Glass Ceiling Converted Into Glass Transparency: A Study On The Factors Making Women Executives Successful In The Indian Banking Sector

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Abstract
Economic reforms in the Indian economy along with gradual opening up of a conservative society to a modern society preceded breaking the glass ceiling or conversion Glass ceiling into a Glass Transparency in the Indian Banking Sector. This is backed by a recent study of 240 top Indian companies by EMA Partners, the global executive-search firm, which says more than a half of India's women chief executives are accounted for by the banking and financial services industry.

This paper studies the impact of glass ceiling on the Indian banking Industry and increasing role of women leaders in banking industry and also is an attempt to develop the factors which make women so successful in the Indian Banking Industry.

Purpose Of The Paper is to
a) To Study the impact of Glass Ceiling on the Indian banking Industry
b) To Study the why women in banking making it to the corner room than any other sector
c) To develop the factors making women executive successful in the Indian banking Sector

Design/Methodology/Approach
The theories about the factors that have been used to break through the glass ceiling and increase women’s participation have been discussed and coordinated with the statements of eminent personalities of Indian Banking Sector about factors women bankers leverage in their career growth and classified into a set of six factor which are making women executive successful in the Indian banking sector.

Findings
We conclude that India’s Banking sector seems to have gently shattered this Glass ceiling and has been a sort of opposition to the glass ceiling and the Indian banking industry has a better corner room diversity score

It is concluded that factors making women executive successful in the Indian Banking sector can be classified as
a) Liberalization of Indian Economy b) Education c) Diversity Consciousness by Banks d) Nature of Banking Job e) Family Support f) Banking Comes Naturally to Women

Keywords: Glass Ceiling, Indian Banking, Women in Banking, Glass Transparency, Banking & Financial Services.

Introduction
Women Managers are conspicuous by their minority in Indian Organizations. However studies show that Indian Organizations are better off than their western counterparts as far as presence of women in the top management is concerned. Around 11% of the top corporate organizations in India are headed by women against a corresponding figure of 3% for fortune 500 companies. Trends in the Indian Banking sector are highly favorable for women leaders; Managing Human Resources (Sie) 8E, By Cascio, Page 370).

Indian banking sector has witnessed explosive growth and expansion ever since the economic reforms was launched nearly two decades ago. This has created a new window of opportunities for women to find employment in the banking sector. In fact, the nationalization of the Indian banking sector in 1969 served as the first major step to reduce gender discrimination against women in banking jobs. The general pattern of women’s employment in this sector has shown that there has been a sort of opposition invisible glass ceiling against women acquiring the top management positions in banking.

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Glass Ceiling
Glass ceiling became a popular term after it was coined in The Wall Street Journal by journalists Hymowitz and Schellhardt in 1986. It is an everyday metaphor used to describe the invisible barrier in front of women seeking to move up organizational hierarchies (Powell, 2012). This phenomenon is responsible for the scarcity of women holding leadership and senior management positions.
in many areas, but particularly in business and politics (Catalyst, 2011; Okimoto and Brescoll, 2010).

The “glass ceiling” refers to an artificial barrier that prevents qualified individuals to advance within their organization and reach their full potential (Reinhold, 2005). Even though society has come a long way in attaining more opportunities for women, there is still a long way to go in order to reach true equality (Goodman et al., 2003). This inability to reach equality is what is termed the “glass ceiling” (Veale and Gold, 1998). The term “glass ceiling” is the apparent barriers that prevent women and minorities from reaching the top of the corporate hierarchy” (Pai and Vaidya, 2009, p.106).

“In today’s world female managers are business people who are in relationships with family responsibilities and it is important for women to realize that their dual roles have to be managed” (Veale and Gold, 1998, p. 23). Presently, a large number of women have moved rapidly into positions of management (Yukongdi and Benson, 2005). Even though, to date, they occupy mostly the middle and lower ranks in the managerial cadre (Kottis, 1993). Quite a number of women have successfully broken the “glass ceiling” but the number gaining access into senior management positions is still relatively small (Arfken et al., 2004). In most cases, female managers carry out the same job description as men but with lower titles (Albrecht et al., 2003). Furthermore, practical evidence confirms that the few women that have succeeded in getting to managerial positions earn just a fraction of what their male counterparts earn on salaries (Jamali et al., 2006). In spite of all the pressures and legal changes from national and international organizations which have taken place, it is not in doubt that an advancement in the positions held by women in large organizations have been somewhat uneven and slow (Cordano et al., 2002).

Glass Ceiling and Indian Banking Sector:
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As Arundhati Bhattacharya gets set to take charge as the chairperson of the country’s largest bank State Bank of India (SBI) to become the first woman chairperson in the history of 206 years of State bank of India, she looks likely to join the steadily expanding club of women currently holding the top job in Indian banks. Bhattacharya will be the latest entrant, joining the likes of Chanda Kochhar, MD and CEO of ICICI Bank; Shikha Sharma, MD and CEO, Axis Bank; Naina Lal Kidwai, country head, HSBC; Kaku Nakhate, president and country head (India), Bank of America Merrill Lynch, Vijayalakshmi Iyer, CMD, Bank of India; Archana Bhargava, CMD, United Bank of India and Shubhalakshmi Panse, CMD of Allahabad Bank.

The government has reportedly zeroed in on Ms. Usha Anantashasubramanian, ED, Punjab National Bank, to head the country’s first all-women bank–Bhartiya Mahila Bank–which has commenced operations from November.

This is unique both in the Indian and global contexts. In India, only one in 10 companies across all sectors have a woman at the helm, but more than half of these are from the financial services sector, a study done by executive search firm EMA Partners International a few years ago discovered. That number has only grown in the past few years, says K Sudarshan, managing partner - India & regional VP - Asia.

Globally too, the Indian banking industry has a better corner room diversity score than even the US. Only three in the top 25 in American Banker Magazine's listing of most powerful women in banking, released last month, are at the very top of their companies. Two more had the chief executive title, but only ran large subsidiaries.

Why Do More Women In Banking Make It To The Corner Room Than Any Other Sector?

“Women have this thing with numbers, finance and money. The banking industry gave them equal opportunities and they have excelled” Finance Secretary Sushma Nath, who is herself the first woman to occupy the top post in North Block, said.

Banking comes naturally to women, says Swati Piramal, a non-executive director on the board of ICICI Bank and vice-chairperson of Piramal Enterprises. “Women tend to be more conservative, more structured, more careful about money, good leaders and better team players,” she says. Arun Duggal, chairman of Shriram Capital and a veteran international banker adds: “Banking requires sound instinct and intellectual capability to analyse businesses. I feel women are better at it than men.” says Duggal, who is championing a mentoring programme to get more women on corporate boards, says women have the ability to judge a borrower situation instinctively and are able to make very sound judgments.

At least two more factors have traditionally helped women bankers leverage this natural advantage in their career growth. First, banking does not present women with the challenges and stereotypes other sectors such as manufacturing pose. “Unlike in manufacturing, banking in a way, did not have a shop-floor (and therefore no problem of women having to do night shifts),” says K Ramkumar, executive director, ICICI Bank. “Much of
the selling in the financial services industry, until retail exploded in the past 10 years, was done meeting people in offices."

Second, banks started to intentionally build diversity much earlier than other sectors. "The number of senior women bankers that you see today is a testimony to that," says Madhavi Lall, head - group employee relations, Standard Chartered Bank. At ICICI Bank, for example, this was happening since the 1980s, led by visionaries like SS Nadkarni and N Vaghul in the 80s, points out Ramkumar. Kamath continued the tradition that ensured women got an opportunity to prove themselves.

"Women who are at the top now are largely those who started their careers around 1980s and worked their way up," says Shubhalakshmi Panse, chairman and managing director of Allahabad Bank and the first woman to head the 148-year-old institution. "What works in their favour is that they are multi-taskers, team players, very flexible and able to handle all kinds of situations with equanimity."

Tarjani Vakil, former chairperson of the Exim Bank, who rose to the top spot in 1996, was perhaps the first of her kind. She was followed by Ranjana Kumar who became CMD of Indian Bank in 2000. She managed a significant turnaround at the bank, before taking over as chairperson of Nabard (National Bank for Agriculture and Rural Development) in 2003.

Over the years, ICICI Bank and others have supported women at various points in their career, enabling them to balance their home and work life more effectively, especially at key decision points or the cross-roads. "Banking as a career offers women the opportunity to better balance their family and professional careers, " says Duggal. Many banks have also proactively promoted women for fear of losing them to competition. "Companies that have managed to elevate internal candidates to the CEO position are better examples where this approach has worked best," says Kaku Nakhathe, president and country head - India, Bank of America Merrill Lynch.

Banks remain sharply focused on improving gender diversity, top search firms say. Other things remaining the same, between two candidates from different sexes, banks prefer women.

At least half-a-dozen clients across multinational banks and insurance are making a more conscious effort to hire women candidates, says Monica Agrawal, partner and head of financial services at executive search firm Korn/Ferry International. "Earlier, men and women would start off at the same level but at the mid-management levels, some women would tend to drop off because of various issues. This is changing a lot now."

Banking requires a lot of reliance on external network and research suggests women are very strong in external networking and more objective and performance-oriented in their roles within the organization, says Pu-neet Singh, partner, financial services, and head-north India, Heidrick &Struggles. "This is one reason why women are successful at the top level in banks."

Some of the operational challenges in terms of gender aren't there in our banking and financial services industry," said Aruna Sundararajan, who was till recently the chief executive for digital inclusion at Infrastructure Leasing and Financial Services Ltd.

'This industry also does not need the kind of networking that is otherwise required in the corporate sector. It has also provided equal, merit-based opportunities to women, Sundararajan, now a joint secretary in the urban development ministry, told IANS.

**Literature Review**

According to McDonald (2004) attaining education has been categorized as one of the most significant factors that have been used to break through the glass ceiling and increase women’s participation in the labor force. Kirchmeyer (2002 cited in Jamali et al. 2006) noted that in the past, women have achieved high levels of education in different countries and consist of about 40 percent of the workforce worldwide. Self development through formal education and volunteering for leadership positions would help women acquire good skills for business as well as gain high profile, knowledge and experience (Still, 1992).

Diversity is an asset which can be transformed when properly managed into a workplace where different employees can grow and utilize their full potential (Kundu, 2003). MacRae (2005) noted the increase in gender and ethnic diversity in organizations as a vital strategy which has helped in assuring women of equal opportunity in attaining top management positions and getting involved in making strategic business decisions thereby making it, not only imperative for organizational success but also for societal development. Morrison (1992) suggested that top management should promote diversity and their top executives should constantly advocate and nudge their direct subordinates and other employees to foster diversity within the organization. According to Jackson (2001) organizations should effectively embrace diversity and put strategies in place to eliminate discrimination and injustice to women.

Williams and Cooper, (2004) acknowledged that family obligations affected working women while Clancy and
Tata (2005) argued that women would be successful in their career if they get the support of their husbands.

According to Cornelius and Skinner (2005) equal opportunities in promotion, pay and support for all women irrespective of their age enable them to engage in any career of their choice. Kottis (1993) also noted that, women employees receive lower salaries and less promotion and this made them less fulfilled than their male counterparts. Thus, equal opportunities in pay and promotions should be encouraged as one of the strategies. Promotions should be based on their performance and not on gender (Fitsum and Luchien, 2007).

According to Don (2006) excellent services are provided by managers who identify with others on an emotional level. Evans (2010) supports this view by stating that female managers have superior people management skills, more democratic, visionary, focus on quality of performance, possess distinctive virtues, skills and ability to inspire and motivate employees, results driven at work, proficient in organizational transformation using their personality, good interpersonal skills, ability to multi-task and prioritize, possess effective soft skills such as negotiating and communicating and their style of leadership is transformational.

Findings:
India’s Banking sector seems to have gently shattered this Glass ceiling and has been a sort of opposition to the glass ceiling and the Indian banking industry has a better corner room diversity score.

It is concluded that factors making women executive successful in the Indian Banking sector can be classified into six factors:

a) Liberalization of Indian Economy
b) Education
c) Diversity Consciousness by Banks
d) Nature of Banking Job
e) Family Support
f) Banking comes naturally to Women

d) Nature of Banking Job: The working hours of banks were suited to serve the woman's domestic schedules, there was physical proximity to the place of work, the job offered an element of respectability and the profession did not require physical labor. Banking does not present women with the challenges and stereotypes other sectors such as manufacturing pose.

e) Family Support: Most women bankers agree that one of main advantages they had was the support system from their family. Banking as a career offers women the opportunity to better balance their family and professional careers.

f) Banking comes naturally to Women: Retail banking is more of a relationship thing and women excel at that. In the Indian context, while women have started venturing out to work in the corporate world, they have been handling relationships at home too, as a wife or a mother. Women have done well in banking because it is a business where you need to keep in mind what the customer wants. Women have some amount of empathy towards customers’ needs.

The Challenge Ahead:
We welcome the appointment of Arundhati Bhattacharya, the first woman to steer the country’s largest lender, the State Bank of India. She joins other women heading public and private sector banks in India, all of whom have been chosen on merit and performance, and not because of their gender. But in sectors other than banking, there is a dearth of women in the senior-most positions. This is strange and calls out to be remedied. We do not need a quota on company board seats for women. That would be patronizing. What corporate India needs is awareness that there is something called a glass ceiling for women, probably right there in its own house. Other things being equal, gender should not come in the way of women’s progress to leadership roles.

Rightly, Twitter is now under attack, for lack of diversity, being the only tech powerhouse without a female board member. And what drives home the difference is the fact that there are more women than men using Twitter. Facebook came under similar attack ahead of its IPO, but named a woman director shortly after the public
offering. Google, Apple, Microsoft, LinkedIn, Amazon and eBay, all have at least one woman elected to their boards. Surely, diversity improves the quality of decision-making.

Research has shown that having women on boards provides genuine value addition to decision-making. We have a distance to go, especially in the larger society, whose attitudes determine how women are viewed and valued, including in corporate life.

References


