Gender Inequity In The Corporate Sector In India

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INTRODUCTION

All human beings, irrespective of gender, must have equal opportunities to seek out economic opportunities. People access resources and livelihoods for survival and sustenance. But beyond that, economic power helps them acquire capabilities that enlarge choices for living a satisfying and creative life. One of the ugly realities of the 21st century is the persistence of a serious gap between the wages of working men and women around the world. Advanced economies of the United States and Western Europe also still continue to struggle to achieve a fair wage balance between men and women workforce. However, when it comes to developing economies like India, the size of gender-based wage disparities is far more striking.

The recent survey findings by the World Economic Forum (WEF) put the spotlight on India, ranking it among the bottom 10 countries in the world in terms of women's participation in the economy. Overall, India achieved a score of 59.4% in terms of gender equality in the survey, but in terms of economic participation and opportunity, it scored a dismal 39.8%. India's general participation of women in the overall workforce stands at around 36%, whereas, for the professional and technical workers, the figure is 21%. The status of working women is poor throughout the world, but it is the worst in India. The Corporate sector of India secured the 114th rank in the Gender Gap Index, which is an indicator of the gender discrimination at the workplaces in India.

WOMEN IN INDIA

According to the provisional population total of Census 2011, out of a total 1,21,01,93,422 population, 48.46 % comprised of the female population in India. As per the census, the sex ratio was 940, which rose marginally since the last census in 2001. The decreasing sex ratio is a problem throughout the world, but is a critical problem in India .One of the interesting outcomes of the Census 2011 was an increase in the female literacy by 49.10 percentage points, while male literacy increased by 31.98 percentage points. Despite reported progress, there is still a persistent gap between women and men's access to education in India. Combating the high rate of illiteracy among women and girls remains an urgent need. According to the UNESCO Institute of Statistics, it is now estimated that two-thirds of the world's 875 million illiterate adults are women.

If we talk about labor participation, overall Labor Participation Rate (LPR) of women in India is just 35.7 %, whereas some Asian countries like Cambodia, China, Papua New Guinea and Vietnam have more than 70% LPR. The Table 1

Table 1 : Status of Women In India

Sr. no.	Country	Sex Ratio (Per 1000 Males)		Female Literacy	Female LPR
		2001	2011	2011	
1	World	986	984		
2	China	944	926	87.6%	70.8 %
3	**India**	**933**	**940**	**65.46 %**	**35.7 %**
4	USA	1,029	1,025	99%	59 %
5	Indonesia	1,004	988	83.4 %	49.8%
6	Brazil	1,025	1.042	86.6 %	------
7	Pakistan	938	943	45 %	20.8%
8	Japan	1,041	1.055	99%	48.0%

(Source : Census 2011, CIA World Factbook, U.S. Department of of Labor)
Literacy Rate -- the percentage of population,15 years and older who can read and write)

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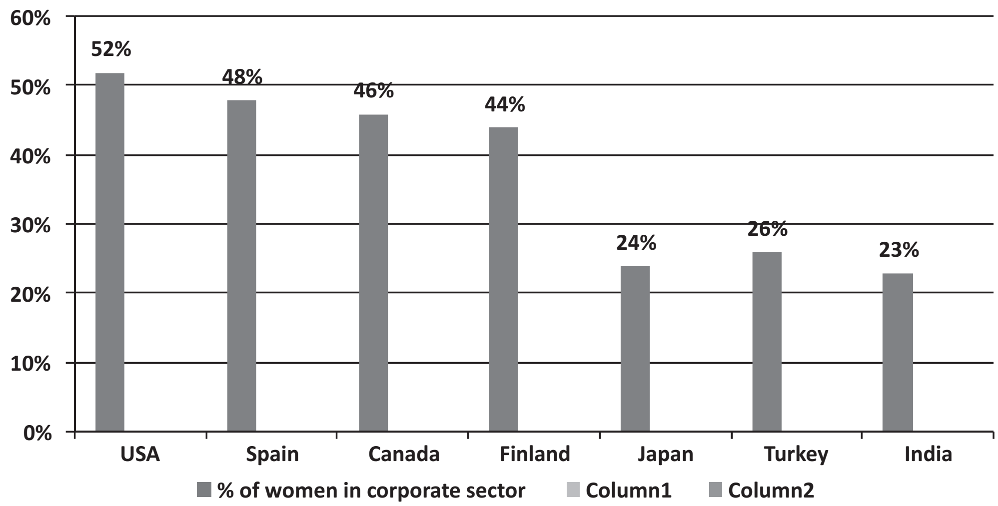
indicates the status of women in different countries in terms of sex ratio, literacy and LPR as compared to India.

REPRESENTATION OF WOMEN IN THE CORPORATE SECTOR IN INDIA

The Figure 1 depicts that the corporate sector of India does not show a positive attitude towards the female employees. India is the country with the lowest percentage of female employees (23%), followed by Japan (24%), Turkey (26%) and Austria (29%). The United States (52%), Spain (48%), Canada (46%) and Finland (44%) display the highest percentage of total female employees.

Figure 1: Percentage Of Women Employees By Country



Source : The Corporate Gender Gap Report, 2010

At the industry level, the findings of the World Economic Forum (WEF) survey confirmed that the services sector employs the greatest percentage of women employees. Within this sector, the financial services and insurance (60%), professional services (56%) and media and entertainment (42%) industries employ the greatest percentage of women. The sectors that display the lowest percentage of women are in automotive (18%), mining (18%) and agriculture (21%). Leading companies are failing to capitalize on the talents of women in the workforce, according to the WEF report. Meanwhile, the United Nations Development Programme-sponsored 2010 Asia-Pacific Human Development Report indicated that lack of women's participation in the workforce costs the region billions of dollars every year. In countries such as India, conservative estimates show that GDP would increase by up to 2-4 percent annually if women's employment rates were raised to 70 percent, closer to the rate of many developed countries. The issue is not only with the participation in the corporate sector, but female employees are also facing issues like work and pay related inequality at their workplaces.

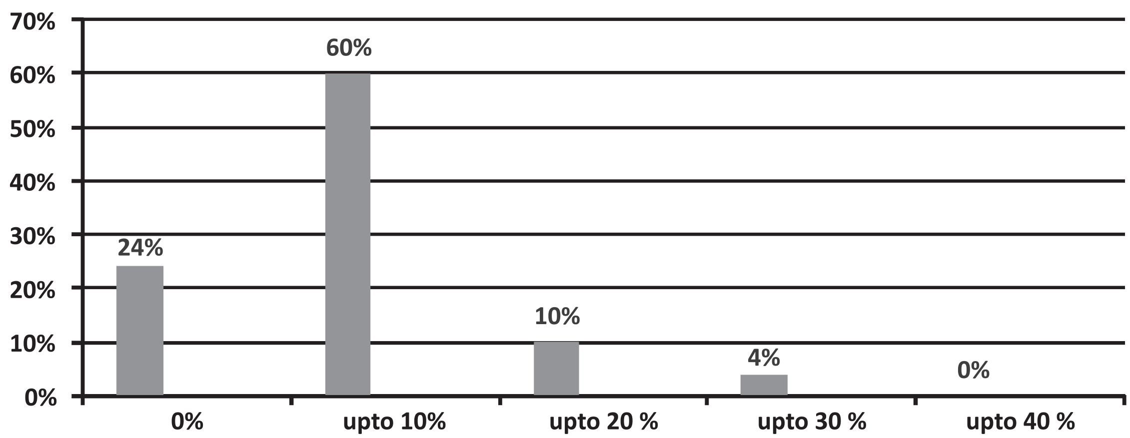
WORK INEQUALITY FOR WOMEN IN THE CORPORATE SECTOR IN INDIA

Gender stereotyping continues to prevail in technical and professional fields. Even where women have open access to all professions, they overwhelmingly opt for traditionally female occupations. The gap separating men and women in the job market remains wide in India. Woman's role in the corporate sector was assumed to be merely secretarial in nature. However, even today, the change is barely marginal. The new economy sector such as Information Technology that supposedly encourages a greater role for women in high-paying jobs, is in fact, hiring women primarily for back-office functions such as HR and BPO, while the purely technical, engineering or marketing and management jobs still largely go to men.

In the corporate sector in India - female employees tend to be concentrated in the entry or middle-level positions—that is, the more senior the position, the lower the percentage of women. The 2009 World Economic Forum(WEF) survey also supported this argument when it said that even among the best employers in India, women employees hold barely 10% of all senior management positions – in two-thirds of the companies covered under the survey. As reported by Financial Chronicle, the survey, based on responses of 60 of the 100 best employers in India, showed that women employees held only 10 percent of the senior management positions in two-thirds of the surveyed companies.

According to WEF's Corporate Gender Gap Report, 2010, more than 50% of the surveyed companies had a women workforce of less than 10% at the entry and middle positions. The Figure 2 depicts that almost 80 % of the companies have less than 10 % of the female employees in the senior management positions. As per the WILL KPMG study, companies such as the Tata Group, Zensar Technologies and JSW Steel had 5-6% women in senior positions; multinationals such as PepsiCo, KPMG, Citigroup, GE, and Pfizer had 15-20% women at the same level in 2010. HCL Technologies had 14% women in its top management; Axis Bank had 21% women representation as compared to 43% in American Express. PepsiCo India, a gender diversity focused company, had about 12% women representation, of which one-fourth constitute senior leadership.

Figure 2 : Female Employees In Senior Management Positions In Companies In India



Source : WEF Survey , 2010

If we analyze the status of women on the Board of Directors, 80 % of the companies in India have less than 10 % women on board. A major exception to this trend is Norway among all countries, where the percentage of women among the Board of Directors is above 40%. This is due to a government regulation that mandates a minimum of 40% of each gender on the boards of public companies (see Table 2 for international comparison of women on boards).

Statistics show that India has no female CEOs (only in responding companies of WEF survey), whereas Finland (13 %) had the highest number of Female CEOs.

Table 2: International Comparison Of Women On Boards

Sr.No	Country	% of women on Board
1	Norway	40%
2	Philippines	23%
3	USA	11.4%
4	UK	7.8%
5	France	8.2%
6	China	6.6%
7	Pakistan	4.6%
8	**India**	**4.1%**
9	Japan	0.9%

Source: Women on Boards Report, February 2011

It is observed that most of the women are stuck into low skilled and daily wage jobs, without any legal and social protection.

GENDER PAY GAP IN THE CORPORATE SECTOR IN INDIA

The World Economic Forum (WEF), 2009 report revealed a shocking disparity between the wage structure of men and women in corporate India. The average annual income of a woman in India is US$ 1,185 as compared to US$ 3,698 for the men employed in India's corporate sector. This translates to an average woman's pay of less than one-third of the average man's pay in the Indian corporate sector. The overall gender pay gap in India is 28 % i.e. women are paid 28 % less than men in India. The situation is not much satisfactory in most of the countries . The Table 3 depicts the gender pay gap in different countries. At the same time, there is practically no culture among the Indian companies to monitor gender-based wage gaps, with only 4% of the companies having some sort of a mechanism for it.

Table 3: Gender Pay Gap In Different Countries

Country	Gender pay gap (In percentage)
UK	18
Australia	15
New Zealand	16
Minnesota	27
U.S.	23
India	**28**
Belgium	23.7
Singapore	28
Japan	34
Korea	37
Denmark	18
Canada	23

Source: Compiled from different sources like ILO, OCED Fact. The gender pay gap is determined by calculating women's overall average pay as a percentage of men's. So, for example, the pay gap is said to be 28%, where women's pay is 72% of men's pay.

REASONS FOR GENDER INEQUITY

Stereotypes about women and sometime, women themselves are responsible for work and pay inequity . The following are the general reasons for work and pay inequity for women:

- Family responsibilities and social barriers do not allow women to enter into jobs.
- Certain occupational hazards of being a woman.
- Women are worse in negotiating for their salary and ask for lower wages than men in wage negotiations.
- Employer stereotypes about women, describing in general, men as more assertive and work-oriented, and women as more communal, caring, and family-oriented. Therefore, there are general perceptions that women cannot spend more time at the workplace, can't work in night shifts, are not dedicated towards their job etc.
- According to employers, women cannot switch roles during work as easily as men, who can deal with government offices, courts, entertain customers and officials at dinners etc.
- There is discrimination in the recruitment and selection procedure by employers.

SUGGESTIONS

The obstacles to women's equal participation in the corporate sector needs to be overcome as a matter of justice, and to benefit women, societies, and economies at large. The barriers are not insurmountable. Progress is coming from many directions, fueled at times by growing recognition of the potentially huge economic contributions women can make. Further steps can direct and speed up this process :

1) Creating and strengthening an accurate and authentic database on women workers in all sectors of employment, covering both organized and unorganized sectors. This could be used as a tool of planning for both legislative as well as administrative intervention by the Government to protect and safeguard the interests of women workers in different fields of work and under different conditions of employment.

2) Technological changes tend to displace women more than men, primarily on account of lack of education, orientation, training and skill development programmes. Such programmes for women workers, therefore, need to be given high priority with a view to enabling women workers to improve their productivity and access to quality employment, and also to enable them to take up new jobs involving technological changes.

3) Carrying out research studies on problems of women workers, their employability, and the extent of their displacement on account of technological and various other changes.

4) A special quota for women on the Board of Directors is needed. The Norway Legislation was drafted for 40% quota for women on Board of Directors. Not only Norway, but other countries are also taking efforts to bring women on Board of Directors - like targets were also set by the Women on Boards and Chartered Secretaries Australia (CSA), of 25% representation of women by 2012 and 40% by 2015.Such type of initiatives are also required in India.

5) Creating and maintaining a work environment of high quality for women staff entails at least four elements. First, in the active recruitment and retention, no gender, culture or race should have preference over others. The second element is the recognition of the importance of this diversity for organizational effectiveness; differences in ways of working and contributing should be viewed as an asset. The third element is the employment of the expertise of diverse women across all levels and functions. Managers and staff members must have the knowledge and skill to work with diversity and foster dialogue that supports women of diverse backgrounds. A fourth key element is to appreciate and address the different constraints women and men face in achieving work objectives. For example, women often have a greater responsibility for childcare, and a greater likelihood of a spouse with career aspirations. In summary, these four elements are important both for optimal individual and organizational performance. Women staff members who feel marginalized often do not perform at their highest capacity and leave prematurely.

6) Foster new attitudes. Civil society, the media, academic institutions, religious organizations, businesses and other groups involved in shaping social attitudes should be enlisted in influencing women to support gender equality. Concrete advocacy tools can be developed and new channels of advocacy and communication need to be explored. A strong push should be made to include men in the understanding of gender equality and steps to achieve it, recognizing their transformative role.

CONCLUSION

Despite its admirable march towards economic liberalization and reforms, India still needs to go a long way in terms of integrating its women workforce equally with the country's economic progress. The condition of women at the workplace is based on conservative outlook by the employers that positions women at the periphery of the workplace, leading to no meaningful contribution to the organizations' growth and development. The Indian corporate sector needs to become more conscious of its social responsibility, and create firm HR policies to reduce gender-based wage disparities. Thus, today, women require workplaces that are having strong women friendly human resource policies. The World should take a lesson from some of the most successful women's organizations like *Shri Mahila Griha Udyog, ICICI Bank,* and *Biocon* in India. These are the organizations that are famous for their women friendly policies in India.

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