



A NEED OF WOMEN DIRECTORS IN INDIAN COMPANIES – AN ANALYSIS

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ABSTRACT

The government has taken a step to give equal opportunities to women as men And provision for women directors has been mentioned in the Companies Act 2013. As per the companies act, 2013 it is necessary to appoint a minimum of one women director as a member in certain types of company. The penalty for non-compliance of provision extends to a fine of Rs.10,000 with an extra fine of Rs.1000 per day if the dispute continues.The question that asked to the public is Are you aware that it is mandatory for companies to appoint a female director and Do you agree that there are laws relating to appointment of woman director in India. This study aims to know more about women directorship and public opinion on women directors.The total sampling size is 2090. The statistics tools used in this research are chi square and correlation. The sampling method is random sampling method. The independent variable used in this survey is gender.This study also make a little comparison with European countries because European countries have a lead in appointment of women directors. This research recommends the government to spread awareness more about the women directors and the government should punish the companies who doesn't have women directors as per the companies act 2013.In this article we look at the role and requirement for appointment of Women Directors in Company as per Companies Act, 2013.

KEYWORDS

Women, Directors , Company, Penalty, Appointment,

I.INTRODUCTION

Women empowerment is not something where a woman can merely play a simple role in a corporate but should be a part the higher level of decision making process.(Srinivasan and George, n.d.) As per the available data, European countries lead in appointing Women as Director on a Company's Board. Among them, Norway stands top with 45% wheres India holds only 4.7%. However, the percentage of women Directors appointed in Indian companies is expected to increase.(Nekhili, Nagati, and Chtioui, n.d.; Prakash Sethi, Swanson, and Harrigan 1981)Our constitution says with the basic rule that there mustn't be difference that is persistent within the society. Predominantly inequality exist between human beings on the basis of sex. Apart from sex the others would include caste, creed, religion etc. Human fail to treat other human at par and most of all there continues a situation that eradication of such gender inequality is highly unavoidable in a country like India. Equality has got to be maintained even working opportunities.However the Indian constitution enshrines with provisions that touch upon the importance placed for girls in workplaces too.And that women do have equal means of livelihood as compared to that of men. Other recognition includes provision for equal pay for equal workcarried out by a women, maternity relief and such other provisions.

Ill-treating women has always been a passion for men and tracing back such treatments makes us get reminded of Sati, Child marriage, Female Infanticide etc. (Profeta et al. 2014) These sorts of treatment cannot be stopped only by spreading awareness about the need for women empowerment. But this can be achieved only by instilling the art of living in any women by making herself understand what she is and the reason behind why she

has been created on this earth. Not only does the Indian social institution confine women rights but it's sparsely spread across the globe. Now that females have started proving themselves and that they have initiated a step in being a section of art, science, literature, space, army etc. one such initiative is that ladies being a section of company field. Legislature has taken a very bold step in building up women participation by including provisions for women to be a part of the board in the Companies Act, 2013. Psychologically, it can be stated that when women are employed in a company there seems to be lot of positive energy in the form of having more focus as well as diversity in the work to explore more in the work place. (Prakash Sethi, Swanson, and Harrigan 1981) Many fortune 500 companies show a drastic change in the increase in their profits and their further expansion of their business.

The aim of the study is to spread awareness about the women directorship in company, to know the law implied on appointment of women directorship in the company, to study and analyse the women directorship in company as per the company act 2013.

II. REVIEW OF LITERATURE

(Burke 2000) Women constitute 48% of the population of India; yet their presence on the boards of companies has not been substantial. This paper makes an attempt to outline the pathways obtainable to girls on Indian boards. (de Jonge 2015) We also find the role of the chairperson to be critical in facilitating the participation of women directors on boards. Organisational characteristics and the credibility of co-directors are important considerations in the decision to join the board. (Singh, n.d.) The policy implications include the need for more structured approaches to identification, effective director assessment processes, and multi-stakeholder intervention to build the pipeline of women directors for the future. A company, whether or not a public company or a personal concern, are going to be needed to compulsorily appoint a minimum of one lady director if it fulfils any of the subsequent criteria: It could be a listed company whose securities area unit listed on any stock market. And It is a company having paid-up capital of Rupees one hundred crore or more, and a turnover of Rupees three hundred crores or more. (Anca and de Anca, n.d.) A Woman Director is appointed throughout the time of company registration or when incorporation by the Board Members and therefore the Shareholders

Any person who wants to carry the position of Director in Indian company should initial acquire Director number (DIN) that may be a distinctive number for every director. a female Director should initial acquire DIN to become Director of an organization. Just in case a female irector is being appointed throughout the corporate incorporation method itself, DIN are going to be generated in conjunction with the incorporation certificate. No person can hold or acquire more than one DIN. (Joy, n.d.) In case of appointment of Woman Director in existing company, consent in Form DIR-2 given by the Woman Director is to be filed with the Registrar of corporations among thirty days of her appointment. Women director should play the role like several different director. ladies will take up a task of politico Director who are appointed by a member within the company to require care of its interest. Also, Women can take up a role of Independent Director who is not liable to retire by rotation. (Vinnicombe 2009) Women Director can hold a maximum of twenty directorships that includes the sub-limit of ten public companies. Any contravention on this part shall be subjected to a fine ranging between Rs.5000-Rs.25000. A Woman Director may leave the company on any reasons such as resignation, removal, automatic vacation or retirement by rotation before the end of her term as a Director. The Board of administrators should fulfill this vacancy referred to as intermittent vacancy inside a amount of 3 months.. (Berkhemer-Credaire 2013) A company may have over one female director and therefore the vacancy caused by one among them won't be thought of as associate degree intermittent vacancy, because the company still happy the companies act of 2013 with relevancy female administrators. just in case of absence of a lady Director for a amount of not but 3 months, the board should appoint an alternate director to confirm the smooth functioning of the corporate. (Jónsdóttir, n.d.) The alternative director shall leave the firm after the return of the woman Director. In case of over one female d irector, it's option for the corporate to appoint another director. A woman director can hold the position of Director until her next Annual General Meeting from the date of appointment. She is also entitled to seek for reappointment at the general meeting. (Foust-Cummings, n.d.) The tenure of women director is liable to retirement by rotation similar to other directors. Like any alternative director, a female director may also tender her resignation any time before the expiration of her term by giving a notice to the corporate.

III. MATERIALS AND METHODS

This research is primarily based on women directorship in companies, hence the study includes both qualitative as well as quantitative method. Since analysing the role of women directors in companies under the study is needed, the study also includes analytic method.

Data collection

Present study is based on Primary as well as Secondary sources of data, which are as –

1. Primary Sources – Primary data is collected by collecting questionnaire from general public
2. Secondary Sources – Secondary data is collected through literature of Government Reports, Websites,

Research Articles.

Variable used:

1. Independent variable: Gender

2. Dependent variable: Are you aware that it is mandatory for companies to appoint a female director And Do you agree that there are laws relating to appointment of woman director in India

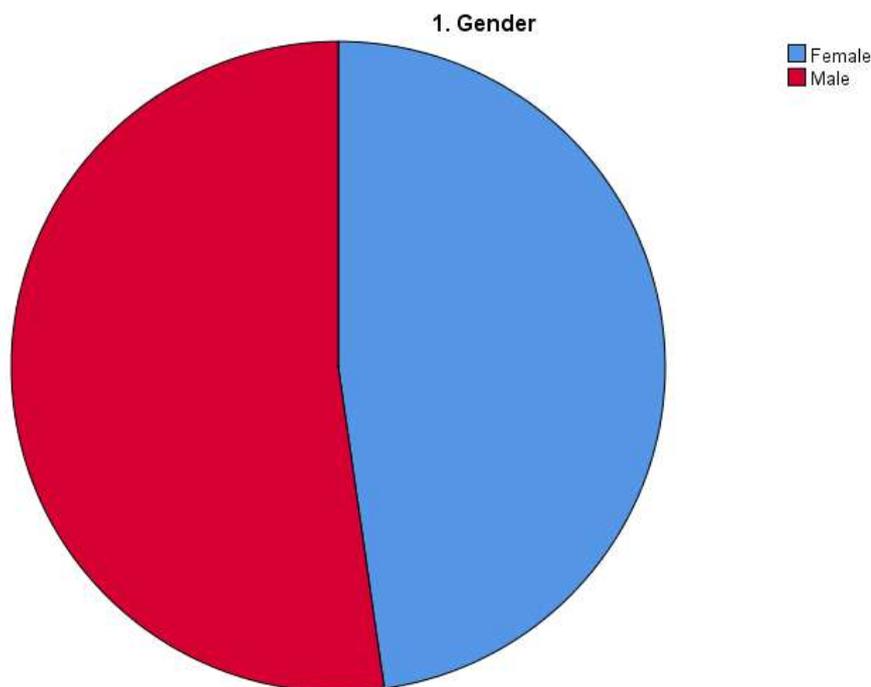
Statistical Tool used:

1. chi square analysis
2. Correlations
3. symmetric measurers

sample size calculation

		1. Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	998	47.8	47.8	47.8
	Male	1092	52.2	52.2	100.0
	Total	2090	100.0	100.0	

The study includes 2090 sample where the 998 respondents are female and the 1092 respondents are male. Since the study is based on non probability convenience sampling no specific calculations is used.



This pie chart clearly says about the 998 respondents are female and the 1092 respondents are male.

Hypothesis

Ho - There is no relationship between gender and Are you aware that it is mandatory for companies to appoint a female director

Ha- There is relationship between gender and Are you aware that it is mandatory for companies to appoint a female director

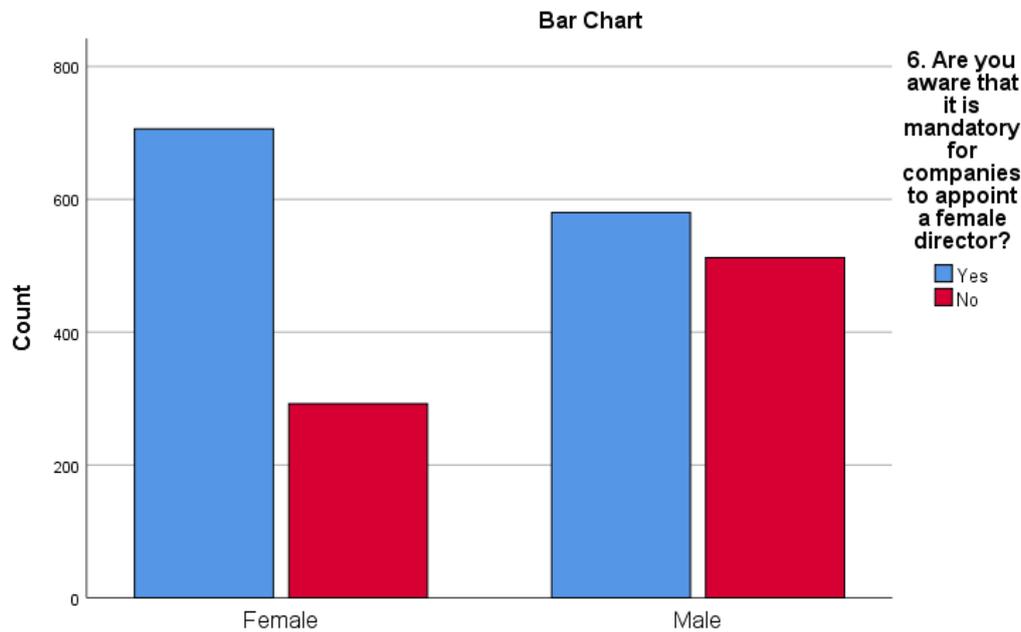
Crosstab					
			6. Are you aware that it is mandatory for companies to appoint a female director?		Total
			Yes	No	
1. Gender	Female	Count	706	292	998
		% within 1. Gender	70.7%	29.3%	100.0%
		% within 6. Are you aware that it is mandatory for companies to appoint a female director?	54.9%	36.3%	47.8%
	Male	Count	580	512	1092
		% within 1. Gender	53.1%	46.9%	100.0%
		% within 6. Are you aware that it is mandatory for companies to appoint a female director?	45.1%	63.7%	52.2%
Total		Count	1286	804	2090
		% within 1. Gender	61.5%	38.5%	100.0%
		% within 6. Are you aware that it is mandatory for companies to appoint a female director?	100.0%	100.0%	100.0%

In the above cross tab, female answered to the question are 998 that is 47.8% and male answered to the question are 1092 that is 52.2% . And out of 998 female 706 Says yes to the question and 292 says no to the question. And out of 1092 male 580 says to the question and 512 Says no to the question. Totally 1286 that is 61.5% says yes to the question and 804 that is 38.5% says no to the question.

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	68.455 ^a	1	.000		
Continuity Correction ^b	67.712	1	.000		
Likelihood Ratio	69.110	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	68.422	1	.000		
N of Valid Cases	2090				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 383.92.					
b. Computed only for a 2x2 table					

interpretation: Using Chi square test, it was found that p value is less than 0.05, which shows that null hypothesis is rejected. Therefore, there is relationship between gender and Are you aware that it is mandatory for companies to appoint a female director

Symmetric Measures					
		Value	Asymptotic Standard Error ^a	Approximate T ^b	Approximate Significance
Interval by Interval	Pearson's R	.181	.021	8.409	.000 ^c
Ordinal by Ordinal	Spearman Correlation	.181	.021	8.409	.000 ^c
N of Valid Cases		2090			
a. Not assuming the null hypothesis.					
b. Using the asymptotic standard error assuming the null hypothesis.					
c. Based on normal approximation.					



1. Gender

The bar chart is the pictorial diagram for this research . This bar chart clearly gives a percentage of people who says no and yes No to the question. Right side says about male and left side says about female and blue colour bar indicates yes and red colour indicates no to the question.

Hypothesis

Ho - There is no relationship between gender and Do you agree that there are laws relating to appointment of woman director in India

Ha- There is relationship between gender and Do you agree that there are laws relating to appointment of woman director in India

Crosstab								
		7. Do you agree that there are laws relating to appointment of woman director in India						
		Strongly agree	Agree	Neutral	Disagree	Strongly Disagree	Total	
1. Gender	Female	Count	240	298	290	158	12	998
		% within 1. Gender	24.0%	29.9%	29.1%	15.8%	1.2%	100.0%
		% within 7. Do you agree that there are laws relating to appointment of woman director in India	61.7%	42.5%	44.1%	50.8%	38.7%	47.8%
	Male	Count	149	403	368	153	19	1092
		% within 1. Gender	13.6%	36.9%	33.7%	14.0%	1.7%	100.0%
		% within 7. Do you agree that there are laws relating to appointment of woman director in India	38.3%	57.5%	55.9%	49.2%	61.3%	52.2%
Total		Count	389	701	658	311	31	2090
		% within 1. Gender	18.6%	33.5%	31.5%	14.9%	1.5%	100.0%
		% within 7. Do you agree that there are laws relating to appointment of woman director in India	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

In the above cross tab, female answered to the question are 998 that is 47.8% and male answered to the question are 1092 that is 52.2% . And out of 998 female 240 says strongly agree and 298 says agree and 290 says neutral and 158 Says disagree and 12 says strongly disagree to the question.And out of 1092 male 149 says strongly agree and 403 says agree and 368 says neutral and 153 Says disagree and 19 says strongly disagree to the question.

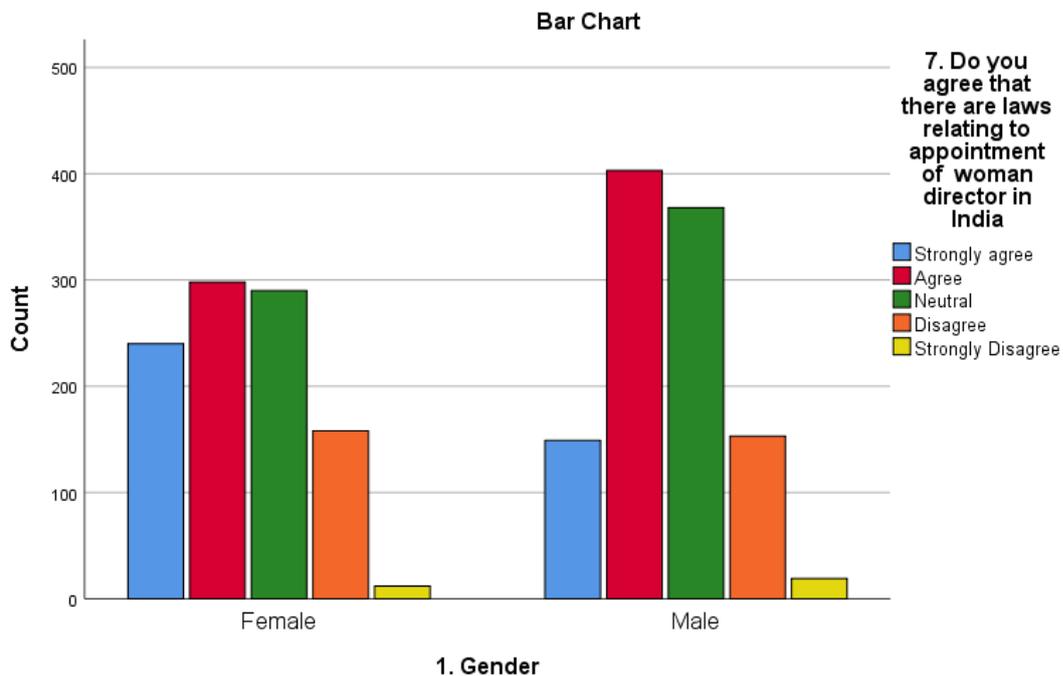
Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	43.783 ^a	4	.000
Likelihood Ratio	43.987	4	.000
Linear-by-Linear Association	8.760	1	.003
N of Valid Cases	2090		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 14.80.

interpretation: Using Chi square test, it was found that p value is less than 0.05, which shows that null hypothesis is rejected. Therefore, there is relationship between gender and Do you agree that there are laws relating to appointment of woman director in India

Symmetric Measures					
		Value	Asymptotic Standard Error ^a	Approximate T ^b	Approximate Significance
Interval by Interval	Pearson's R	.065	.022	2.965	.003 ^c
Ordinal by Ordinal	Spearman Correlation	.064	.022	2.931	.003 ^c
N of Valid Cases		2090			

a. Not assuming the null hypothesis.
 b. Using the asymptotic standard error assuming the null hypothesis.
 c. Based on normal approximation.



The bar chart is the pictorial diagram for this research . This bar chart clearly gives a percentage of people who says no and yes No to the question. Right side says about male and left side says about female. Blue colour indicate strongly agree and red colour indicate agree and green colour indicate neutral and orange colour indicate disagree and yellow colour indicate strongly disagree.

IV.DISCUSSION

The female answered to the question are 998 that is 47.8% and male answered to the question are 1092 that is 52.2% . And out of 998 female 706 Says yes to the question and 292 says no to the question. And out of 1092 male 580 says to the question and 512 Says no to the question. Totally 1286 that is 61.5% says yes to the question and 804 that is 38.5% says no to the Are you aware that it is mandatory for companies to appoint a female director. From the survey we came to know that female only says no to the question than the men. And both the gender equally says yes to the question so both the gender has some knowledge about that it is mandatory for companies to appoint a female director.

And for the next question female answered to the question are 998 that is 47.8% and male answered to the question are 1092 that is 52.2% . And out of 998 female 240 says strongly agree and 298 says agree and 290 says neutral and 158 Says disagree and 12 says strongly disagree to the question. And out of 1092 male 149 says strongly agree and 403 says agree and 368 says neutral and 153 Says disagree and 19 says strongly disagree to the Do you agree that there are laws relating to appointment of woman director in India. From the survey report we came to know about less people says disagree to the Do you agree that there are laws relating to appointment of woman director in India. So that both the gender has more knowledge about laws relating to appointment of woman director in India

V.RESULTS AND CONCLUSIONS

To conclude “Behind every great man, there’s a great woman” likewise behind every great company there should be a woman directors .such law can certainly result in increasing the number of women in the top positions of a company, but because of the very reason that it does not have proper guidelines for its implementation its benefits will be short lived if not supervised by the government.It is important that women should not be accepted just because they are women, but for their skills. Only a woman who is qualified and is capable enough for that should be appointed as a director of the boards. A woman’s contribution in the company will definitely reach to a new level if the methods of choosing directors are right.This step by the government will definitely help women continue to build their presence in the corporate world. The further scope of this study is the researcher can do research on contribute of women directors in foreign countries. Thus from the findings it to be concluded that both the gender has some knowledge about the female directors in companies.

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