



Vanishing CEOs in the Indian Banking

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Introduction:

Indian banking has been in the forefront of many social changes and economic reforms of the country. Though modeled on British banking, most of the innovations in the Indian banking reflect Indian ethos, and culture specific to the nation apart from banking. Since Vedic period Indian culture has given importance to empowerment and primacy of women. The policy of women's empowerment is incorporated well into the constitution of India. Article 14 ensures the right to equality for women; Article 15(1) prohibits gender discrimination; Article 15(3) empowers the state to take affirmative steps in favour of women, to name a few. Indian banking is no exception to this trend.

As a woman in a patriarchal society and reaching high positions by performance always comes with its own set of challenges. Therefore, role models become important to inspire and continue the growth. In this article we analyse the few of the inspiring women in the Indian Banking sector and what helps and hinders their growth.

Some of the women who have scaled noticeable heights in Indian banking are

Arundhati Bhattacharya: Chairperson, The State Bank of India (SBI)

She is not only the first woman to lead an India-based Fortune 500 company but has also been named the 25th most powerful woman in the world by *Forbes*. She joined SBI in 1977 as a probationary officer (PO) at the age of 22 years. She has taken some great initiatives to make work easier for women in the sector. She introduced a two-year sabbatical policy for women employees for child or elder care. On Women's Day, she decided to introduce free vaccination against cervical cancer to all her woman employees.

Chanda Kochhar has headed as CEO and MD, ICICI Bank, the largest private sector bank in India and is known for shaping the retail banking industry in the country. After a degree in 1982, she acquired cost accountancy qualification and a master's degree in management studies. She is known to recognising a challenge in its entirety and taking it head on. She has consistently been featured on the *Forbes'* list of 'World's 100 Most Powerful Women'.

Kalpana Morparia: CEO, JP Morgan (India)

She was a teacher turned banker with a degree in Law. She worked in ICICI bank for three decades and moved to be the CEO of J P Morgan she is also the independent Director of Dr. Reddy's Lab, Bennet & Colman, CMC Limited of Tata Consultancy. She is also involved in the philanthropic work of Bharati Foundation run by Sunil Mittal of Airtel. Ranked by Fortune magazine as one of the '50 Most Powerful Women in International Business', career of rising to the top is truly an inspiration.

Naina Lal Kidwai: CEO and Country Head (India), HSBC

The Chairman of HSBC India, first woman to guide the functioning of a foreign bank in India. she was also the first woman President of Federation of Indian Chambers of Commerce and Industry (FICCI). She has a Bachelor's degree in Economics and an MBA from Harvard Business School and was the first Indian woman to graduate from Harvard Business School. She was awarded distinguished Padma Shri award for her contributions in the areas of trade and industry.

Ranjana Kumar- chairperson and managing director of Indian Bank,

Ranjana Kumar started her career as a probationary officer with Bank of India Ltd. She has served executive director of Canara Bank, Chairperson of National Bank for Agriculture and Rural Development (NABARD) and later as chairperson and managing director of Indian Bank, the first woman to become head of a public sector bank in India. She was also She turned around Indian Bank which was saddled with huge losses,

Shanti Ekambaram: President (Consumer Banking), Kotak Mahindra Bank

Shanti Ekambaram is one of India Inc's most powerful women. She presides over Kotak Bank's corporate and investment banking unit, which is the biggest profit contributor of the firm. She has also mentored and trained women for major roles in the bank.

Shikha Sharma: CEO and Managing Director, Axis Bank

She has been a high-flying achiever with BA (Honours) in Economics and MBA. She started her career with the ICICI bank. Since Sharma's appointment as MD & CEO of Axis Bank in 2009, the bank's the bank has grown rapidly and managed very efficiently.

Usha Anantha Subramanian: CMD, Bhartiya Mahila Bank

She holds a Master's Degree in Statistics and a Master's degree in Ancient Indian Culture. With a banking career spanning over 31 years, she was the CEO and Managing Director of the Punjab National Bank and came to lead the first women's bank in the country Bhartiya Mahila Bank.

Renu Sud Karnad –Managing Director, HDFC Ltd.

Renu Sud Karnad with her vast experience is one of the most influential women in India's financial industry, and has helped HDFC transform into one of the most respected financial organizations and enabled HDFC to become a leader in the Indian mortgage industry, while also expanding into banking and insurance. She was recognised by Fortune's 'Most Powerful Women in Business' in Asia for three consecutive years.

Shyamala Gopinath-Head–SEAC and deputy governor Reserve bank of India

Shyamala Gopinath is pioneering name in India's financial sector, celebrated for her noteworthy contributions. Even after her retirement, Gopinath remains an influential voice in the financial industry and a beacon of inspiration for aspiring leaders.

MadhabiPuriBuch–Chairperson Securities and Exchange Board of India (SEBI),

Madhabi Puri Buch,embarked on her professional journey in 1989 at ICICI Bank. From 1993 to 1995, she contributed her expertise as a lecturer at West Cheshire College in England. In 2006, she joined ICICI Securities and subsequently ascended to the position of Managing Director and CEO, leading the organization from February 2009 to May 2011. Expanding her horizons, Buch ventured to Singapore in 2011, where she joined Greater Pacific Capital. Over the course of six years, from 2011 to 2017, she held various executive director roles across prominent companies, including Zansar Technologies, Innoven Capital, and Max Healthcare. This multifaceted journey makes her a highly respected figure in the industry.

Zarin Daruwala – CEO, Standard Chartered Bank India:

Zarin Daruwala is a prominent and widely respected figure in the financial industry, both in India and around the world. Her strategic vision has played a key role in the success of Standard Chartered Bank India, particularly in the areas of digital banking, risk management, and employee development. She has inspired countless women in India to pursue leadership positions in the traditionally male-dominated financial sector.

The are others who feature in the list of women heading commercial banks like Vijayalakshmi R. Iyer (chairperson and managing director, Bank of India); Shubhalakshmi Panse (chairman and managing director, Allahabad Bank); Archana Bhargava (chairperson and managing director, United Bank of India); Meera Sanyal (country executive and chairperson, Royal Bank of Scotland India) and Suvalaxmi Chakraborty (CEO of the Indian unit of State Bank of Mauritius)

The Indian financial industry has witnessed a remarkable transformation with the rise of these influential women breaking gender barriers to driving innovation and fostering financial inclusion, left an indelible mark on the industry by reshaping the industry.

Even in an industry that is as competitive as banking, women are not behind men in terms of merit and leadership ability is proven beyond doubt by the number of women leaders emerging in banking over years.

The tale of the women CEOs inspires but it begs the question why are there so few woman CEOs? Even though no one will admit in the public, the Indian banking industry remains a male dominated field. To cut through the competition and break the glass ceiling women find it tough while some succeeded, many dropped halfway.

It took 68-year wait for a woman to reach the deputy governor's post. In Reserve Bank of India (RBI), where traditionally the bank has one governor and three to four deputy governors to formulate monetary policy and run the banking system. RBI's first woman deputy governor, Kishori J. Udeshi, took over in June 2003. Subsequently, two more women reached this tier—Usha Thorat and Shyamala Gopinath. Against this backdrop, the State Bank of India's wait of 206 years to get its first woman chairperson has been a bit longer. It is interesting to note women's representation in the executive cadre of public sector banks, which account for about 70% of India's banking industry assets, is less than 3%. Women make up about 17% of the total workforce in the state-run banks. While their representation in the clerical cadre is a little over 26%, about 11% of officers in the industry are women. In private banks, the position is somewhat better. For instance, in ICICI Bank Ltd. women employees constitute roughly about 31%.

There are not too many women in the top executive cadre—general managers—in the state-run banking industry. The past data reveals that Overall, there are only 36 women among 630 general managers across banks. State Bank of India has the maximum number of women general managers—16 out of 138; Bank of Baroda, Canara Bank and Indian Overseas Bank have three each; and Punjab National Bank and Union Bank of India have two each. There are quite a few state-run banks where no woman is among the top executive cadre. In some of the small private banks also no woman is among the top executive cadre

The need to study, survey and objectives.

So, it was thought fit to analyse in a limited way, what prevents women from reaching the top? A simple survey with limited sample size of 60 women employees was conducted to find answers for the following questions

Is it because of struggles she faces in her career both within the organisation and in the family during her progression in career path?

Is it tougher in Nationalized banks to reach the top position compared to Private banks?

Is it because of the job turned harder and more complex due to increasing responsibility to manage as one rises through the ranks in the organisation?

Is it because of gender bias and women not getting enough opportunities?

Is it because of internal policies covering every employee hinders women from rising to the top?

Is it a personal choice and attitude of women employees?

What factors inhibit women progressing to top position?

The analysis:

While ranking the factors that hinder the women's promotion to top positions, around 60 % ranked the condition of compulsory rural postings for promotion as a main reason. 47% said frequent transfers on promotion as a main hurdle.

84% have agreed that internal policies for promotions are transparent and no bias is inherent in them. Around 3% said reservations are not available for top positions like ED /MD and chairperson. But in general reservation is followed in nationalized banks whereas no reservation is available in private sector banks.

Many women employees (53%) said that they avoid promotion process for family considerations like husbands' non-transferable job, good schooling, aged parents needing medical help etc. In the absence of a support system, women officers invariably end up sacrificing their careers to look after their family and children.

Internal work pressure like staying late to complete the work, increasing workload due to staff shortage, increasing responsibility with promotions are cited by 42% of the respondents. In effect they feel that higher one goes up, the quality time with family gets compromised and reduced.

Around 71% of the employees felt that during their working hours, they are unable to equip or update themselves continuously or fully for facing interviews which is the main component of promotion process. Many have not acquired professional qualifications and do not enthusiastically opt for promotions.

Around 78% employees said performance-based promotions are high in private banks whereas seniority-based promotions are more in nationalised banks.

In the case of state-run banks, the hierarchy is quite rigid with minimum years of service in each cadre to become eligible for promotion. With over 50,000 branches in the country and over 2,00,000 officers the competition is very tough. To go up 7 stages (scale I to Scale VII) it takes a long time of 15 years. Even then promotions are not automatic but based on seniority, work performance and interview performance. No out of turn promotions are possible in state owned banks as banks have with strong unions. But the situation in private banks is somewhat different.

Conclusion:

It appears the personal reasons and attitude towards leading is the main reason why women opt out of higher positions.

Compulsory service at rural posting, transfers to any place are matters of business policy which are difficult to change quickly or easily are factors which play a significant role in women opting out of promotions.

Facilities, like part-time employment and the option of flexible working hours for women employees and a sabbatical to women employees, maternity leave of six months which can be extended by taking leave without pay; childcare leave of 36 days each year till the child attains the age of two; fertility leave of 180 days; and also adoption leave providing creches in branches are based on the recommendations of a committee headed by former head of Bank of Baroda, A.K. Khandelwal, which looked into the HR (human resource) aspects of public sector banks, are all motivators but of uncertain value.

It looks like unless leadership training is strengthened to make female employees feel the drive to lead and a social support system developed the participation of women in top slots are likely to be slow. More importantly, enough women leaders are there now as role models before them to look up to plan and chart out their career path.

Abstract: This article analyses the significant role women played in Indian banking. It finds out that given the size and staff employed the participation of women in higher echelons of the banking is significantly less. The reasons why women do not occupy higher responsibilities in banks is analysed and factors for the same are identified. It also briefly touches upon the various incentives which could motivate women to be in competition for higher position in the industry.

Keywords: Women leadership in banks, preventing factors for women participation, career women growth.