

Boardroom diversity: views mixed

The Securities and Exchange Board of India (SEBI) Chairman U. K. Sinha criticised corporate India for failing to comply with market regulator's instruction of inducting a women on the board of publicly listed companies. He hinted at tough action against those who fail to comply by the revised deadline of April 1, 2015. Companies say that compliance is challenging to meet due to paucity of good quality female leaders in business. Board roles come with greater responsibilities and finding suitable female candidates for the roles is proving tougher for the corporates. However, others cite that more than the availability of high-quality female candidates for board roles (which is surely difficult, they accept) the larger issue is about the mindset that has to change. Indian companies need to put in more efforts for increasing women representation. However, industry representatives fear that the issue of women representation on corporate boards should not come in the way of ease of doing business. *"Diversity is essential, but you can't force diversity in the name of regulations,"* said an industry insider.

Experts view the issue in a larger perspective. *"Lack of appreciation for the role of a board as also the level of seriousness about the SEBI requirement and deadline - both in spirit and letter - are reasons for the delay in compliance. The reluctance of women candidates to accept directorship in any company in the light of greater responsibilities and penalties as per the latest Companies Act is also a reason,"* says Professor Kavil Ramachandran, Executive Director, Thomas Schmidheiny Centre for Family Enterprise, Indian School of Business. He observed that many family businesses are already in compliance with the new guidelines. *"Most family business boards function as extension of their families, and so naturally are driven by family and community traditions,"* said Prof. Ramachandran. A. Vellayan, Chairman of the Murugappa group endorsed the view and said, *"I think all our listed companies are SEBI-rule compliant. Our boards have eminent women personalities, who have made immense contribution."*

Source: The Hindu, March 25, 2015