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## **“ROLE OF WOMEN IN TOP MANAGEMENT AND IT’S IMPACT ON COMPANY”**

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### **ABSTRACT:**

The aim of this research paper is to provide thorough review of existing literature on the role of women in top management positions and its impact on company’s achievement. This paper combines findings from various studies conducted globally, exploring the relationship between gender multiplicity in leadership and organizational outcomes.

### **INTRODUCTION:**

Overview of women in leadership in historical context- Women have made enormous contributions to the development of politics, society, and culture, but historically, their views have not been heard because men have held the majority of leadership roles in these domains as well as in private life. A thriving democracy such as the United States has yet to designate a woman as president. They have been essential figures in a variety of leadership capacities throughout history, from writers and educators to politicians like Shirley Chisolm and activist movements like the suffragettes. Researchers are able to investigate and analyse the roles of female leaders by using the primary source materials found in Gale's Women's Studies Archive. The collections contain a wealth of significant instances of women in leadership roles. Examining the resources pertaining to female activists and campaigners is



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especially recommended. Famous women activists like Elizabeth Cady Stanton, Susan B. Anthony, and Emmeline Pankhurst joined forces with less well-known but no less influential women like Mary Gawthorpe and Anna Garlin Spencer in the women's rights movement in the United States and the United Kingdom. Other activist efforts gave rise to strong female leaders as well, such as Alicia Escalante for the Chicana movement, Hannah Johnston Bailey, Lucia Ames Mead, and Lydia Wentworth for the pacifist movement, and Sojourner Truth, the well-known abolitionist and women's rights speaker. India has seen several powerful women in positions of leadership. We have heard about political leaders like Indira Gandhi, educators like Savitribai Phule, and freedom fighters like Maharani Lakshmi Bai.<sup>1</sup>

### **THEORETICAL FRAMEWORK:**

The association between gender diversity and performance has been a subject of ongoing investigation, with several theories offering contrasting predictions. Specifically, the relationship between gender diversity and departmental performance is informed by three primary forecasts: a positive linear prediction grounded in the resource-based view of the firm, a negative linear prediction based on self-categorization and social identity theories, and an inverted U-shaped curvilinear prediction that results from the amalgamation of the resource-based view of the firm with self-categorization and social identity theories<sup>2</sup>. In a comprehensive study using real quantitative data and a longitudinal research approach within publicly traded Australian companies, the impact of industry type (differentiating between services and manufacturing) on the link between gender diversity and performance was observed to be a moderating factor. The results substantiate both the positive linear and inverted U-shaped curvilinear predictions, along with the hypothesized moderating influence of industry type. According to the curvilinear connection, varying levels of gender diversity within an organization have distinct impacts on organizational performance, driven by distinct dynamics as postulated by the resource-based approach, self-categorization, and social identity theories. These findings not only help reconcile conflicting findings from

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<sup>1</sup> *Business News Today: Read Latest Business news, India Business News Live, Share Market & Economy News / The Economic Times (indiatimes.com)*

<sup>2</sup> <https://www.britannica.com/topic/social-identity-theory>



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previous studies regarding the linear relationship between gender diversity and performance but also suggest that industrial conditions can either enhance or diminish the effects of organizational gender diversity on performance.

### **GENDER DIVERSITY:**

The proportion of women in senior management is gradually rising on a global scale. Globally, the percentage of women in senior executive positions reached 31% in 2021—the highest level ever noted. By 2021, ninety percent of businesses globally employ at least one woman in a top management position. Senior leadership positions held by women are also changing. Though this percentage has declined from 2020 to 2021, women leaders are still more likely to be HR directors than to hold other positions. Over the same period, there has been a rise in the percentage of women in other leadership positions such as chief information officer, chief finance officer, and chief executive officer. Women made up 26% of all CEOs and managing directors in 2021, up from 15% in 2019. In 2021, the Fortune Global 500 recorded a record-breaking 23 female CEOs, comprising six women of colour. There are fewer women the higher up the corporate ladder you go. Mercer's 2020 analysis of more than 1,100 firms worldwide revealed a leaky pipeline for women in senior positions:<sup>3</sup>

- *Executives: 23%*
- *Senior managers: 29%*
- *Managers: 37%*
- *Professionals: 42%*
- *Support staff: 47%*

### **PACIFIC ASIA**

Men Predominate in Senior Management in Australia. In Australia, women made up more than a third (41%) of all managers in 2020–2021. It is less common for women to hold senior managerial positions. In 2020–2021: Women made up:

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<sup>3</sup>*Women-Led Development: India's Role in Advancing Gender Equality (investindia.gov.in) Women Business Leaders: Global Statistics (catalyst.org)*



- 19.4% of CEOs
- 32.5% of heads of business (HOB) and KMP/HOB
- 34.5% of key management personnel (KMP)
- 34.1% of other executives
- 37.4% of senior managers
- 43.4% of other managers

Several of the nations in the region have some of the lowest rates of female manager representation worldwide. In India, women made up only 5% of CEOs and 10% of management positions in 2021.

## **JAPAN**

Even with the anticipated 2020 aim of 30% being extended, women in Japan still only held 15% of managerial positions in 2021, even though their share of the workforce (40%) stayed constant between 2013 and 2019. The representation of women in management is not uniform at all levels:

- Senior managers: 11%
- Managers: 19%
- Vice Presidents: 7%

## **EUROPE**

In the European Union, women are underrepresented as managers. In the EU, women make up 46.3% of the workforce overall, but as of 2021, they only made up 35.3% of managers.

## **UPPER AMERICA**

Women in North America encounter obstacles when striving to attain their initial managerial roles, often before they even encounter the "unrecognized barrier." Furthermore, the pool of female candidates for promotions to higher-level positions is smaller, as only 86 women are promoted to manager for every 100 men who receive such promotions. Notably, in 2021,



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women of colour achieved manager-level promotions at the same rate as all women, marking a significant milestone.

## CANADA

More than 90% of C-level executive roles are still held by men. In 2021, women made up 30.9% of senior managers and slightly more than a third (35.6%) of all managers in Canada. Of the 533 named executive executives of Canada's 100 largest publicly traded companies in 2021, just 52 were women.

- *On the S&P/TSX composite index, women held only 20.5% of C-suite jobs in 2021, up from just 16% in 2015.*
- *Of the executive officers in the C-suite in 2021, the most prevalent job for women was CFO, held by 13 women.*

## UNITED STATES

Regardless of the historic high number of women CEOs in Fortune 500 companies in 2021, the disparity between the number of businesses led by men and women remains significant, with over ten times as many companies being run by men. In the United States, women constituted nearly half (47.0%) of the labor force, yet their representation among managers in 2021 was only 40.9%. White women, in particular, held about one-third (32.6%) of all management positions, while women of color had significantly less representation in these roles:

- *Latinas: 4.3%*
- *Black women: 4.3%*
- *Asian women: 2.7%*

In 2021, women made up the highest share of managers in human resources (74.8%). Their share of management in selected other industries was:

- *Medical and health services: 75.1%*
- *Marketing: 61.5%*
- *Food service: 48.5%*



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### **ADVANTAGES OF GENDER DIVERSITY IN LEADERSHIP:**

In the dynamic realm of modern business and organizational dynamics, recognizing the critical role of gender diversity in leadership has become paramount for achieving sustained success. The acknowledgment and integration of a varied range of perspectives, experiences, and talents within leadership roles not only cultivate an inclusive work environment but also yield a myriad of strategic advantages. Gender diversity in leadership stands as a catalyst for heightened creativity, innovation, and effective problem-solving, harnessing a broader spectrum of ideas and approaches. Embracing this diversity aligns with contemporary corporate values, promoting a more representative and equitable distribution of talent within leadership circles. As organizations strive for resilience and competitiveness, the professional embrace of gender diversity in leadership emerges as an indispensable asset in navigating the complexities of the modern business landscape. Certain advantages of gender diversity in leadership are as follows:<sup>4</sup>

- Better decision-making: Research indicates that diverse teams produce better decisions.
- Increased creativity and innovation: The effect of different views on problem-solving.
- Improved employee satisfaction and retention: Investigating the link between gender diversity and organizational culture.

### **OBSTACLES & DIFFICULTIES:**

Identifying prevalent barriers to advancement for women in top management roles. Examining the impact of unconscious prejudice and gender stereotypes on women's leadership chances.

**Financial Results-** Examining research on the relationship between the presence of women in high management and financial performance. Investigating various financial measures such as return on equity, return on investment, and stock performance.

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<sup>4</sup> <https://en-gb.workplace.com/blog/diversity-in-the-workplace>



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**Non-Financial Results-** Investigating the impact of female executives on non-financial outcomes such as corporate social responsibility, ethical behaviour, and reputation.

**CASE STUDY:**

Based on my observations, *LegalPay* is a forward-thinking organization when it comes to gender diversity. When it comes to hiring prospects, the organization doesn't consider a candidate's gender; instead, they concentrate on their potential because, to them, an employee is an employee, regardless of gender. Actually, the founder places more of an emphasis on the professional development of female employees and provides them with lots of chances to succeed. A woman was recently (November, 2023) elevated to the position of CIO by the company, marking the first instance of a female in a senior management role since the beginning. Her potential and abilities are so great that she demonstrated them beautifully, winning the board's approval to become the CIO. In addition, the organization places a high priority on the safety of its female workers. To this end, it offers maternity leave, a "wellness leave plan" that allows women to take time off whenever they are menstruating, a POSH policy that includes an active internal complaint committee, frequent awareness sessions, and other beneficial policies. This has a significant influence on whether or not female applicants apply to and are hired by the company. A great step forward and an excellent example for current female employees to follow is the promotion of a female employee to Chief Investment Officer.<sup>5</sup>

**POLICY IMPLICATIONS:**

India has been a prominent advocate for gender equality and the advancement of women-led development. The country has implemented a diverse range of measures aimed at promoting women's leadership, entrepreneurship, education, and skill development through a multifaceted strategy. India has actively participated in global forums, advocating for the integration of gender-related concerns in policies to create a world marked by fairness and dignity for women. This article explores India's commitment to enhancing gender equality

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<sup>5</sup> <https://www.cxotoday.com/press-release/legalpay-appoints-tanya-prasad-as-chief-investment-officer/>





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through numerous initiatives and policies designed to empower women and foster women-led development. India has ratified several UN Conventions, including the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the Beijing Platform for Action, and the Convention on the Rights of the Child. With initiatives focused on improving women's health, education, and economic opportunities across the nation, the Indian government has been at the forefront of efforts to challenge ingrained attitudes and promote gender equality. In recent years, India has taken significant steps to destigmatize menstrual health, emphasizing that menstruation is a natural biological process that should not be a source of shame or embarrassment. The Prime Minister's 2020 Independence Day speech marked a turning point in India's approach to menstrual health, raising awareness and dismantling taboos surrounding this important issue. Government programs like Swachh Bharat Mission, Grameen, and Pradhan Mantri Ujjwala Yojana have improved sanitation and provided clean cooking fuel to women and girls. Initiatives like Stand- Up India, POSHAN Abhiyaan, and the PM Mudra Yojana have expanded the reach of women's entrepreneurship. Additionally, self-help groups have played a pivotal role in nurturing women's talents and promoting female entrepreneurship. To address challenges related to malnutrition in children, adolescent girls, pregnant women, and breastfeeding mothers, the Ministry of Women and Child Development launched Mission Poshan 2.0, Mission Shakti, and Mission Vatsalya in 2022.

India has been tirelessly working to empower women and bring about change through initiatives like 'Beti Bachao, Beti Padhao' and 'Sukanya Samridhi Yojana,' which have not only challenged societal mindsets but have also significantly boosted female literacy rates. On the global stage, India has made substantial progress in the realm of women's rights. The country's election to the prestigious UN Commission on the Status of Women in September 2020, where it received the second-highest number of votes, reflects this progress. During its UN Security Council Presidency in December 2022, India elected the first female President of the Council. India has consistently prioritized women's issues in G20 discussions, with a focus on economic empowerment for women. Inclusive leadership, which entails leading and managing groups in a manner that recognizes and embraces diversity while fostering an





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inclusive environment, has gained importance. Inclusive leaders ensure that every team member is respected and given an equal voice, regardless of their identity or background. As businesses seek to cultivate a more diverse and inclusive workplace, the significance of implementing inclusive leadership practices and procedures has grown. Establishing a diverse and inclusive workplace hinge on inclusive leadership, which can be developed through training programs that emphasize awareness, active listening, adaptability, accountability, and ongoing learning.<sup>6</sup>

### **CONCLUSION:**

Prominent corporations such as Bharti Airtel, Vedanta, Larsen & Toubro, Tata Steel, Siemens, Genpact, and Tech Mahindra are stepping up their efforts to improve diversity ratios. These efforts include recruiting women from college campuses by focusing on women-only or higher-percentage colleges, providing flexible work schedules and remote work options, and implementing women leadership programs. In an effort to improve gender diversity, India Inc. may be hiring more women from universities, but women are leaving the talent pipeline at the mid-to senior levels. Only one woman joins India Inc.'s executive team of ten, despite the company employing three women for every ten workers, according to a survey conducted exclusively for ET by recruiting firm CIEL HR.

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- *Women Business Leaders: Global Statistics (catalyst.org)*
- *Leadership Roles: Importance of Women Empowerment in India (smilefoundationindia.org)*

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<sup>6</sup> <https://www.peoplesmatters.in/article/diversity/diversity-and-inclusion-in-indian-workplaces-38970>



**BOOKS:**

- *The Loudest Duck: Moving Beyond Diversity while Embracing Differences to Achieve Success at Work* by Laura A. Lynwood.
- *How to Be an Inclusive Leader: Your Role in Creating Cultures of Belonging Where Everyone Can Thrive* by Jennifer Brown.
- *We Can't Talk about That at Work!: How to Talk about Race, Religion, Politics, and Other Polarizing Topics* by Mary-Frances Winters.