

## WOMEN AND CORPORATE SECTOR OF INDIA : A STUDY ON IMPACT OF GLASS CEILING EXISTENCE IN CORPORATE SECTOR OF INDIA

**SANSKRITI SINGH, LIPSA DASH**

**Abstract:** Glass ceiling is generally thought of as the invisible barrier which impedes minorities, particularly women from advancing up the job ladder to higher level management positions. This unbreachable barrier is believed to be one of the root causes of why the percentage of women occupying top-notch managerial positions is much lower than men. In many countries esp. India, women are stereotyped as weak and emotionally fragile beings.

Therefore, they are neither made aware of, nor given opportunities that would catapult them to the topmost positions. The present paper attempts to study whether there is strong evidence for a gender authority gap in modern India.

**Keywords:** Glass Ceiling, Gender discrimination, Gender gap

**Introduction:** The glass ceiling can be defined as an unacknowledged discriminatory barrier that prevents women and minorities from rising to positions of power or responsibility within a corporation. It is an uppermost limit to professional advancement that operates to exclude representation of females and minorities in the top tiers of an organization. For the purpose of this article, the glass ceiling is discussed regarding women in business with a focus on advancement to senior positions.

Many western countries like New Zealand, Australia, US, UK, Germany, Finland, Ireland, Norway etc. have appointed women as presidents, prime ministers and commissioners. However, glass ceiling is perceived all over the world, with India being no exception. Very few women have made a big difference in the Indian corporate world, dominated majorly by men. Women like Indra Noyi, Chanda Kochchar, Shikha Sharma, Vinita Bali, Amrita Patel are among the few women who symbolised coming of age of female executives in the business world. Despite this, the Indian corporate scene by and large remains over-archingly male in nature.

### **Analysis and Discussion:**

**Signs of the Glass Ceiling:** Indication of the glass ceiling has been described as invisible and covert. At the root of the glass ceiling lie many forces that keep women away from achieving what men have in the corporate world. Factors like religious, legal, and economic are particularly prejudiced towards women. These barriers not only emerge from gender stereotypes but also from pre-conceived notions of viewing women weak- physically as well as emotionally. It is also believed that management and leadership style of females differ from males. Women are perceived as more nurturing and willing to share power and information.

**Gender-Biased Compensation:** A major sign of the effect of the glass ceiling is gender-biased compensation. Compensation of female executives has been substantially lower than that of their male

colleagues. In the year 2002, the median total compensation of male CEOs in non-profit organizations was \$147,085, approximately 50% higher than the median total of female CEOs (\$98,108) in similar settings (Lockwood, 2004). Women account for only 3% of the chief executives at the helm of the 500 biggest US companies. Indra Nooyi, who runs one of the leading US brand companies, has an annual compensation package that is worth half of her male counterpart at McDonald's (MCD-news-people). Nooyi makes only \$10.7 million compared to \$20 million for McDonald's boss James Skinner. The findings of a survey conducted at India Inc. regarding employment discrimination reveals that only 1% of Chief Executive Officers (CEOs) in India are Women, while only 465 out of the 9000 board members in 1500 companies were women. The survey also indicates that women are receiving 40% less salary than men and that 90% of them said that they are underpaid. Another survey conducted by consulting firm Booz & Company in 2012-end, ranked India a poor 115 out of 128 countries in terms of economic empowerment of women. Further, a compilation of data on women at work by Catalyst, a non-profit organization points out that women earn only 62% of men's salary for equal work.

**Well-ingrained Corporate Culture:** Another indicator of the glass ceiling is when women's advancement is hampered by well-ingrained corporate culture. Boards of directors, which are mostly comprised of men, sometimes perpetuate the status quo by selecting CEOs who look and think just like them. Srimathi Shivashankar, associate vice-president (diversity and sustainability), HCL Technologies explains that the methods of exclusion in the corporate world are more subtle. Key decisions are sometimes made during „smoke breaks“, which several women may not attend. Women often feel that their views are not really being considered. Of the 1,112 directorship positions among the Bombay Stock Exchange 100 companies, only 48 women have

been appointed, according to Community Business, a Hong Kong-based non-profit organisation. That constitutes only 5.3 % of such positions, significantly lower than Canada (15%) and the US (14.5%). Top businesses houses such as Tata Consultancy Services, Zensar Technologies and JSW Steel have only 5-6% of senior positions occupied by women. By contrast, multinationals such as PepsiCo, KPMG and Citibank have ratios of 15-20%.

**Leadership Styles:** Organizational roles in the context of jobs like nurses, teachers, doctors etc are seen as “feminine” where as job roles such as of a senior manager, vice-president, CEO etc. are viewed as “masculine”. Many organizations tend to have deep-rooted notions about women’s capability to pursue high-ranking leadership positions. They tend to doubt their leadership styles and the commitment they are likely to give to exaggerated role demands. Women are either seen as “soft and indecisive” or “hard and pushy”. This attitude reduces the leadership capital of women and weakens their acceptability as well as access to senior leadership positions. A survey conducted by Catalyst, a non-profit organization reveals that 26.2% women are held back in their current roles or not promoted, owing to them lack of the ability to be „role models“. This figure stands at only 9% for men.

**Work-Family Balance:** Women are expected to handle familial expectations that arise due to marriage and childbirth. Although this role old age role has seen a dramatic shift in the past few decades with more and more women entering the workforce. However, the idea of a male “homemaker” is still alien to Indian culture, forcing working women to multi-task between work and family. Creating a harmony between these opposing parameters is often a daunting task and can seriously challenge a women’s advancement to the top.

A survey conducted on 3900 executives in 39 countries by „Accenture Global Study“ states that only 28 in 100 women are able to maintain equilibrium between their professional and personal lives. The Gender Diversity Benchmark Asia 2011“ report states that the cultural biases with regard to women travelling and guilt over not fulfilling one’s traditional role as a care-giver adequately, were other barriers to women moving up at work.

Despite some remarkable changes in the social structure, women are predominantly expected to take career breaks which hits hard their growth and advancement in comparison to their male counterparts.

**Breaking the Glass Ceiling-India:** India ranks 129 out of 146 countries on the Gender Inequality Index. The presence of the “ceiling” is covert and many women do not approve of its existence until they actually bump into it. Despite the presence of a

notional labyrinth and an unyielding glass ceiling, there are several success stories that ambitious and determined women have created.

**Amrita Patel:** Amrita Patel heads the National Dairy Development Board (NDDB), founded in 1965 to empower rural people. She has been conferred „Lifetime Achievement Award“ by The Business Women Committee of Gujarat Chamber of Commerce & Industry (GCCCI) in recognition of her noteworthy achievements in the field of dairy development, health and education.

**Chanda Kochhar:** MD and CEO, ICICI Bank, Chandra Kochhar is the 8th highest paid women CEO in India with an annual pay package of Rs. 4.24 crore. She has also been named as „The Most Powerful Business Woman in India“ for the second consecutive year by Fortune Magazine.

**Chitra Ramakrishnan:** Chitra Ramakrishnan is the Joint Managing Director of the National Stock Exchange. She is also the CEO of the National Settlement & Clearing Corporation of India Ltd. Besides being a member of several boards and policy committees.

**Indira Nooyi:** The chairman of PepsiCo, Nooyi is also listed among „100 Most Influential People in The World“ in 2007 and 2008 by Times Forbes Magazine. Nooyi has also been ranked as „The Most Powerful Women in Business“ in 2008. She has also been named „2009 CEO of the year“ by Global Supply Chain Leaders Group and was considered as one of “The Top Gun CEO’s” by Brendan Wood International, an advisory agency.

**Mallika Srinivasan:** Chairperson, TAFE, Mallika Srinivasan is credited for increasing TAFE’s revenues from \$20 million in 1985 to \$1.6 billion in 2012. TAFE is now among the three largest tractor manufacturers in the world.

**Naina Lal Kidwal:** Country Head, HSBC India, Naina Lal Kidwani is also the President of Federation of Indian Chambers of Commerce and Industry (FICCI). She is also on the Governing Board of NCAER, Audit Advisory Board of the Comptroller and Auditor General of India.

**Preetha Reddy:** MD, Apollo Hospital Enterprises, Preetha Reddy had joined Apollo Hospitals as Joint Managing Director in 1889 and became the Managing Director of the Group five years later.

The Other Side Of The Coin—Is There Really A Glass Ceiling?

Many people in the business world believe that there is no such thing as a “glass ceiling” for women. A number of organizations claim to be gender equal. This gives rise of an important question- is glass ceiling a myth or reality? Is it a notional theory or merely an excuse? Does it really need a serious consideration or does it only call for attractive sound bites for mere argumentation? To answer the

question, it is important to mention three primary divergent views against the glass-ceiling concept.

#### **Women Don't Want Challenging Career Responsibilities:**

The first argument is that women can significantly contribute towards adding value to an organization's bottom line however many women choose not to pursue challenging career goals. Choices made by women regarding family, kids and household; limits the time they need for career advancement. Contrary to claims of the presence of a glass ceiling, its critics place the blame on women themselves and deny existence of any slab that stops female ascent in organizations. They further argue that if women are made to pick between being a teacher, nurse, doctor or a CEO; it is rare for them to choose high-powered position like a CEO.

**Dealing with Guilt:** The critics of glass ceiling argue that working women have an inner demon to fight. They are often put on a guilt trip when they return to work after a maternity leave. As a result they often interrupt their careers deliberately to handle work/family trade-offs, as opposed to obstacles present within the organization. Many women realize that family is more important to them than career advancement.

#### **Women Entrepreneurial Success in Small Companies:**

Another viewpoint is that glass-ceiling literature tends to ignore smaller companies where women are at par with their male colleagues. However, small companies are often over-shadowed by larger corporate houses.

#### **Suggestions and Recommendations:**

Whether there is really a glass ceiling or invisible barriers which turn back women from entering corporate executive suites; much can be done to identify the issue and find solutions. Below are a number of suggestions and recommendations that can be taken into consideration to break the glass-ceiling barriers:

1. Starting a well-meaning attempt towards sensitizing employees on the existence of a gender-bias at work. Creating awareness amongst all employees that presence of a gender based partiality is a strong deterrent that curbs organizational progress.
2. Support the establishment of forums for development of women's network inside and

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outside the organization. This will create opportunities for women to connect with other successful women in powerful roles.

3. Encourage career "customization" as per employee life stage (marriage, maternity etc.). Make accommodations and initiate special schemes which allow women to rejoin work after maternity leave or take a pause from work to engage in household responsibilities rather than quitting job altogether.
4. Create an organizational climate that is conducive to management styles of women. It also includes eliminating organizational norms and customs that work against women.
5. Create gender-diverse management teams which will not only empower female managers but also go a long way towards expanding a company's leadership scope.
6. Encourage powerful coaches and guides to mentor women and help them find their power at various stages of their career. Mentoring is a key for aspiring women who are unable to position themselves. Mentors can groom and guide them to getting into the C-suite.
7. Review HR policies and practices to determine whether they are just and comprehensive in terms of pay differences, hiring practices, promotions etc. between the two genders.

**Conclusion:** While progress had been made across the globe but sadly women talent for leadership is largely untapped. Barriers to female progression continue to exist. Workplaces still favour the male worker. However, there is no denying the fact that modern organizations cannot progress without women power. World is changing to a new place. A place where gender segregation is no longer rigid. Women therefore want a gender intelligent workplace that takes these new realities into consideration. Women constitute half the population and therefore need to have equal representation at the workplace. Organizations need to go beyond superficial tokenism and devise effective strategies to bring women into the highest leadership echelons. The ceiling is breakable only with increased awareness and empowerment of the leaders of tomorrow.

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