

NEXT IAS

**DAILY EDITORIAL
ANALYSIS**

TOPIC

**Women in Leadership
Positions**

www.nextias.com

WOMEN IN LEADERSHIP POSITIONS

Context

- Recent LinkedIn's Economic Graph data show that representation of women across the workforce has declined.

Shrinking Workforce

- India's female workforce participation rate has been steadily declining over the years.
- In 2004, the women's employment rate peaked at 35%, but by 2022, it had fallen to around 25%.
 - ♦ It remained stable in 2023 but **declined to 26.8% in 2024** (based on January data).
- The **Center for Monitoring the Indian Economy (CMIE)** uses a more restrictive definition of employment and found that only 10% of working-age Indian women in 2022 were either employed or actively seeking jobs.
- Currently, **there are only 39 million employed women** in the workforce **compared to 361 million men**.
- The slowdown in fresh hires of women for leadership roles contributed to the **stagnation**.

Senior Leadership Positions

- Progress in promoting women to senior and leadership roles has stagnated.
- The increase in women's share in senior positions was slow: four years for each percentage point increase (2016 - 2019 and 2019 - 2022).
 - ♦ If the 2024 downturn persists, this slow-paced increase will cease.
- Recent research highlights that India has the third-lowest global representation of women managers — only 8% in management roles, 9% in business management roles, and a mere 2% in CEO positions.

Industry-Specific Insights

- **Sectors with lowest female leadership representation (11% - 14%)** are Oil, gas, mining; Construction; Utilities; Wholesale; Manufacturing; Transportation; and Real estate etc;
- **Sectors with moderate representation (15% - 20%)**: Accommodation and food services, Financial services, Retail, Technology, and Media etc.
- **Sectors with higher representation (22% - 30%)**: Administrative and support services, Healthcare and hospitals, Consumer services, Government administration, and **Education (highest at 30%)**.

Factors Impacting Progress

- **Cultural Beliefs and Gender Roles**: Entrenched cultural beliefs play a significant role in perpetuating gender disparities.
 - ♦ Women are often seen as primary caregivers, and societal norms stigmatise them for working outside the home.
- **National Jobs Crisis**: A national jobs crisis exacerbates the gender gap.
 - ♦ Economic challenges, coupled with limited job opportunities, disproportionately affect women.
 - ♦ The lack of suitable employment options discourages women from seeking work.
- **Demographic Implications**: India's fast-growing population can be an asset or a liability.
 - ♦ If women are left behind in the workforce, it becomes a demographic liability.
 - ♦ Ensuring women's employment is crucial for sustainable growth.
- **Unequal Access to Resources**: Women have limited access to networks, skill development, and mentorship.
 - ♦ Organisations must create equitable pathways for women's career advancement.
- **Pay Gaps and Glass Ceilings**: Unjustifiable pay gaps persist, hindering women's economic empowerment.
 - ♦ Glass ceilings prevent women from reaching leadership positions.

- **Resume Gaps and Skills Obsolescence:** Many women take career breaks due to family commitments, including child care and homemaking.
 - ◆ These breaks can lead to gaps in their resumes and potential skill obsolescence.
 - ◆ Re-entering the workforce after a break can be challenging, especially when technology and industry practices evolve rapidly.
- **Lack of Confidence and Stereotypes:** Women often face self-doubt and lack of confidence, which can hinder their pursuit of leadership roles.
 - ◆ Stereotypes about women's abilities and suitability for leadership positions persist, affecting their advancement.
- **Bias and Discrimination:** Subtle biases and discrimination exist in workplaces, impacting women's career progression.
 - ◆ The 'broken rung' phenomenon refers to the difficulty women face in moving from entry-level to managerial positions.
 - ◆ Gender-based stereotypes can influence performance evaluations, promotions, and opportunities.
- **Household Responsibilities:** Balancing work and family responsibilities remains a significant challenge.
 - ◆ Women often shoulder a disproportionate share of household chores and caregiving, affecting their availability for work-related commitments.
- **Lack of Support and Mentorship:** Women benefit from mentorship and sponsorship, but they often lack access to such support.
 - ◆ Organisations need to create formal mentoring programs and provide guidance to aspiring women leaders.

Other Gaps

- **Enforcement of Regulatory Measures:** Strict enforcement of existing regulations is essential to drive change.
- **Limited Pool of Women Candidates:** The availability of qualified women for leadership roles remains a challenge.

Solutions and Policy Interventions

- **Legal Compliance: Companies Act, 2013** mandates women directors on boards.
 - ◆ Data show that fines were imposed on 507 companies for non-compliance (April 2018 to December 2023), with 90% being listed companies.
- **Beti Bachao Beti Padhao (BBBP) Scheme:** It focuses on promoting girl-child education and addressing gender-based discrimination.
 - ◆ It aims to create awareness about the importance of educating girls and ensuring their well-being.
- **MUDRA Loans:** It provides credit specifically for women entrepreneurs. It facilitates financial support for women-led businesses and startups.
- **Stand-Up India Scheme:** It encourages entrepreneurship among women by providing easy access to financing. It aims to promote self-employment and business ventures led by women.
- **Mahila Vikas Yojana:** It caters to rural and semi-urban areas. It focuses on empowering women through skill development, livelihood opportunities, and financial inclusion
- **Other interventions** like encouraging shared parental leaves and flexible work arrangements; strictly enforcing regulations promoting women's representation on company boards; and investing in skill development and mentorship programs for women are crucial for the overall development and participation of women workforce in the economy.

Conclusion and Way Forward

- India has witnessed strong women who have held leadership positions and inspired the nation.
- While progress has been made, there is still much work to be done to empower and elevate women in leadership roles. Organisations, policymakers, and society at large must collaborate to create a more inclusive and equitable environment for women to thrive.
- From freedom fighters like **Maharani Lakshmi Bai** to educators like **Savitribai Phule** and political leaders like **Indira Gandhi**, their contributions have left a lasting impact on society.
- Efforts by policymakers and business leaders need to focus on **'women-led development'**.

Mains Practice Question

[Q] What are key factors contributing to the declining representation of women in the Indian workforce, especially in leadership positions? How can organisations and policymakers address this challenge effectively?

