



Women in Indian Banking Industry – Their Role in Growth of the Sector

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ABSTRACT

A woman in the workplace is not a new phenomenon, a woman who is a member of the board could be called a moderate phenomenon but a woman who is the CEO is undoubtedly a recent phenomenon, at least in India. Banking in the West has traditionally been a male bastion and continues to be so. It is very difficult for women to break the glass ceiling in Western Countries. Data shows that the glass ceiling is still intact. The banking sector in India did have its male domination till the 1980s, but in the last three decades the gender equilibrium became 'fairly' poised. According to a study by Standard Chartered Bank about women on corporate boards in India, the financial sector performs best in terms of gender diversity, nine of the eleven banks listed on BSE-100 have a woman on their board and two of these banks have a female CEO. In fact, through the recent recession, Reserve Bank of India had two women deputy governors on board, Usha Thorat and Shyamala Gopinath.

The mid-80s saw a number of smart women graduating from the B-schools just when the Indian banking sector was starting to grow. ICICI, HDFC, HSBC, Citibank, were all expanding and were hiring during the mid-80s and the early 90s. Interestingly, today, these women are role models for a number of other women who have the ambition and confidence to make it big in the world of banking. When you see talented women who have become successful leaders, you do get inspired to follow in their footsteps. "Once you have a successful role model in a business, you tend to go for it. These women in the world of banking and financial services have given confidence to women to try such corporate jobs," says Professor K Ramachandran, Thomas Schmidheiny Chair Professor of Family Business and Wealth Management, at Indian School of Business.

India is one of the top 10 economies globally, with vast potential for the banking sector to grow. The last decade witnessed a tremendous upsurge in transactions through ATMs, Internet and mobile banking. In 2014, the country's Rs 81 trillion (US\$ 1.34 trillion) banking industry is set for a greater change. This paper focuses on women CEOs in the Indian banking sector and examines the impact which women CEOs have had on banks.

KEYWORDS :

Era of Women in Banking – Past, present and the future

Women bank chiefs are not new to Indian banks. After all, [Chanda Kochhar](#) is the managing director and CEO of [ICICI Bank](#), while her former colleagues [Shikha Sharma](#) and [Kalpana Morparia](#) head [Axis Bank](#) and JP Morgan India, respectively. The trend started a decade ago when [Ranjana Kumar](#) was appointed Indian Bank CMD. While Central Bank of India is headed by H A Daruwala, [Dena Bank](#) has a woman CMD in Nupur Mitra. Even the [Reserve Bank of India](#) has had its share of women deputy governors — ranging from K J Udeshi to Shyamala Gopinath and Usha Thorat. "Diversity is vital, be it in the form of academic background or gender, it creates the right environment, culture that helps the organisation to leverage on workforce's strength and skills," says JPMorgan Chase and Co's India head Kalpana Morparia.



In the Reserve Bank of India (RBI), it was a 68-year wait for a woman to reach the deputy governor's post. The central bank traditionally has one governor and three to four deputy governors to formulate monetary policy and run the banking system. RBI's first woman deputy governor, Kishori J. Udeshi, took over in June 2003.

Against this backdrop, the State Bank of India's wait of 206 years to get its first woman chairperson has been a bit longer. With Arundhati Bhattacharya, 58, moving into the corner office at the nation's largest lender, women chief executive officers (CEOs) now control close to 40% of India's banking industry assets. This is an interesting piece of information as women's representation in the executive cadre of public sector banks, which account for about 70% of India's banking industry assets, is less than 3%. They make up about 17% of the total workforce in the state-run banks. While their representation in the clerical cadre is a little over 26%, about 11% of officers in the industry are women. In private banks, the scene is somewhat better. For instance, in ICICI Bank Ltd, the nation's largest private sector lender, women employees constitute roughly one-third of the workforce.

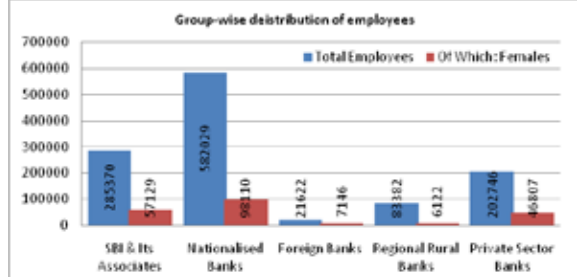
Right now, women CEOs are managing four state-run banks, taking the total number to seven in the 44 years since India nationalized most of its privately run banks in 1969. It took 31 years after nationalization for a woman to become a bank's CEO, but the pace of female professionals advancing to the top post has gained momentum since then. Very soon we will see one more woman boss in Usha Ananthasubramanian, an executive director of Punjab National Bank, when she takes over as chief of Bhartiya Mahila Bank, which is set to launch its operations in November. After that, there won't be too many women advancing to the top as the pipeline is drying up. There is only one woman executive director in the state-run banking industry now—Krishna Guha, in Dena Bank.



There are not too many women in the top executive cadre—general managers—in the state-run banking industry. Overall, there are only 36 women among 630 general managers across banks. State Bank of India has the maximum number of women general managers—16 out of 138; Bank of Baroda, Canara Bank and Indian Overseas Bank have three each; and Punjab National Bank and Union Bank of India have two each. There are quite a few state-run banks where no woman is among the top executive cadre.

BANK GROUP AND POPULATION GROUP-WISE DISTRIBUTION OF EMPLOYEES OF SCHEDULED COMMERCIAL BANKS ACCORDING TO CATEGORY JULY 22 2013.

Bank Group	Total Employees				Of Which: Females			
	Officers	Clerks	Sub-Ordinates	Total	Officers	Clerks	Sub-Ordinates	Total
SBI & Its Associates	104466	125878	55026	285370	13505	37884	5740	57129
Nationalised Banks	221561	261953	98515	582029	36934	47931	13245	98110
Foreign Banks	19761	1438	423	21622	6367	749	30	7146
Regional Rural Banks	32804	32602	17976	83382	1462	3618	1042	6122
Private Sector Banks	124346	59550	18850	202746	26107	17644	3056	46807
All Scheduled Commercial Banks	502938	481421	190790	1175149	84375	107826	23113	215314



Female employees ratio in Indian Banks



The above table and graphs explain the clear statistics of female employees in Indian Banking Sector. They are around 15% of total banking employees. The major recruiter of women employees in the banking sector is government only. The private sector having limited scope in India, even though, they have been giving much place to female workforce in their organisations. Less number of women workforces can be observed in foreign banks.

India's most powerful Women Bankers

Women are playing a pivotal role in India's banking sector. In fact, the sector has had a large number of women at the helm of affairs with several women CEOs. India's largest bank (by assets) is also run by a woman! Here is a list of India's most powerful women bankers, who are calling the shots and shaping India's future!

1. Arundhati Bhattacharya, Chairperson, SBI

Arundhati Bhattacharya, Chairperson, SBI Arundhati Bhattacharya is the first woman Chairperson of the country's largest bank by assets. Arundhati joined State Bank of India in 1977 as a probationary officer (PO). She held several key positions during her 36-year career with the bank which include, chief executive of the bank's merchant banking arm – SBI Capital Markets; chief general manager in charge of new projects. She has also served at the bank's New York office. She has been actively involved in the launch of several new businesses such as SBI General Insurance, SBI Custodial Services and the SBI Macquarie Infrastructure FUND. Before being the Chairperson, she held the posts of managing director and chief financial officer at SBI.



2. Usha Ananthasubramanian, Chairperson and Managing Director, Bharatiya Mahila Bank.

In November this year, [Usha Ananthasubramanian](#) took over as Chairperson and Managing Director of the [country's first women's bank](#), Bharatiya Mahila Bank, soon after Arundhati Bhattacharya became the top boss of State Bank of India, the largest bank in India. In April, Archana Bhargava was elevated to the top job at United Bank of India while Vijayalakshmi R. Iyer became the head of Bank of India and Shubhalakshmi Panse became Chairman and Managing Director of Allahabad Bank last year.



Making it to the top is never easy for women in any field. But it's particularly hard in the public sector where women initially took up jobs to help support the family and held back from taking up more challenging roles. It took more than 30 years after bank nationalisation in 1969 for a woman to be appointed head of a state-run bank.

3. Vijayalakshmi R. Iyer, Bank of India Chairperson and MD

Iyer of Bank of India also has to fight multiple battles. Her bank's bad loans rose to 2.35 per cent of advances in 2012/13 from 1.47 per cent the previous year while its capital adequacy ratio of 11.02 per cent is the lowest among large banks. Allahabad Bank too has among the highest net NPAs at 3.19 per cent of total loans. United Bank of India headed by Bhargava is lagging its peers in profitability: its return on assets is the lowest at 0.34 per cent while return on capital is also a low 4.75 per cent compared with, say, Syndicate Bank's 20.47 per cent.



But financial turnaround is not their only priority. Experts say the new

female chiefs will also focus on making state banks more attractive for women, who often prefer private banks. Public sector banks may offer job security but they are hobbled by lower salaries. "We do not always have a very level playing field in terms of pay structures. We can only offer a slightly higher level of post," says Bank of India's Iyer.

4. Chanda Kochhar, Managing Director & CEO, ICICI Bank Limited

At the helm of India's second-largest bank and the largest in the private sector, Chanda Kochhar is widely recognised for her role in shaping the retail banking sector in India and for her leadership of the ICICI Group, as well as her contributions to various forums in India and globally.



Chanda Kochhar began her career, with erstwhile ICICI Limited in 1984 and was elevated to the Board of Directors of ICICI Bank in 2001. She was instrumental in establishing ICICI Bank during the 1990s, and subsequently headed the infrastructure finance and corporate banking business in ICICI Limited. In 2000, she took on the challenge of building the nascent retail business, with strong focus on technology, innovation, process reengineering and expansion of distribution and scale. The Bank achieved a leadership position in this business.

During 2006-2007, she successfully led the bank's corporate and international banking businesses during a period of heightened activity and global expansion by Indian companies. From 2007 to 2009, she was the Joint Managing Director & Chief FINANCIAL Officer during a critical period of rapid change in the global financial landscape. She was elevated as Managing Director & CEO of ICICI Bank in 2009 and is responsible for the Bank's diverse operations in India and overseas. She also chairs the boards of the Bank's principal subsidiaries, which include India's leading private sector life and general insurance companies. In addition to her responsibilities at the ICICI Group, Chanda Kochhar is a member of the Prime Minister's Council on TRADE & Industry, the Board of Trade, High-Level Committee on Financing Infrastructure, US-India CEO Forum and UK-India CEO Forum. She is a member of the boards of the Indian Council for Research on International Economic Relations, National Institute of Securities Markets, Institute of International Finance and International Monetary Conference. She was co-chair of the World Economic Forum's Annual Meeting in 2011. She was conferred with the Padma Bhushan, one of India's highest civilian honors, in 2011.

5. Naina Lal Kidwai, Group General Manager & Country Head of HSBC India

Naina Lal Kidwai is the Country Head of HSBC India and is also the Executive Director on the Board. An MBA from Harvard Business School, Naina Lal Kidwai is recognized in India and abroad with several awards and listings for leadership and business. Repeatedly ranked in the Fortune global list of Top Women in Business, in the Wall Street Journal and FINANCIAL Times Global Listing of Women to Watch and listed by Time Magazine as one of the 15 Global Influencers in 2002. Naina Lal Kidwai has also received the Padma Shri from the Government of India for her contribution to TRADE and Industry. Her international engagements include being a non executive director on the board of Nestle SA, Chairman, City of London's Advisory Council for India, Global Advisor, Harvard Business School and Chair of the Indian Advisory Board. Naina Kidwai's interests include microfinance and livelihood creation for rural women and environment. She is also the President of FICCI. ... read more on her.yourstory.com



6. Renu Sud Karnad, Managing Director, HDFC

Renu Sud Karnad is the Managing Director of HDFC. She is a graduate in law from the University of Mumbai and holds a Master's degree in economics from the University of Delhi. She is a Parvin Fellow – Woodrow Wilson School of International Affairs, Princeton University, USA. She has been employed with the Corporation since 1978 and was appointed as the Executive Director of the Corporation in 2000 and was re-designated as the Joint Managing Director of the Corporation in October 2007. She was appointed as the Managing Director of the Corporation for a period of five years with effect from January 1, 2010. She is responsible for the Operations, Human Resources and Communications functions of the Corporation. She has been ranked by Wall Street Journal as the Top Ten women to watch out from Asia.



7. Shikha Sharma, Managing Director & CEO, Axis Bank

Shikha Sharma is the Managing Director & CEO of Axis Bank since 2009. Shikha began her career with the ICICI group where she worked across various verticals like Project Finance, Retail Banking and Investment Banking. Her last assignment was as Managing Director & CEO of ICICI Prudential Life Insurance Company, a leading private sector life insurance company in the country. Shikha has received wide recognition for her achievements. She is a recipient of many business awards like 'Transformational Business Leader of the Year' at AIMA's Managing India Awards, 2012, and 'Woman Leader of the year' at Bloomberg – UTV Financial Leadership Awards, 2012, and Businessworld's Banker of the Year Award, 2012. She has also been listed in prominent publications, such as Forbes List of Asia's 50 Power Business Women, 2012, Indian Express Most Powerful Indians, 2012 and India Today Power List of 25 Most Influential Women in 2012.



8. Shubhalakshmi Panse, Chairman & MD, Allahabad Bank

Shubhalakshmi Panse assumed the office of CMD of the Bank in January 2012. Prior to her present appointment Ms Panse was the Executive Director of Vijaya Bank since November 2009. She was managing all the portfolios and was responsible for the administration and Business development of the bank. Ms Panse started her banking career by joining Bank of Maharashtra as Probationary Officer in 1976. She had wide exposure and expertise in diverse disciplines like

Credit Management, Recovery, Treasury and Information Technology at various levels at several locations in the country during her tenure at Bank of Maharashtra. She was also Circle Head of South circle covering Karnataka, Andhra Pradesh, Tamil Nadu, Kerala, Goa and Pondicherry.



Ms Panse has undergone many trainings and courses at various prestigious institutes like NIBM, Pune, ASCII & JNIDBI, Hyderabad, MDI, Gurgaon, BTC & RBI, Mumbai, European School of Management, London, UK, Paris & France, Bank of International Settlement, Basle, Switzerland and MEFTEC, Bahrain.

She was felicitated by Pune Municipal Corporation for her contribution in the field of banking in 2000. She has won various awards such as the Wisitex Foundation's (Mumbai) award of Banker of the year in 2005, Rajiv Gandhi Sadbhavna Award for contribution in the field of IT in Banking Industry by Rajiv Gandhi Foundation, Orissa, in May 2008, Nari Chetna Award for the contribution in the field of IT in banking by MES Society Pune in June 2008 and Suryadatta National Award for 2011 for Excellence in the field of Banking and Finance. She is a MARKET oriented banker with strong administrative and leadership skills and able motivator of her team.

Why are so few women bankers?

Why do very few women reach the top in the public sector banking industry? It's the culture that comes in the way of a woman banker's growth. One critical contributing factor is the transfer policy in banks. Typically, a bank officer needs to work at a dozen different places, including in a mandatory rural posting, to move up the hierarchy. In the absence of a support system, women officers invariably end up sacrificing their careers to look after their family and children. The situation in private sector banks is different. Take the case of ICICI Bank. It offers part-time employment and the option of flexible working hours for women employees. It also offers a sabbatical to women employees. Among other facilities, it gives paid maternity leave of six months which can be extended by taking leave without pay; child care leave of 36 days each year till the child attains the age of two; fertility leave of 180 days; and also adoption leave. Things are changing in the state-run banking industry, albeit slowly. To make a beginning, the banks have started offering a two-year sabbatical to their women employees. This can be taken at one go or in stages. This was done following the recommendations of a committee headed by former head of Bank of Baroda, A.K. Khandelwal, which looked into the HR (human resource) aspects of public sector banks a few years ago. Some banks, I am told, have started running crèches for the children of employees. More importantly, women employees now have role models before them to look up to, to chart out their career path.

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