talk", said Vinita Bali, Independent director and former managing director of Britannia. "Evidently, a lot more needs to be done if we believe in equity and merit."

## **PROVISION OF WOMEN DIRECTORS IN OTHER COUNTRIES**

In 2005, Norway becomes the first country in the world to enact gender quota legislation for Public limited companies, require 40% representation of women on the board. In 2019, women comprise 42.5% of public limited companies board seats in Norway. Thirty percent gender quota for the boards of all the listed companies and those with more than 1000 employees was implemented by the Austrian government effective from January 2018.

Belgium listed companies have been subject to gender quota legislation Since 2011 ,which require at least one third representation of each gender on boards . Legislation took effect in Portugal in January 2018, mandating that supervisoryboards of state owned enterprises have 33.3% representation of women by 2020.

Malaysia adopted 30% target for women in company leadership and decision making position in 2011. The Government also called for 30% representation of women on board by 2020.

## **REASONS FOR NON -APPOINTMENT OF WOMEN DIRECTORS**

The main purpose of non- appointment of the women holding position as directors in the administration is traditionally male dominated structure. Generally, there is a stereotype that women are weak and cannot take managerial decision wisely and hence, are not given the higher level position in the organization. There is also discrimination on the basis of salary but they have same profession and same job profile.

## **LEGAL PROVISION FOR SAFEGUARDING WOMEN AT WORK PLACES**

There is no assertion for women executive in certain corporate companies based on the rules issued by the Supreme court in Vishaka case, implementation of the Sexual Harassment Of Women (Prevention , Prohibition And Redressal) Act ,2013 was instituted in favour to protect women from any sort of sexual harassment in their working atmosphere. And also due to other responsibility like child birth and child rearing they lost their continuity in their work flow.

Sexual harassment of women at the workplace is expected destruction of women's right to equality, right to life and the right to liberty. It constructs lacking confidence and an aggressive work environment, which discourages women's effective participation in work, thereby harmfully affecting their social and economic empowerment and the aspiration of complete growth. With this thought, the government prepares the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. Before the

implementation of this special act for working women, the involvement for such legislation was observed first time by the Supreme Court, in Vishaka v The state of Rajasthan. In the scarcity of any law at that time providing actions to check the evil of sexual harassment of working women, the Supreme Court, in implement of authority available under Article 32 of the Constitution, structure procedure to be followed at all workplaces or institutions, until legislation is performed for the reason (Legal service in India, online n.d).

To overcome those above-mentioned barriers the women need to push themselves to take up leadership roles. Men must not overlook women. said, Kiran Mazumdar-Shaw, chairperson at the leading Bio tech firm Bio-Con .

## CONCLUSION

The number of appointing women in the board should be increasing yet, their representation is far from uniform across firms. Moreover, the fact remains that female representation on boards of Indian Inc is still skewed. Companies have found a way to meet this condition by appointing their wives and other family members of women. Though, this is a right time to involved as a voluntary action for not many companies have women directors or rather active and participation of women directors still there is a hope that one we need to make provision for appointing at least one men director in the board. Government must be initiated along with concern stake holders and all the responsible citizens in the society.

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