



## TEACHING NOTE

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# Indian Women in Banking Industry: Breaking Glass Ceiling?

### Prerequisite Conceptual Understanding

- To understand the gender discrimination in the society and how the increased count of women executives at workforce in organisations are showing better performances – Desvaux Georges, et al., “A business case for women”, *The McKinsey Quarterly*, September 2008
- To identify the traits inherent in women and how the leadership styles of women differ with that of men – Barsh Joanna, et al., “Centered Leadership: How talented women thrive”, *The McKinsey Quarterly*, 2008
- To understand the difficulties faced by women at workplace – Fels Anna, “Do Women Lack Ambition?”, *Harvard Business Review*, April 2004

### Synopsis of the Case Study

This case study is best suited for students pursuing courses on leadership/entrepreneurship. The case study explains the status of Indian women executives over a period of time. It focuses on the Indian women and enables an understanding as to how the economic reforms ushered in 1990s has transformed their status. With changing times, women in the society started participating in the formal Indian labour force. But few women could reach the top position of organisational structure. In the male-dominated banking and insurance sector, women executives like Chanda Kochhar, Shikha Sharma and various efficient women executives proved their mantle to be better managers/leaders as compared to men. Giving the list of women leaders who outshined in different fields they stepped in, the case study poses few dilemmas at the end – what does the significant presence of women in the top hierarchy indicate? Should every industry, which is vital to an economy, headed by women?

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This teaching note was written by Sowjanya Mora and Saradhi Kumar Gonela under the guidance of Dr. Nagendra V. Chowdary, IBSCDC. It is only an illustrative orchestration of the case study ‘Indian Women in Banking Industry: Breaking Glass Ceiling?’. It is never meant to limit the learning outcomes.

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## Pedagogical Objectives

- To understand the paradigm shifts in India Inc.'s gender composition and discuss particularly the role played by economic reforms ushered in 1991
- To make an objective evaluation of the role played by women managers in ICICI Bank's meteoric rise
- To debate and discuss, in the light of greater presence of Indian women in the banking industry, especially at the highest level, whether women make better bankers.

To attain the above pedagogical objectives, one needs to analyse the case facts. To maintain a consistent flow of discussion in the classroom, the faculty can use **Annexure (TN)-I**.

The following assignment questions help in highlighting the issues in the case study and give a broad picture of the subject:

## Assignment Questions

- I. Explain how the introduction of economic reforms in 1991 changed the status of Indian women.
- II. Briefly explain the profiles of women executives at ICICI Bank and how they contributed to the company's success?
- III. What does the presence of women at top levels of organisational structure indicate? Debate on whether women make better bankers.

## Case Analysis Flow

To capture the attention of students, the faculty may use the following questions, which are logically arranged according to the pedagogical objectives. However, one can commence the class with general questions like – Do women at your home, participate in economic activities? Who is your favourite woman leader and why? This helps them to understand the growing status of women in society and gradually the following questions help in carrying on the discussion.

### **I. Explain how the introduction of economic reforms in 1991 changed the status of Indian women.**

Students can briefly summarise the changing status and role of Indian women in the following manner:

#### **Changing Role of Indian Women**

- India is a country with diverse traditions and customs. In all the religions, women hold a respectable position. Unfortunately, since ages, the role of women was limited to household activities and confined to domestic issues. In the male-dominated Indian society, women suffered to extreme levels of exploitation
- “However, because of some factors – like death of bread winner, sudden fall in family income or inadequate family income – women took part in informal employment (small trader, artisan or field labourer on a family farm) but yet, that did not result in women empowerment.” (**page 3, para 1 of the case study**). The participation of women as workers and women's education was negligible.

### Women as Workers

- Female share of non-agricultural wage employment is only 17%
- Participation of women in the workforce is only
  - 13.9% in the urban sector and
  - 29.9% in the rural sector.
- Women's wage rates are, on an average
  - Only 75 % of men's wage rates and
  - Constitute only 25% of the family income.
- Women occupy
  - Only 9% of parliamentary seats
  - Less than 4% seats in High Courts and Supreme Court
  - Less than 3% administrators and managers are women

### Women and Education

- Close to 245 million Indian women lack the basic capability to read and write
- Adult literacy rates for ages 15 and above for the year 2000 were:
  - Female 46.4%
  - Male 69%.<sup>1</sup>
- However, with changing times, the potential of women was recognised and gradually status of women gained importance. Although the Government of India strived to break through such gender discrimination by introducing various initiatives like emphasis on women's education, abolition of child marriages, women health activities, etc., but the results were not fruitful
- The emergence of economic reforms in 1990s changed the entire dynamics of the economy. The economic liberalisation and its ensuing changes in the form of privatisation and globalisation added new dimensions to the role and status of women. Women started stepping out of domestic boundaries and excelled their potential in business world
- "The growing Indian middle class shed apprehensions about educating the girl child and gave due importance for higher studies." (**page 4, para 1 of the case study**). Focus on educating women has changed the role of women. Gradually, women's education was encouraged and due importance given to women's career and professional life
- The change in the organisational mindset has also contributed significantly in women empowerment. Companies started hiring workforce based on merit and potential being neutral to gender propositions. "There was a paradigm shift in the working system and workplace environment. Regardless of gender prejudices, companies started hiring personnel based on merit, talent and efficiency." (**page 4, para 2 of the case study**). Women made rapid strides in many aspects of modern life with notable progress.

Here, a small exercise can be conducted in the classroom discussion. Students can be provided with the following sheet and can be asked to mark on the corresponding reason [**Exhibit (TN)-I**].

<sup>1</sup> "The Status of Women: A reality check", [http://www.swayam.info/swayam\\_gi\\_leaflet\\_31mar.pdf](http://www.swayam.info/swayam_gi_leaflet_31mar.pdf)

<b>Exhibit (TN)-I Obstacles to Businesswomen in India</b>		
<b>What is the most significant obstacle to businesswomen in India?</b>		
1	Social system/Social attitudes	
2	Lack of family support	
3	Family pressures	
4	Juggling between work and family life	
5	Corporate culture/Mindset of organisation of not allowing women in top positions	
6	Gender bias	
7	Glass ceiling	
8	Lack of superiors' support/Poor mentorship	
9	Lack of education and exposure	
10	Lack of professional competencies	
11	Traditional gender roles	
12	Women themselves underestimating their potential	
13	Women themselves limiting their growth	
14	Limited career opportunities	
15	Other priorities	
Compiled by the author		

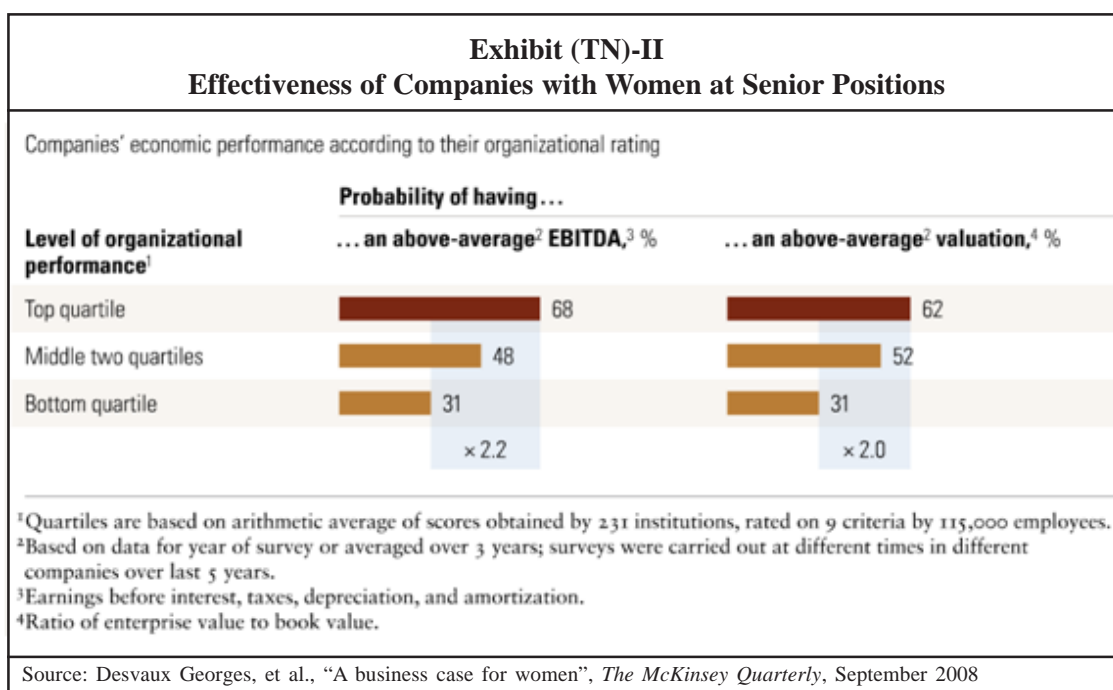
## **II. Explain the contribution by women executives at top levels. Briefly explain the significant mark created by women executives at ICICI Bank.**

The answers of this section can be understood in the following manner:

### **Contribution of Women Executives at Top Levels**

- The goal of every organisation is to attract and recruit the best people and that should positively affect organisational performance. Many professionals view that equal opportunities to men and women stimulates a healthy and productive work environment. The equal opportunities policy also raises morale and enhances customer relations. Women contributes to the society in one or the other form. In fact, women's contribution to world's economic growth cannot be undermined.
  - Women participates in the food production activities which accounts more than 50% of the food grown worldwide

- Women account for over 80% of family and community care giving services or what is referred to as unpaid labour; if the value of this unpaid work counted, global output would be almost 50% greater and
- As an active participant, women are significant manufacturers, consumers and investors whose decisions have a compound economic impact.<sup>2</sup>
- Many experts opined that organisations with women executives at top levels have increased the performance and efficiency of the company compared to the companies which do not have women leaders at senior positions. “It has been observed in Singapore that the increased female workforce by 10% between 2000 and 2004 has significantly contributed to its GDP and expanded by approximately \$0.7 billion a year.” (page 5, para 2 of the case study).
- “According to the research conducted *The McKinsey Research*, companies around the world with the highest scores on nine important dimensions of organisation – from leadership and direction to accountability and motivation – are likely to have higher operating margins than their lower-ranked counterparts do.” (page 11, para 2 of the case study). It has been proved that companies with more women in top positions scored higher on all organisational criteria than companies with no women at top hierarchy [Exhibit (TN)-II].



<sup>2</sup> Thierry Ruiz Astrid, “The elephant in the room: gender and export-led poverty reduction”, *Emerald*

After understanding the positive and negative sides of women in corporate world, the session can be driven towards highlighting the women executives at ICICI bank.

By observing **Annexure III of the case study**, students can identify number of women bankers in the organisational hierarchy.

- “In mid-1980s the chairman and managing director of ICICI, Suresh S. Nadkarni exhorted Lalita Gupte, trainee (at that time), to prove her potential in the organisation. His advised: “If you do not succeed, there will be no other woman in this organisation.” (page 6, para 3 of the case study). It was the chairman and managing director of ICICI bank, Suresh S. Nadkarni who promoted women executives to hold top positions. It was with Lalita Gupte that the culture and mindset of the company was driven to equal opportunity policy
- The company started creating opportunities to its employees based on their merit and performance. Employees are ranked, promoted and penalised considering their work performance ignoring gender discrimination
- “Above and beyond, the company’s motive behind women executives at top hierarchy is that it is an extremely entrepreneurial enterprise.” (page 7, para 2 of the case study). In addition to disregard to gender, the company motivates entrepreneurial initiatives. It encourages in executing individually developed strategies and supports in undertaking prospective projects
- The company’s key focus is to hire talented candidates based on sound academic performance, key skill sets and personality traits. This shows that the company right from the inception and training sessions creates an equal employment environment
- The culture at ICICI is amicable and considers the requirements of employees at each stage. For instance, “An employee can even ask a director to postpone an office meeting because he/she has to attend a parent-teacher association at his/her child’s school,” commented Madhavi Puri Buch, MD & CEO, ICICI Securities
- “Women executives – Chanda Kochhar, Shikha Sharma, Lalita Gupte, Madhavi Puri Buch and Kalpana Morparia head various portfolios of the company bringing up in phenomenal changes and contributed to the company’s growth.” (page 7, para 2 of the case study). The company played a significant role and has acted as a catalyst in facilitating its women to hold senior positions.

### III. What does the presence of women at top levels of organisational structure indicate? Debate on whether women make better managers?

#### Presence of Indian Women at Top Level of the Company

Considering the case facts, students can answer the questions of this section:

- In general, operating and managing businesses by women are significantly different with that of men. Studies showed that the styles of leadership of both men and women can be effective depending on the business circumstances but women’s leadership has more edge
- Gender differences stem from nurturing and upbringing. It’s not only socialisation that shapes the attitudes of men or women but biologically also they have physiological variations. This results in more flexibility and women find it easier to multitask
- Companies are increasingly recognising the talent of women and placing them in a required position. Earlier, women were risk-averse but with changing times they are becoming risk-takers as men and focusing on long-term interests of the company

- “Today women are seen to be transformational executives, as the leadership styles of men and women differ.” (page 10, para 5 of the case study). In today’s world, leadership is becoming more results-oriented than process-driven. Moreover, organisations with more women executives are experiencing better results or improved financial performance than companies with few women leaders. Traits like patience, commitment, understanding others’ concerns and so on are in-built in women, which are very helpful in building strong business relationships. “They tend to do the job offered to them with due diligence compared to men.” (page 11, para 1 of the case study).
- A survey conducted by ‘Forum for Women in Leadership’ (WILL Forum) in partnership with KPMG on ‘Creating Women Business Leaders: Differentiating Styles of Women Executives’ found that decision making and access to important data in any organisation is at the disposal of both men and women leaders in accordance with their roles in the organisation.<sup>3</sup> Poonam Barua, Founder Convener of the Forum for Women in Leadership said, “The survey and its findings suggest that corporate India seems to be working on the traditional definition of hierarchical, conservative form of leadership, while Indian women professionals are definitely on the rise and are paving the way for re-defining leadership for future generations.”<sup>4</sup> She further added, “Many aspiring contenders are especially reaping the benefits of inclusion programs with specific women-centric initiatives that many forward-looking organizations have launched. However, the challenging lifecycle stages that women invariably go through do make their journey in the professional world both unique and challenging.”<sup>5</sup>
- “Women managers tend to have more of a desire to build than a desire to win”,<sup>6</sup> commented Debra Burrell, a psychological social worker and regional training director of the Mar-Venus Institute in New York. Other leadership attributes of women are:
  - Women tend to be better than men at empowering staff
  - Women encourage openness and are more accessible
  - Women leaders respond more quickly to calls for assistance
  - Women are more tolerant towards differences, so they’re more skilled at managing diversity
  - Women identify problems more quickly and more accurately
  - Women are better at defining job.<sup>7</sup>
- “According to a *Sunday Economic Times*’ study, nine<sup>8</sup> listed companies managed by prominent women promoters fared better than the top 30 firms listed in the Bombay Stock Exchange in year-on-year growth rates for the last 5 years.” (page 11, para 3 of the case study). It has been proved that companies headed by women can add value to shareholders’ wealth and can impact/improve the financial performance.

After understanding the leadership qualities of women, students can discuss effectiveness of women’s leadership and their contribution to the company’s growth. Finally they can also debate on whether women make better bankers and managers? After finding answers to the above questions, students can arrive at the big picture of the case study.

<sup>3</sup> “Indian women paving way for Superior Leadership Roles, finds KPMG WILL Forum Survey”, [http://www.amchamindia.com/KPMG-WILL%20release\\_nov.pdf](http://www.amchamindia.com/KPMG-WILL%20release_nov.pdf), November 16<sup>th</sup> 2009

<sup>4</sup> Ibid.

## The Big Picture

- Should women lead all the industries which are crucial to an economy, in particular, banking industry?
- Do women make better bankers?

## Final Thoughts

The classroom discussion can be ended by asking the students to discuss on the increasing count of women leaders at top level. They can also discuss on leadership styles of men and women. Do you think that there would be any difference in the leadership style of women and men? Is there any difference in the management pattern of women executive with that of men executive? They can be asked to comment whether women make better bankers and managers and should every crucial sector of an economy be headed by women?

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<sup>5</sup> "Indian women paving way for Superior Leadership Roles, finds KPMG WILL Forum Survey", op.cit.

<sup>6</sup> Krotz Joanna L., "Do women make better managers?", <http://www.microsoft.com/smallbusiness/resources/management/leadership-training/do-women-make-better-managers.aspx>

<sup>7</sup> Ibid.

<sup>8</sup> Kiran Mazumdar Shaw of Biocon, Sangeeta Reddy of Apollo Hospitals, Shobha Kapoor of Balaji Telefilms, Meher Pudumjee of Thermax, Swati Piramal of Piramal Healthcare, Shobhana Bhartia of HT Media, Sulajja Firodia Motwani of Kinetic Engineering, Sminu Jindal of Jindal Saw and Rajshree Pathy of Rajshree Sugars & Chemicals.

<b>Annexure (TN)-I Teaching Plan</b>		
<b>Case Structure</b>	<b>Teaching Plan Structure</b>	<b>What I Want to Analyse?</b>
<p><b>I. Introduction</b></p> <p><b>II. India Inc.: The Changing Gender Composition</b></p> <p><b>III. Women in Banking Sector: The ICICI Effect</b></p> <p><b>IV. Women on Top: Better Managers?</b></p>	<p><b>Prerequisite Conceptual Understanding</b></p> <ul style="list-style-type: none"> <li>To understand the gender discrimination in the society and how the increased count of women executives at workforce in organisations are showing better performances – Desvaux Georges, et al., “A business case for women”, <i>The McKinsey Quarterly</i>, September 2008</li> <li>To identify the traits inherent in women and how the leadership styles of women differ with that of men – Barsh Joanna, et al., “Centered Leadership: How talented women thrive”, <i>The McKinsey Quarterly</i>, 2008</li> <li>To understand the difficulties faced by women at work place, Fels Anna, “Do Women Lack Ambition?”, <i>Harvard Business Review</i></li> </ul> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p style="text-align: center;"><b>The Big Picture</b></p> <ul style="list-style-type: none"> <li>Should women lead all the industries which are crucial to an economy, in particular, banking industry?</li> <li>Do women make better bankers?</li> </ul> </div> <p><b>Teaching Plan Flow</b></p> <ul style="list-style-type: none"> <li>Understanding the changing role of Indian women</li> <li>Highlight the role played by various women executives at ICICI bank</li> <li>Discuss on the presence of Indian women in the banking industry at the highest level.</li> </ul>	<p><b>I. Understanding the Changing Role of Indian Women</b></p> <ul style="list-style-type: none"> <li>Position of women in Indian economy</li> <li>Impact of economic reforms on the role of Indian women</li> <li>List out the women personalities in various fields/ industries of an economy.</li> </ul> <p><b>II. Highlight the Role Played by Various Women Executives at ICICI bank</b></p> <ul style="list-style-type: none"> <li>Brief background of Indian banking industry</li> <li>How the management or helm of affairs of women at banking is different from that of men?</li> <li>Brief profiles of various women executives at ICICI bank.</li> </ul> <p><b>III. Discuss on the Presence of Indian Women in the Banking Industry at the Highest Level</b></p> <ul style="list-style-type: none"> <li>Is the participation of Indian women in banking and financial sector higher than that of rest of the world</li> <li>Of all the industries or different fields of an economy, which of the industries are suited for women or in which of the industries, they can be set at top levels,</li> <li>Can women become better bankers? Or can their helm of affairs prove to be better?</li> </ul>
		<i>Contd...</i>

Pedagogical Objective	Classroom Deliverables
To understand the paradigm shifts in India Inc.'s gender composition and discuss particularly the role played by economic reforms ushered in 1991	<ul style="list-style-type: none"> <li>• India Inc: Gender composition over the years</li> <li>• How the economic reforms (ushered in 1991) have reshaped the number and the quality of working women in India.</li> </ul>
To make an objective evaluation of the role played by women managers in ICICI Bank's meteoric rise	<ul style="list-style-type: none"> <li>• Brief background of Indian banking industry</li> <li>• Brief profiles of various women executives at ICICI bank and K.V. Kamath's rationale in getting more women executives on the board</li> <li>• Management styles of women executives vs men executives</li> <li>• Women executives and women entrepreneurs in India: In the new gear.</li> </ul>
To debate and discuss, in the light of greater presence of Indian women in the banking industry, especially at the highest level, whether women make better bankers.	<ul style="list-style-type: none"> <li>• Is there any relationship between the nature of industry and the suitability of women executives?</li> <li>• What does more presence of women executives at the highest levels in Indian banking industry indicate?</li> <li>• Can women become better bankers?</li> </ul>
Prepared by the author	