

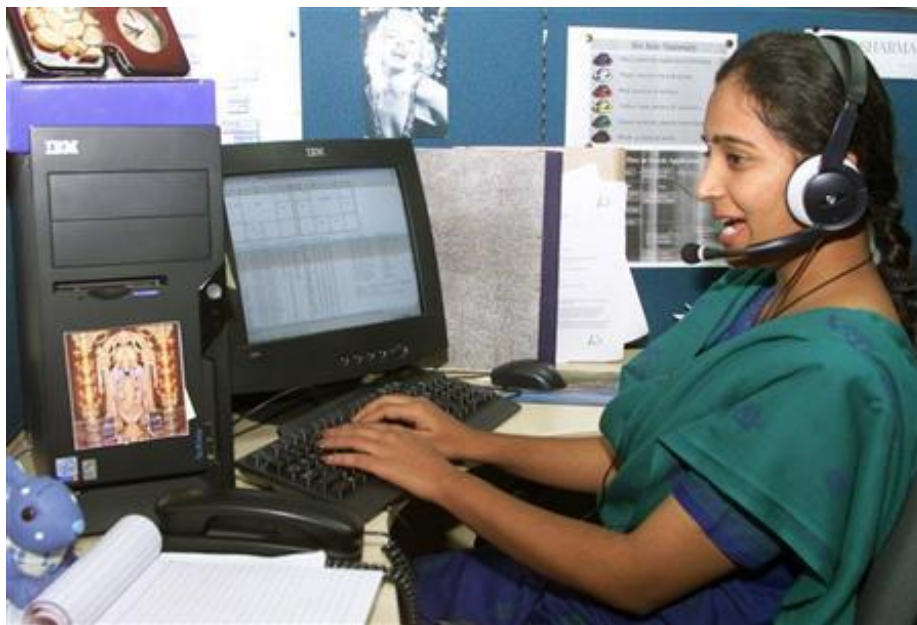
# Women and India Inc.: Equality means business

**LSE** [blogs.lse.ac.uk/southasia/2012/11/28/women-and-india-inc-equality-means-business/](http://blogs.lse.ac.uk/southasia/2012/11/28/women-and-india-inc-equality-means-business/)

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*At a time when half of all Indian women working in the private sector give up their careers before they turn 30, can the Women's Empowerment Principles, a joint initiative of UN Women and the UN Global Compact, help firms cut down attrition rates, asks Mitali Nikore.*

On 3 October 2012, The Economic Times, an Indian daily, carried the headline “[Not Everyone is Marissa Mayer...](#)” in reference to the working-mother precedent set by the pregnant Yahoo CEO. Closer to home, the Economic Times reports that there are 9.8 million women working in the Indian private sector, but only 18 per cent are in middle management roles and 50 per cent give up their careers before they turn 30. Less than 2 per cent of BSE 500 companies have female CEOs and just about 3 per cent of directors are women.



In a [recent study of 10 Asian markets](#), including China, India, Japan, S. Korea, Singapore, Malaysia, Indonesia, Australia, Taiwan and Hong Kong, Mckinsey & Co. pointed out that India had the highest gap between university graduates and entry-level professionals: 42 per cent of graduates are female but only 29 per cent of entry-level professionals are female. The report also highlighted that India has one of the lowest female labour force participation rates in the world, roughly 35 per cent.

If India means business, it needs to address the workplace gender gap. After all, consulting firm Deloitte hails “Women” as the biggest emerging economy of the world, pointing out that women’s income will equal \$18 trillion worldwide by 2014. As [Deloitte puts it](#):

*the Gender Dividend is a steady benefit that is earned by making wise, balanced investments in developing women as workers and potential leaders as well as understanding women as consumers and their impact on the economy and the bottom line. Done right, the Gender Dividend should be reflected in increased sales, expanded markets, and improved recruitment and retention of a key talent segment.*

This view is reaffirmed in [a study of Standard & Poor's \(S&P\) 500](#), S&P Mid Caps and S&P Small Cap firms

conducted by Daniel Ferreira (LSE) and Rene´e B. Adams (University of Brisbane) and based on data collected by the Investor Responsibility Research Centre between 1996 and 2003. Ferreira and Adams find that more diverse boards tend to have better attendance records, and are more likely to hold CEOs accountable for poor stock price performance. Globally, the calls for mandatory quotas for women on boards have been increasing. But [Catalyst Inc.'s 2012 study](#) found that only 5.3 per cent of board seats in India were held by women, ranking it 31 out of 44 countries on board diversity. In this context, Indian businesses must go beyond mere tokenism and focus on diversity in the boardroom as a goal in itself.

In an effort to encourage businesses to take intentional actions to promote inclusion and gender diversity, the UN Global Compact and UN Women collaborated to launch [Women's Empowerment Principles – Equality Means Business \(WEPs\)](#), a set of seven principles that elaborate the gender dimension of corporate sustainability and emphasise the role of business in promoting gender equality in the workplace, the marketplace and the community, thereby making the private sector a key stakeholder in the holistic process of women's empowerment.

The principles aim to address the root causes of the problem and call for companies to treat men and women equally; train women; implement supply chain and marketing practices that empower women; establish high-level corporate leadership for gender equality; and measure and report gender equality progress. These are important points, since McKinsey & Co.'s report points out that 70 per cent of executives surveyed said that gender diversity was not one of the top 10 priorities of their organisation. Also, ensuring women's access to mentors and networks, professional development activities, and freedom from harassment within the organisation would improve the productivity of female employees.

McKinsey & Co. has identified the greatest hurdle to women's advancement in Asia as the double burden of holding a job while also being the primary caregivers to their families. In fact, 30 per cent of business leaders surveyed said that most women at mid-career or senior levels leave voluntarily because of family commitments. The "anytime, anywhere" performance model, which measures employee productivity by the hours they put in, lack of pro-family public services, and absence of female role models are all important factors in this regard.

Cultural biases further curtail women from travelling for work or working closely with male colleagues and make women reluctant to aggressively promote themselves for fear of this being misjudged as "inappropriate" behaviour. Implicit biases amongst senior managers are also issues affecting women's progress at the workplace, particularly in the Indian context.

In such a scenario, if organisations were to voluntarily commit to undertaking innovative practices such as flexible work hours, greater use of technology, or setting quantitative targets for recruiting women at all levels of the firm, it would help in advancing their best managerial talent to leadership positions.

In a world which is increasingly recognising the importance of women as consumers and where female graduates are beginning to outnumber (as well as outperform) their male counterparts at universities, the Indian corporate sector cannot continue to ignore the importance of diversity and inclusion in the workplace. The WEPs offer Indian firms a global perspective and some practical guidance on how they can implement comprehensive diversity and inclusion practices at all levels of their organisation.

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