

Demand for women directors set to rise

Demand is set to soar for suitable women executives and experts to be appointed on boards of listed companies, but a limited talent pool will still make it difficult for firms to comply with SEBI's new norms mandating at least one woman director, experts feel.

Out of a total 1,456 listed companies on the National Stock Exchange (NSE), only 490 firms currently have at least one woman director on their respective boards, as per the latest data compiled by Indianboards.com.

A total of 488 women directors currently hold 597 directorships in listed firms. Of these, 174 independent directors are together holding 231 directorships, while some of them are present on the boards of five-seven different companies.

The Securities and Exchange Board of India (SEBI) has cleared new corporate governance norms that require companies to have at least one woman director on their boards, among other measures.

These norms are required to be implemented by the listed companies from October 1, 2014.

Making things difficult, the new norms also mandate that the maximum number of boards an independent director can serve on cannot be more than seven. This cap has been fixed at three in the case of a person serving as a whole-time director.

Also, an independent director can serve for maximum two consecutive tenures of five years each on a board.

These restrictions would make it further difficult for companies to find suitable women directors given the paucity of supply.

"Now there will be definitely demand for women for posts on company boards and the talent pool is limited... even the number of board directorships is also limited," Randstad India president (Staffing) Aditya Narayan Mishra said.

"However, I think this is only a temporary problem and things will fall in line in a few years," he added.

Athena Executive Search & Consulting Managing Director Bhavishya Sharma said, "The biggest challenge now is that there are not enough females at management positions in a company and not enough women who can contribute to the same."

On the brighter side, this will also open up new opportunities for women executives to move ahead. "The move opens a lot of opportunities for women working within an organisation and give them a way to go forward. This will specially create a new opportunity for women at the one or two levels below the top position," Mr. Mishra said.

The companies may also have to invest more in building up necessary skills required for directorial positions. "Other than that, a lot of companies will approach HR firms which have a larger pool of talent and we could see companies taking lot of innovative practices in this regard," Mr. Mishra said.