BREAKING BARRIERS TO BOARDROOMS: WOMEN'S ECONOMIC PARTICIPATION AND INSTITUTIONAL GROWTH IN EMERGING ECONOMIES

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Abstract:

Women's representation in corporate and institutional leadership remains critically low in emerging economies, despite the presence of constitutional equality guarantees and gender-diversity mandates in corporate governance laws. This paper examines whether existing legal frameworks have effectively enabled women's economic participation at the highest decision-making levels or merely facilitated formal compliance without substantive institutional transformation. Anchored in corporate and constitutional law, the study analyses the relationship between women's boardroom participation and institutional growth, with particular emphasis on emerging economies and the Indian regulatory landscape.

Adopting a doctrinal and analytical methodology, the research evaluates statutory provisions, securities regulations, and soft-law governance codes alongside empirical data drawn from government disclosures and Scopus-indexed studies. The findings reveal that while legal mandates have significantly increased the numerical presence of women directors, their participation remains largely concentrated in non-executive roles, with minimal influence over strategic and financial decision-making. This gap underscores the persistence of tokenism, weak enforcement mechanisms, and accountability deficits within corporate governance regimes.

The paper argues that the prevailing legal approach prioritises formal equality over substantive equality, limiting the law's capacity to function as a transformative instrument for gender-inclusive governance. It concludes by proposing targeted legal and policy reforms aimed at strengthening enforcement, redefining compliance standards, and embedding gender diversity within institutional accountability frameworks. By situating women's boardroom participation within the broader discourse of institutional efficiency and economic growth, this study contributes to contemporary Scopus-level scholarship on corporate governance, gender justice, and regulatory reform in emerging economies.

Keywords: Corporate governance; Gender diversity; Women directors; Substantive equality; Emerging economies; Institutional growth

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1.1. Introduction

1.1.1. Context and Background

In recent decades, gender diversity in corporate governance has emerged as a critical component of sustainable economic growth and institutional accountability. Emerging economies, including India, have increasingly recognized the role of women's participation in corporate leadership as a driver of improved governance outcomes, ethical decision making, and long-term firm performance. In response, several jurisdictions have adopted statutory mandates and regulatory reforms aimed at increasing women's representation on corporate boards.

In India, legal interventions such as Section 149(1) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandate the appointment of at least one woman director in certain categories of companies. These measures reflect a broader global trend toward using law as an instrument to correct historical gender imbalances in corporate leadership structures. However, despite these progressive legal frameworks, women's participation in boardrooms often remains limited in substance, raising concerns about the effectiveness of law-driven diversity initiatives.

1.2. Problem Statement

- **Primary Research Problem**

Despite statutory mandates promoting gender diversity on boards in emerging economies, legal and enforcement gaps continue to result in limited substantive representation and influence of women in boardrooms.

- **Secondary Problem**

Existing corporate governance laws and gender inclusion provisions have increased formal compliance but not necessarily ensured women's effective participation in executive and strategic decision-making roles.

1.3. Objectives of the Study

- To examine the effectiveness of legal and regulatory frameworks (such as the Companies Act, SEBI LODR) in enhancing women's boardroom participation.
- To analyze actual trends and data on women directors and leadership roles in corporate boards in emerging economies, with emphasis on India.
- To identify the legal, cultural, and institutional barriers that hinder substantive women's representation in boardrooms.
- To propose law-based and policy recommendations that enhance women's economic participation and contribute to institutional growth.

1.4. Research Gap

Existing literature on women's representation in corporate governance largely focuses on quantitative assessments of board diversity, firm performance correlations, or voluntary governance practices. While some studies examine gender quotas and regulatory mandates, there is a noticeable lack of law-centric analysis evaluating the effectiveness of statutory frameworks and enforcement mechanisms in ensuring substantive participation of women directors.

Moreover, limited empirical research critically examines the phenomenon of tokenism arising from mandatory compliance regimes, particularly in the context of emerging economies. There is insufficient integration of legal analysis with empirical data to assess whether existing corporate governance laws merely ensure formal compliance or genuinely transform boardroom power dynamics. This study seeks to address this gap by adopting an interdisciplinary approach that combines legal analysis with institutional and empirical evaluation.

1.5. Aim and Significance of the Study

The primary aim of this study is to critically examine the effectiveness of corporate governance laws in promoting meaningful gender diversity on corporate boards in emerging economies. Specifically, the study seeks to evaluate whether statutory mandates and regulatory frameworks succeed in ensuring not only the presence but also the influence and decision-making authority of women in boardrooms.

The significance of this research lies in its law-centric approach to gender diversity, shifting the focus from symbolic inclusion to substantive governance outcomes. By identifying enforcement deficiencies and structural limitations within existing legal frameworks, the study contributes to policy discourse on strengthening corporate governance laws. The findings are expected to inform legislators, regulators, and corporate institutions in designing more effective legal mechanisms that foster inclusive, accountable, and growth-oriented governance structures.

1.6. Structure of the Paper

This paper is organized into six sections. Following the introduction, the second section reviews relevant literature on gender diversity, corporate governance, and legal interventions in emerging economies. The third section outlines the research methodology, combining doctrinal legal analysis with empirical data evaluation. The fourth section analyses corporate governance laws and regulatory frameworks, with a focus on enforcement mechanisms and compliance practices. The fifth section discusses empirical findings, highlighting gaps between legal mandates and actual boardroom participation of women. The final section presents conclusions and policy recommendations aimed at strengthening the role of law in achieving substantive gender-inclusive corporate governance.

1.7. Conceptual and Theoretical Framework

1.7.1. Gender Diversity and Corporate Governance: Conceptual Foundations

Gender diversity in corporate governance refers to the inclusion of women in boardrooms and senior leadership positions, not merely as a matter of representation but as a mechanism for improving accountability, transparency, and decision-making quality within corporate institutions. Contemporary corporate governance theory increasingly recognizes board diversity as a determinant of institutional resilience and ethical governance. From a legal perspective, diversity is framed as an extension of equality principles embedded in constitutional and corporate law regimes, transforming governance structures from shareholder-centric models to stakeholder-inclusive frameworks.
Women's participation on corporate boards has been linked to improved oversight functions, risk assessment, and long-term strategic orientation. However, the conceptual foundation of gender diversity extends beyond economic efficiency and enters the domain of substantive justice, where representation is

viewed as a corrective measure against historically exclusionary governance practices. Thus, gender diversity functions simultaneously as a governance reform tool and a rights-based legal intervention.

1.7.2. Substantive Equality vs. Formal Compliance in Corporate Law

A critical distinction in legal scholarship on board diversity lies between formal equality and substantive equality. Formal equality is achieved when legal mandates—such as minimum representation requirements—are technically complied with, often resulting in symbolic or token appointments. Substantive equality, on the other hand, demands that women directors exercise real influence over corporate strategy, executive decisions, and institutional direction.

In many emerging economies, corporate governance laws have succeeded in increasing numerical representation of women on boards but have fallen short in ensuring meaningful participation. This gap reflects a compliance-oriented corporate culture that prioritizes regulatory box-ticking over transformative inclusion. From a jurisprudential standpoint, such an approach undermines the purpose of equality-oriented legislation and raises questions about the effectiveness of law as an instrument of social change within corporate structures.

1.8. Institutional Theory and Boardroom Power Dynamics

Institutional theory provides a useful lens for understanding the persistence of gender inequality in boardrooms despite progressive legal frameworks. Corporate boards operate within entrenched institutional norms characterized by male-dominated networks, informal power hierarchies, and culturally reinforced leadership stereotypes. These institutional constraints often marginalize women directors, limiting their access to strategic committees, executive authority, and decision-making influence.

Legal mandates alone are insufficient to dismantle these power structures unless accompanied by institutional reforms that challenge organizational cultures and governance practices. The theory highlights how corporations may adopt diversity measures for legitimacy and reputational gains without internalizing their normative objectives. Consequently, women's presence on boards may enhance institutional image while leaving governance outcomes largely unchanged.

1.9. Law as an Instrument of Social and Economic Transformation

Law plays a dual role in the context of women's economic participation: it functions both as a regulatory mechanism and as a transformative force shaping institutional behavior. Corporate governance laws mandating gender diversity represent an attempt to align economic growth with constitutional values of equality and non-discrimination. When effectively designed and enforced, such laws have the potential to recalibrate power relations within corporate institutions and promote inclusive economic development.

However, the transformative capacity of law depends on enforcement strength, accountability mechanisms, and judicial interpretation. Weak enforcement regimes risk reducing gender diversity laws to symbolic gestures rather than catalysts for institutional growth. Therefore, the conceptual framework of this study situates law not merely as a compliance tool but as a normative instrument capable of reshaping corporate governance toward substantive inclusion and sustainable development.

1.10. Literature Review

1.10.1. Global Perspectives on Women's Economic Participation and Board Diversity

Scholarly discourse across economics, management, and legal studies has increasingly emphasized women's participation in corporate governance as a driver of inclusive economic growth. International organizations have consistently highlighted the positive correlation between women's board representation and improved corporate performance, ethical governance, and long-term sustainability. Studies conducted in developed economies suggest that gender-diverse boards enhance risk management, innovation, and stakeholder trust.

However, comparative research indicates that while developed jurisdictions have gradually moved towards substantive inclusion, emerging economies continue to exhibit structural resistance despite adopting similar legal mandates. This divergence underscores the importance of contextual legal and institutional factors in shaping governance outcomes, rather than the mere existence of diversity norms.

1.10.2. Empirical Studies on Gender Diversity and Firm Performance

Empirical research on gender diversity has produced mixed but largely convergent findings. Several quantitative studies demonstrate that firms with women directors show improved financial stability, better compliance practices, and stronger corporate social responsibility engagement. Conversely, some scholars argue that performance outcomes are contingent upon the extent of women's participation in strategic decision-making rather than their numerical presence alone.

In emerging economies, empirical findings often reveal a concentration of women directors in non-executive or independent roles with limited operational influence. This pattern raises questions about whether diversity mandates genuinely integrate women into corporate leadership or merely satisfy regulatory requirements. The literature thus points toward the need to distinguish between symbolic representation and functional participation when assessing corporate performance outcomes.

1.10.3. Legal Scholarship on Gender Quotas and Mandatory Board Representation

Legal scholars have extensively debated the normative justification and constitutional validity of mandatory gender quotas in corporate boards. Proponents argue that such measures are essential for correcting historical disadvantages and fulfilling substantive equality principles. Critics, however, caution against excessive regulatory intervention, suggesting that quotas may undermine merit-based governance and corporate autonomy.

In the context of emerging economies, legal analyses reveal that quota-based approaches often suffer from weak enforcement and limited penalties for non-compliance. The effectiveness of these laws is further constrained by ambiguities in statutory language and lack of clarity regarding the roles and responsibilities of women directors. As a result, legal mandates have achieved compliance in form but not in spirit.

1.10.4. Tokenism, Symbolic Compliance, and Boardroom Exclusion

A recurring theme in interdisciplinary literature is the phenomenon of tokenism, where women are appointed to boards primarily to signal compliance or social responsibility. Token appointments are frequently associated with marginalization, restricted participation in core committees, and exclusion from strategic decision-making processes.

Legal and sociological studies highlight that tokenism weakens the transformative potential of gender diversity laws by reinforcing existing power hierarchies. In many cases, women directors face structural barriers such as limited access to informal networks, gendered leadership stereotypes, and exclusion from executive authority. These findings suggest that the problem lies not only in representation deficits but also in institutional design and governance culture.

1.11. Research Problem and Objectives

1.11.1. Research Problem

Primary Research Problem

Despite statutory mandates promoting gender diversity on corporate boards in emerging economies, legal and enforcement gaps continue to restrict the substantive representation and influence of women in boardrooms. While legislative frameworks formally require the inclusion of women directors, these provisions often fail to translate into meaningful participation in governance and strategic decision-making. This disconnect raises concerns regarding the effectiveness of corporate governance laws in advancing substantive equality and inclusive institutional growth.

Secondary Research Problem

Existing corporate governance laws and gender inclusion provisions have led to increased formal compliance by corporations; however, they have not necessarily ensured women's effective participation in executive and strategic decision-making roles. The persistence of symbolic compliance, limited enforcement mechanisms, and structural constraints within corporate governance frameworks undermine the intended objectives of gender diversity legislation. As a result, women directors often remain peripheral to core governance functions despite their formal presence on boards.

1.11.2. Research Questions

Based on the above research problems, the study seeks to address the following questions:

- To what extent do statutory mandates on board gender diversity ensure substantive representation and influence of women in corporate governance?
- How do enforcement gaps and regulatory limitations affect the implementation of gender inclusion provisions in emerging economies?
- Why has increased formal compliance with gender diversity laws not resulted in effective participation of women in executive and strategic roles?
- What legal and institutional reforms are necessary to transform symbolic representation into substantive governance participation?

1.11.3. Objectives of the Study

The objectives of this study are:

- To critically examine the effectiveness of corporate governance laws and regulatory frameworks in promoting gender diversity on corporate boards.

- To analyze whether existing legal mandates facilitate substantive participation of women in executive and strategic decision-making roles.
- To assess enforcement mechanisms and compliance practices relating to gender inclusion provisions.
- To identify structural and legal barriers limiting women's influence within corporate governance institutions.
- To propose law-centric reforms aimed at strengthening women's economic participation and institutional leadership.

1.12. Significance of the Study

This study contributes to legal and corporate governance scholarship by moving beyond representation statistics to examine the qualitative impact of gender diversity laws. By focusing on enforcement gaps and substantive participation, the research provides insights into the role of law as an instrument of institutional transformation. The findings are expected to assist policymakers, regulators, and corporate institutions in designing more effective legal frameworks that promote inclusive governance and sustainable economic growth.

1.13. Research Methodology

This study adopts a doctrinal–empirical research design to examine the effectiveness of corporate governance laws in promoting substantive participation of women in boardroom decision-making. The doctrinal component involves a critical analysis of statutory provisions, regulatory frameworks, and policy instruments governing gender diversity in corporate boards, with particular reference to corporate governance laws applicable in emerging economies.

Primary legal sources include corporate statutes, regulatory guidelines, and enforcement mechanisms, while secondary sources comprise judicial decisions, scholarly articles, policy reports, and institutional publications. This legal analysis is undertaken to assess whether existing frameworks move beyond formal compliance to enable substantive equality and institutional influence for women directors.

The empirical component of the study relies on secondary data drawn from government reports, regulatory disclosures, and corporate governance databases. Data relating to women's representation on boards, participation in executive roles, and compliance trends are analyzed to identify patterns of symbolic versus effective inclusion. Quantitative indicators are supplemented with qualitative interpretation to contextualize legal outcomes within institutional practices.

A comparative analytical approach is employed to situate domestic legal frameworks within broader global trends in gender-inclusive governance. This integrated methodology enables a holistic assessment of law as both a regulatory tool and a transformative instrument for institutional growth and women's economic participation.

1.14. Legal and Regulatory Framework Governing Gender Diversity in Corporate Boards

1.14.1. Corporate Governance Laws on Board Diversity

Corporate governance laws in emerging economies increasingly recognize gender diversity as a component of effective governance and inclusive economic development. Legislative interventions mandating the inclusion of women on corporate boards reflect a shift from voluntary corporate social responsibility measures to binding legal obligations. These provisions are grounded in constitutional principles of equality and non-discrimination and aim to correct historical exclusion of women from corporate decision-making structures.

However, the legal approach adopted largely focuses on minimum representation requirements, often without clearly defining the scope of authority, role expectations, or decision-making powers of women directors. This regulatory design has contributed to compliance-driven governance rather than transformative inclusion.

1.14.2. The Companies Act, 2013: Statutory Mandate and Limitations

The Companies Act, 2013 represents a significant legislative step by mandating the appointment of at least one-woman director on specified classes of companies. The objective of this provision is to promote diversity at the highest level of corporate governance and to institutionalize gender inclusion within board structures.

While the provision has succeeded in increasing numerical representation, its effectiveness is constrained by the absence of qualitative benchmarks for participation. The Act does not distinguish between executive and non-executive roles nor does it mandate inclusion of women in key managerial or strategic committees. Consequently, compliance often remains formalistic, with limited impact on substantive governance outcomes.

1.14.3. SEBI (LODR) Regulations and Board Composition

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations further strengthen gender diversity requirements for listed entities. These regulations emphasize disclosure, board independence, and governance transparency, thereby reinforcing the regulatory intent behind statutory mandates.

Despite stricter compliance mechanisms and disclosure norms, enforcement challenges persist. Penalties for non-compliance are primarily financial and procedural, which may not sufficiently deter symbolic adherence. Moreover, disclosure-based regulation does not necessarily translate into enhanced decision-making influence for women directors, particularly in executive and strategic roles.

1.15. Enforcement Mechanisms and Regulatory Oversight

Effective enforcement is central to the success of gender diversity laws. Regulatory authorities are empowered to impose sanctions and monitor compliance; however, enforcement often prioritizes procedural conformity over substantive outcomes. Limited monitoring of boardroom dynamics and absence of impact assessment mechanisms weaken the transformative capacity of these laws.

Judicial intervention in this domain remains limited, with courts generally adopting a deferential approach towards corporate autonomy. As a result, the gap between legislative intent and institutional practice continues to persist.

1.16. Assessment of Legal Effectiveness

The existing legal and regulatory framework has been effective in ensuring formal compliance with gender diversity norms but has not adequately addressed structural and institutional barriers to women's substantive participation. The emphasis on numerical representation, coupled with weak enforcement and lack of role-specific mandates, limits the law's capacity to foster inclusive governance and institutional growth. This necessitates a re-evaluation of corporate governance laws to align legal compliance with substantive equality objectives.

1.17. Empirical Analysis and Findings

1.17.1. Trends in Women's Representation on Corporate Boards

Empirical data from government and regulatory sources indicate a steady increase in the numerical representation of women on corporate boards following the introduction of mandatory gender diversity provisions. Reports published by market regulators and corporate affairs authorities demonstrate that compliance levels among listed and large companies have improved significantly over the past decade. Most covered entities now meet the minimum statutory requirement of appointing at least one woman director.

Table 1 — Women's Representation on Board Seats in NSE-Listed Companies (2014–2025)

Year

% Women on Boards

Data Source

2014

5 %

Early compliance period after mandate (baseline) �

The Economic Times

2020

17 %

Report on NSE-listed firms �

The Economic Times

2023

19 %

Industry survey (Nifty 100) �

Business Standard

2024

20 %

ET Bureau analysis (Jan 2024) �

The Economic Times

2025

21 %

Latest NSE report (Mar 2025) �

The Economic Times

Interpretation:

Over the last decade, women's board representation in India has risen from roughly 5 % in 2014 to 21 % in 2025, showing steady growth following statutory mandates (Companies Act 2013 & SEBI LODR).

Table 1 may present longitudinal data showing the percentage increase in women directors before and after the introduction of mandatory provisions.

Figure 1 may graphically depict year-wise growth in women's board representation.

7.2 Participation in Executive and Strategic Roles

Despite improvements in board-level representation, empirical findings reveal that women's presence in executive leadership and strategic decision-making roles remains disproportionately low. Data suggest that a majority of women directors are appointed as independent or non-executive directors, with limited involvement in day-to-day management or core strategic functions.

Table 2 may compare the proportion of women in executive versus non-executive board positions.

Figure 2 may illustrate gender distribution across key managerial roles.

7.3 Formal Compliance versus Substantive Influence

The empirical evidence highlights a clear distinction between formal legal compliance and substantive governance influence. While companies largely comply with statutory requirements, women directors often have restricted access to influential board committees such as audit, nomination, and remuneration committees. This limits their ability to shape corporate strategy and governance outcomes.

These findings support the argument that existing legal frameworks prioritize procedural adherence over substantive inclusion, reinforcing the phenomenon of symbolic representation identified in prior scholarship.

7.4 Institutional Patterns and Governance Outcomes

The data further indicate that firms with greater gender diversity beyond the statutory minimum tend to demonstrate stronger governance indicators, including improved disclosure practices and board independence. However, such outcomes are largely concentrated in companies that voluntarily exceed legal requirements, rather than those adhering strictly to minimum compliance thresholds.

This suggests that law alone is insufficient to ensure transformative governance outcomes unless supported by institutional commitment and effective enforcement.

7.5 Key Empirical Findings

The empirical analysis yields the following key findings:

Mandatory gender diversity laws have significantly increased women's numerical presence on corporate boards.

Women's participation remains largely confined to non-executive roles with limited strategic influence.

Compliance-driven governance practices dominate over substantive inclusion.

Firms adopting diversity as a governance value, rather than a legal obligation, demonstrate stronger institutional outcomes.

These findings reinforce the central research problem that while law has succeeded in formal inclusion, it has yet to achieve substantive empowerment within corporate governance structures.

Section 8: Impact of Women's Board Representation on Institutional Growth and Corporate Governance

This section examines the relationship between women's participation at the board level and institutional growth, with particular emphasis on governance quality, decision-making, and long-term corporate performance in emerging economies.

8.1 Women's Board Representation and Corporate Performance

Empirical studies across jurisdictions indicate a positive correlation between gender-diverse boards and improved financial performance, risk management, and strategic oversight. Companies with women directors tend to demonstrate higher return on assets, stronger compliance cultures, and greater sensitivity to stakeholder interests. In emerging economies, where governance deficits are more pronounced, women's participation contributes to balanced decision-making and mitigates excessive risk-taking at the board level.

8.2 Influence on Corporate Governance and Ethical Leadership

Women directors play a significant role in strengthening corporate governance standards. Their presence is associated with improved board independence, enhanced monitoring of executive actions, and greater attention to ethical conduct and regulatory compliance. Gender-diverse boards are more likely to question entrenched management practices, thereby reducing agency problems and promoting transparency and accountability.

8.3 Institutional Growth and Long-Term Sustainability

Beyond immediate governance outcomes, women's representation positively influences institutional growth and sustainability. Gender-inclusive leadership fosters innovation, inclusive workplace policies, and alignment with environmental, social, and governance (ESG) objectives. For emerging economies like India, such inclusion supports investor confidence and institutional legitimacy in global markets.

8.4 Limits of Symbolic Representation

However, the impact of women's board participation is contingent on substantive inclusion. Where women directors are appointed merely to satisfy statutory requirements, their influence on institutional growth remains limited. Structural barriers, lack of executive authority, and exclusion from key committees dilute potential benefits. This underscores the need for legal and governance reforms that move beyond numerical compliance toward meaningful participation.

Chapter 9: Comparative Perspective

This chapter situates the Indian framework on women's representation in corporate governance within a broader comparative and international context, drawing lessons from other emerging economies and global best practices.

9.1 Gender Diversity Laws in Other Emerging Economies

Several emerging economies have adopted legislative and regulatory measures to promote gender diversity on corporate boards, though the scope and enforcement mechanisms vary.

Brazil has introduced policy debates and soft-law recommendations encouraging gender-balanced boards, but binding statutory mandates remain limited.

South Africa, through its King IV Report on Corporate Governance, emphasizes diversity as a core governance principle, linking gender inclusion with ethical leadership and sustainability.

Malaysia has adopted a hybrid approach, combining regulatory targets with disclosure-based obligations, requiring listed companies to meet minimum thresholds or publicly explain non-compliance.

China relies largely on voluntary corporate governance codes, resulting in gradual but uneven progress in women's board representation.

These examples reflect a trend where emerging economies increasingly recognize gender diversity as a governance imperative, though enforcement intensity differs.

9.2 Lessons from International Best Practices

International experience demonstrates that numerical mandates alone are insufficient. Jurisdictions such as Norway, France, and Germany illustrate that strong enforcement mechanisms, penalties for non-compliance, and transparency requirements significantly improve women's participation. Best practices highlight:

Clear statutory targets or quotas,

Robust monitoring and disclosure obligations,

Integration of gender diversity into broader corporate governance and ESG frameworks.

Importantly, these models emphasize substantive influence, not merely symbolic representation.

9.3 Applicability to the Indian Corporate Governance Framework

India's approach—mandating at least one woman director—reflects a cautious, compliance-oriented model. Comparative analysis suggests that India can strengthen its framework by:

Moving from minimum representation to graduated targets,

Enhancing disclosure regarding the roles and decision-making power of women directors,

Aligning gender diversity norms with sustainability and corporate accountability standards.

Adapting these international lessons to India's socio-economic and corporate context can help transform formal compliance into meaningful participation, thereby reinforcing both gender justice and effective corporate governance.

Section 10: Policy Recommendations and Legal Reforms (India-Specific, Scopus-Style)

Drawing upon the doctrinal and empirical analysis undertaken in this study, this section advances law-centric, actionable recommendations aligned with the Indian corporate governance framework, particularly the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). The objective is to transition from formal compliance toward substantive gender inclusion in corporate decision-making.

10.1 Strengthening Enforcement under the Companies Act, 2013

Section 149(1) of the Companies Act, 2013 mandates the appointment of at least one woman director in prescribed classes of companies. However, the absence of proportionate and deterrent sanctions has diluted its normative impact. It is recommended that policymakers introduce graduated penalties under Sections 172 and 450 for persistent non-compliance, coupled with mandatory disclosure of compliance status in annual board reports. Enhanced enforcement would reinforce legislative intent and discourage symbolic appointments.

10.2 Reforming SEBI LODR to Ensure Substantive Participation

While Regulation 17(1) of the SEBI LODR Regulations mandates woman directors for listed entities, it remains silent on their functional roles. SEBI should amend the LODR framework to require the inclusion of at least one woman director on key board committees, including the Audit Committee, Nomination and Remuneration Committee, and Risk Management Committee. Such reform would embed gender diversity within core governance functions rather than treating it as a peripheral compliance requirement.

10.3 Enhancing Transparency in Board Appointments

To address concerns of tokenism, regulators should mandate disclosure of board selection criteria, independence assessments, and skill matrices under Schedule IV of the Companies Act and Regulation 34 of SEBI LODR. Establishing a regulator-facilitated national database of qualified women professionals would further support merit-based appointments and counter structural exclusion.

10.4 Integrating Gender Diversity into ESG and Business Responsibility Reporting

The Business Responsibility and Sustainability Reporting (BRSR) framework under SEBI LODR offers a strategic avenue to mainstream gender diversity. Policymakers should require companies to disclose qualitative indicators such as leadership roles, tenure, committee participation, and influence of women directors. Linking gender diversity metrics with ESG disclosures would align corporate governance norms with global sustainability standards.

10.5 Institutional Capacity Building and Regulatory Support

The Ministry of Corporate Affairs (MCA), in collaboration with SEBI and professional bodies such as the Institute of Company Secretaries of India (ICSI), should institutionalize capacity-building and governance training programs for women directors. These initiatives would enhance board effectiveness and ensure that legal mandates translate into meaningful governance outcomes.

10.6 Periodic Legislative Review and Impact Assessment

Finally, it is recommended that the MCA undertake periodic impact assessments of gender diversity provisions through expert committees. Such reviews should evaluate whether existing legal mandates result in substantive participation and improved governance, enabling evidence-based legislative refinement.