

WOMEN ENTREPRENEURSHIP: BANKING INDUSTRY

NEHA CHAHAL

ASSISTANT PROFESSOR, M.V.N UNIVERSITY

ABSTRACT

Earlier leadership theories focused on The Great Man theory and women were at all excluded from being seen as a leader due to fact that earlier people considered men and women having different behavior, different skills and attitudes. However with changing time, status of women gained importance and now in this dynamic world woman entrepreneurs are an important part of the corporate sector. This paper studies the increasing role of women leaders in banking industry. It shows that organizations with women executives at the top levels have increased the performance and efficiency of the company compared to those which do not have women leaders at senior positions. The banking Sector in India was male dominating till 1980's but in last three decades the gender equality became fairly poised. Women executives like Chanda Kochhar (CEO, ICICI Bank), Kalpana Morparia(MD and CEO ICICI Holdings) and Naina Lal Kidwai (CEO,HSBC) contributed a lot to the company's growth. This paper studies the factors which make women so successful in the Indian Banking Industry and what are the main challenges among them. This paper also suggests some remedial measures that the companies should adopt to retain women longer in the workplace and to offer opportunities to women to move into top-positions.

KEYWORDS: Women Leadership, entrepreneurship, banking industry

INTRODUCTION

The liberalization process of the Indian economy has penetrated deep into the lives of people including women. Historically, women are considered as the weaker sex, as a result, for the past centuries, women are deprived of most of the rights of the opposite sex, particularly the issue about leadership and management. Earlier the women were confined to household chores. This is particularly because of the issue of leadership. The early leadership theories focused on the Great Man theory, thus, all of the theories primarily focus on describing men and male leaders. As a result, women are all excluded from being seen as a leader, due to the fact that during that time, literatures and researchers considered men and women having different behaviours, skills and attitudes, consequently, the said differences between the two sexes are considered as hinder for women in terms of career advancement (Morrison & Von Glinow 1990).women are the nucleus of our civilization. She has different roles to play in ever changing social environment. Women's development, thus, is directly related with nation's development. With the dawn of independence, our constitution guaranteed gender equality, and a large number of schemes and programmes for women's development were initiated. But despite of these measures, Indian women entrepreneurs continues to live and strive in a complex situation of socio-cultural,

historical, political and economic realities. It took centuries for women's role to unfold in different forms, shape and size to move in a new direction. Still there are localities where women still listen to code of conduct written on their four walls by male dominating society however in some localities women's are fighting back these problems and are trying to come out their four walls which are holding them back to show their skills, abilities and interests.

However, with changing times, the potential of women was recognized 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.

Historically many freedom fighters and leaders took up many movement against women's subjugation to men it means there is no discrimination between men and women in the eye of our constitution. Then where does this difference lies?

This difference lies no where but in minds of our society and some where in our culture which never wanted women's to step out of their abode. Previously it was always the male member to step out to earn living for his family then came a time where women started coming out to earn but only under the condition where male member was absent or was unable to work, and it was considered as a condition of pity for that women and his family as well. But it took so many ages for women to come out and earn their interest and feel proud about themselves. It was always a son who used to take over his father's business but with the changing role of women now this scenario has also changed now there are many examples where a girl is contributing his best with her parental business. The growing Indian middle class shed apprehensions about educating the girl child and gave due importance for higher studies. 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

In this dynamic world, women entrepreneurs are an important part of the global quest for sustained economic development and social progress. In the words of president APJ Abdul Kalam "empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured. Empowerment of women is essential as their thoughts and their value systems lead to the development of a good family, good society and ultimately a good nation."

WOMEN'S CAREER DEVELOPMENT HINDRANCE IN THE BANKING INDUSTRY

This can be observed in the banking industry – which is the largest financial sector. However, globally, it can be observed that there is a vital difference between the proportions of women managers between the industrialized or developed countries with those developing countries. For instance, in the USA, 37% of the management positions are handled by women (US Bureau of Labor Statistics 2005), this percentage is high compare with only 20% in the entire European Union (European Commission 2005) and only 26% in Germany (German Institute for Research in Economics 2007).

There are different studies which show the different factors or aspects which affect and result to challenges and hindrance in career development of women in the banking industry as well as other industries in the world.

The main or general barriers towards the development and advancement of the careers of the women in the industry are

- Stereotypes
- recruiting practices
- the lack of access towards the powerful networks and connections
- the issue about family
- process of balancing the time and effort exerted in work and family

In many countries laws and regulations are designed in order to protect and give special treatment towards the women, particularly those with family and single parents. This includes financial benefits, maternity protection and rights for the working parents. While the maternity protection law include protection from dismissal to those employees expecting to be a mother. This also includes protection from any harmful and risky tasks and influences in the workplace which prohibits them to work on Sundays, holidays as well as at night. It is important to consider that all of the expenses and cost of the programs and benefits stated above will all be solely handled by the employers. As a result, this gives the employers to hesitate in employing female managers because, in case of pregnancy and family matters, there are laws and regulations which give them the rights to excuse from their work, which is very important because managerial and leadership position in banking industry is considered as vital and complicated. Therefore, it will be beneficial and feasible for the employers to employ male leaders and managers.

SCENARIO IN INDIAN BANKING INDUSTRY

Many experts opined that organizations 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. Companies with diversity on their boards, productivity is better. Having more women on the boards of companies does help. Women would moderate risk and would be more balanced. "If UK banks had more women on their boards, the scenario post-recession would have been a lot different." Indian banks, with better gender equality on board than their western counterparts, scraped through the economic slowdown unscathed

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.

Chanda Kochhar

ICICI Bank, India's second largest bank after State Bank of India, is headed by a woman, Chanda Kochhar

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. He advised:

“If you do not succeed, there will be no other woman in this organisation.”

KalpanaMorparia

Kalpana Morparia played a major role in transforming ICICI Bank from being a financial institution to a 'one-stop shop' providing an array of financial services right from project financing to retail products. Morparia will be the new MD and CEO of ICICI Holdings, the new arm for insurance, mutual fund business.

Naina Lal Kidwai

There are many firsts to Naina Lal Kidwai's credit. Naina Lal, CEO of HSBC, is the first Indian woman to graduate from the Harvard Business School. Also, she has the distinction of being the first woman to head the operations of a foreign bank in India.

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. The company played a significant role and has acted as a catalyst in facilitating its women to hold senior positions.

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.

Many people agree that many banks that were headed by women CEOs performed much better at time of recession. In this sense, the banking and financial services sector has been particularly lucky.

For, while only 11% of the companies across sectors in India had women CEOs, 54% of these CEOs come from the financial services sector, says a recent EMA Partners International study. In the Fortune 500 list though, financial services just accounted for 7% of the women CEOs.

WHAT MAKES WOMEN SO SUCCESSFUL IN THE INDIAN BANKING INDUSTRY?

- The present data clearly indicates that management in general has become much more human-oriented, even in the face of some incredible advancement in technology. As a result, scholars and professionals alike have recognized the need for people with better 'Soft' skills that include communicating, networking, empowering, delegating, and counseling among others.
- Retail banking is more of a relationship thing and women excel at that. In the Indian context, while women have started venturing out to work in the corporate world, they have been handling relationships at home too, as a wife or a mother. "This nurturing and adjusting attitude flows into the workplace as well."
- 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.
- Women have done well in banking because it is a business where you need to keep in mind what the customer wants. Women have some amount of empathy towards a customers needs.
- Most women bankers agree that one of main advantages they had was the support system from their family. There may be numerous cases to belie their observation but for the achievers, family support made all the difference. "There is family, in-laws, friends and domestic staff that offer support to the household, which makes it easier for the woman to focus on her career.

- Companies are increasingly recognizing 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. 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.
- In today's world, leadership is becoming more results-oriented than process-driven. Moreover, organizations 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.
- Women managers tend to have more of a desire to build than a desire to win.
- 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 identify problems more quickly and more accurately.
- When feeling the sting of rejection, women leaders learn from adversity and carry on with an "I'll show you" attitude.
- Women leaders demonstrate an inclusive, team-building leadership style of problem solving and decision making.
- Women leaders are more likely to ignore rules and take risks

CHALLENGES OF WOMEN ENTREPRENEUR'S

- Women leadership is invisible, that is, women leaders take a back seat to submit to men leaders since the corporate world is a 'man's industry'.
- Women leaders are more assertive and persuasive, have a stronger need to get things done and are more willing to take risks than male leaders
- Leadership remains as a domain dominated by men as it is directly associated with authoritarianism to which the women lacks.
- Tokenism prevails in the corporate world that endangers the value of women leaders in comparison of men leaders.
- Women leaders themselves have lower expectations than that of men leaders thus women leaders are more hindered by the entitlement effect.
- Women faces more challenges before becoming leaders compared to that of the challenges experienced by men.

REMEDIAL MEASURES

- Companies need to recognize that leadership skills are “common at the top” for both men and women executives –and women do not require any special privileges that highlight their abilities to multi-task or provide emotional intelligence or empathy.
- Women can deliver best in an “environment of respect.” -- With best employer practices in place, that offer career advancement opportunities to senior women to move into top-positions. These companies will be able to retain women longer in the workforce.
- HR leaders and CEOs will need to redefine “Best-Employer” organizations, from the traditional and outdated indexes to ones that include best practices for building a sustainable organization, with a corporate code for women employees, and diversity-dashboard.
- There is a clear need to focus on mentoring the Indian corporate mind-set to get past the “subtle glass ceiling” and resolving inequities in the workplace, for leveraging best talent and performance among women executives.
- There is an important need for Mentoring women in the “successor generation” – so that they are able to meet the challenges in a male-dominated workplace –while they are trying to also maintain their work-family commitment in the early stages of their career.
- Women need to market themselves better in the organization – and create visibility in external networks. This is one of the key invisible barriers to women’s advancement
- There exists a hesitation to appoint women as Directors on company board – both executive and independent – as they bring in a ‘novelty-factor’ that may upset the comfort-zone. As companies aspire to become global leaders and bring innovative thinking in the organization – investors and market consumers will begin to look for more women on company Boards.
- Diversity programs in organizations provide an excellent network for women executives in the organization.
- Appraisal systems need to be more gender-neutral in corporate India, and interview panels should be more inclusive.
- Women need to unambiguously celebrate their success – and there is need for more success stories to be outreached, more women role-models to learn from, and more networks for experience-sharing.

SWOT ANALYSIS

<p>STRENGTHS- Equality of opportunity Equal pay for equal work Reservation for women in parliament and state legislative bodies Right to education Full voting rights</p>	<p>WEAKNESSES- Emotional behavior Back seat of women leader to submit to men leaders Lack of authoritarianism Lower expectations than men Discrimination Networking</p>
<p>OPPORTUNITIES- Higher education Reservation of different sectors Social support</p>	<p>THREATS- Sexual Harassment Family commitment Support from spouse Traditional mindset of society Maintain the balance between work and home Faces more challenges than men</p>

HR INITIATIVE FOR WOMEN ENTREPRENEURSHIP

- On campus day-care centre – (McAfee India)
- Flexi- Timing to accommodate early parenthood
- Extended maternity leaves
- Adoption maternity leave – (IBM)
- A certain amount of payment of the legal expenses incurred while adopting a child – (HP)
- Cab drops during pregnancy
- Post maternity leaves without pay for 6months to 1yr – IBM, Infosys)

CONCLUSION

Entrepreneurship among women, no doubt improves the wealth of the nation in general and of the family in particular. Women today are more willing to take up activities that were once considered the preserve of men, and have proved that they are second to no one with respect to contribution to the growth of the economy. Women entrepreneurship must be molded properly with entrepreneurial traits and skills to meet the changes in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena. A

woman has proved themselves as successful leaders in politics as well as in various organizations. Women are now participate in all activities such as education, politics, media, art and culture, service sectors, science and technology, etc. There are lots of problems which a women faces during her careers growth. Women need to be more practical. Women need to become more aware so they can reposition their behavior to develop a style that feels right and delivers effective leadership

REFERENCES

- Carter S (2000) 'Gender and Enterprise' in Carter S. and Jones Evans D. (eds) **'Enterprise and Small Business: Principles, Practice and Policy'**, Addison Wesley
- Carter S. and Cannon T. (1992) **'Women as Entrepreneurs'**, London: Academic Press
- Carter S. and Rosa P. (1998) 'The financing of male- and female-owned businesses' **Entrepreneurship and Regional Development**, 10(3), 225-241
- Bowen, Donald D. & Hirsch Robert D. (1986), *The Female Entrepreneur: A career Development Women Entrepreneurship and Economic Development* – By Sanjay Tiwari, Anshuja Tiwari. Publisher : Sarup and Sons
- Indian Entrepreneurship (Theory and Practice)- By Dr. D.D. Sharma & Dr. S.K. Dhameja Abhishek Publications Chandigarh-17 (India)
- Entrepreneurship Development –By S.S Khanka. S. Chand & Company Limited . (Ram Nagar, New Delhi-110055). 3.
- Dynamics of entrepreneurial development and management – By Vasant Desai. Himalaya Publishing House.
- Women Entrepreneurship Development in India, www.indianmba.com/Faculty_Column/FC1073/fc1073.html
- Women in Business & Decision Making – A survey on women entrepreneurs, women network, euro chambers Association of European Chambers of Commerce and Industry
- Women in Business: A Demographic Review of Women's Business Ownership, Office of Advocacy U.S. Small Business Administration, August 2006.