EXPLAINING THE BUSINESS CASE FOR GENDER DIVERSITY ON BOARDS: CORPORATE GOVERNANCE THEORIES PERSPECTIVE

Sunita[1]

Abstract

The purpose of this paper is to analyse the corporate governance theories and investigate the business case for gender diversity on corporate boards from the perspective of corporate governance theories. Extant literature on the topics of gender equality, corporate governance, corporate governance theories, women on corporate boards and their impact on governance and organisations has been reviewed and analysed to find support for the gender diversity on corporate boards. Most of the corporate governance theories support the business case for gender diversity on boards. Agency theory, stewardship theory, stakeholders theory, and resource dependency theory elucidate why presence of women directors on boards is good for business. Women directors are equivalent to independent directors, increase effectiveness of boards, improve firm performance and take care of the stakeholders' interest. Higher representation of women on boards brings value to the boards as well as organisation. Organisation should focus on the strategies to make corporate boards more gender diverse. This paper discusses the issues of gender equality, women empowerment and gender diversity on boards. It adds to the corporate governance literature by explaining and analysing corporate governance theories to explicate the business case for gender diversity on boards

KEYWORDS- Gender Equality, Corporate Governance, Corporate Boards, Women directors

JEL Classification- : J16, G3, M48, M4

[1] Research Scholar, Department of Commerce, Delhi School of Economics, University of Delhi & Assistant Professor, PGDAV (M) College, University of Delhi, Email id. sunitaa07@gmail.com, 9717004688

1. Introduction

Empowerment enables individuals to realise their identity and powers with full potential in all areas of life. Women empowerment has become a widely discussed topic in recent decades (Shetty & Hans, 2015). It is a significant step to achieve the balanced and sustainable development of any economy (Yogendrarajah, 2013). Gender equality at work and in society is vital to empower the women whole heartedly. In the last five decades it has been witnessed that with the help of initiatives of corporate sector, regulators and government, women are making their presence felt in each and every arena of life and even surpassing their male counterparts. Despite these developments mostly women face discrimination in their access and opportunities to rightful place, possession and position which begins from home itself and reaches beyond to scho ols, other institutions, and work. The differences in opportunities to growth and development, thus, become issues of concern for women as well as the whole society (Shetty & Hans, 2015).

Women do not share the equal proportion in the corporates and the percentage of women even decreases as they move up the career ladder. Women are under-represented in the corporate boards all over the world(Balasubramanian, 2013; Kurup et al., 2011). Women are under-represented in the corporate boards all over the world. We know that corporate boards are vital to the governance and performance of companies and affect the lives of all stakeholders. Companies as well as stakeholders cannot afford the failures in governance of the board so who all comprise the corporate board is an issue of social importance. Most of the relevant studies found a positive relationship between the board diversity and corporate performance, but some studies even found a negative relationship between two (Rhode & Packel, 2014).

The hurdles women face to reach boardroom vary across countries and sectors. Corporate boards in India also share the same story with relative absence or skewed ratio of females on boards in most of the companies. According to McKinsey study (2018) the representation of women at the level of middle and senior management is only 4%, however, when it comes to board, 11% of the board members are females in India and that is also due to the legal mandate under Companies Act 2013 to appoint at least one female director to boards. The percentage of women on corporate boards is still around 17% in India (*Corporate India Women on Boards*, 2020).

The issue of women's representation on corporate boards has been gaining importance across countries. Despite several regulatory and voluntary steps taken in different parts of the world to improve the gender diversity on corporate boards, status of women on corporate boards could not improve as expected (Rhode & Packel, 2014) and Covid-19 pandemic has even reversed this progress to certain extent. Underscoring the importance of gender diversity on corporate boards for organisations as well as sustainable development of the economy, the present research aims to analyse various corporate governance theories and find support for gender diversity on corporate boards. Present literature on the topics of women empowerment, gender equality, corporate governance, corporate governance theories, women on corporate boards and their impact on governance and organisations has been reviewed and examined for the business case for gender diversity on corporate boards.

2. Women and Corporate Boards

Corporate governance is the way companies are governed. Each country has their own type of corporate governance structure which makes it tougher for researchers to do comparison studies. Presence of women in senior management positions and boards differs for various countries and sectors. Women face several barriers in the talent pipeline from their education to enter the boardroom. These barriers too diverge across countries and sectors. Lower representation of women in corporate boards is not associated only to the glass ceiling but more than that. Underrepresentation of women at top positions in organizations has its origin far earlier in the talent pipeline that goes through their enrolment in tertiary education to entry level jobs, middle level managerial jobs and the boardroom (Amudha et al., 2016; Bagati & Carter, 2010; Vohra, 2020; Woetzel et al., 2018).

Over the years proportion of women in top management positions and corporate boards has been increased but a gender gap still prevails. Studies show that across Asia-Pacific representation of women in top positions is very low in some sectors like industrial, energy, finance sectors, information technology, and public utilities. Telecommunications and real estate sectors are better as compared to other sectors on women's representation in top executive positions. Different factors contribute to this status of women in different sectors like in construction and mining industries, women do not take interest to work due to less attractive working conditions. Women's representation is also low at the managerial level particularly in healthcare and pharmaceutical industries. In technology sector also there is need to improve representation of women from the entry level jobs in order to increase their representation in senior positions and corporate boards (Woetzel et al., 2018).

Various mandatory and voluntary initiatives have been taken in several countries to increase the gender diversity on corporate boards (Rhode & Packel, 2014). Table 1 shows the steps taken in different countries to improve women representation on boards (Kersley et al., 2019).

Table 1: Regulatory Initiatives for gender diverse corporate boards in various countries

Type of Requirement	Country	Limit/ Gender Quota
Mandatory	Austria	30%
	Belgium	33%
	Brazil	40%
	France	40%
	Germany	30%
	Iceland	40%
	Israel	50%, At least one female director
	India	At least one independent woman director
	Italy	33%
	Malaysia	30%
	Norway	40%
Comply or Explain	Argentina	Voluntary
	Australia	Disclose targets
	Canada	Disclose targets
	Finland	Disclose targets
	Denmark	Disclose targets
	Hong Kong SAR	Voluntary
	Netherlands	30%
	New Zealand	Disclose targets
	Singapore	Voluntary
	South Africa	Disclose targets
	Spain	40%
	Sweden	Equal gender target
	UK	Disclose targets

Source: The CS Gender 3000 in 2019

Most of the above legislative initiatives are backed by the opinion that the presence of women on boards could improve the governance of companies significantly and brings value to the firm. However, it is tough to find consensus on the effect of gender diversity on corporate boards. As mentioned earlier, women's presence in corporate boards differ from country to country like in the European countries, the percentage of women directors is between 30 to 40 percent, whereas in USA, the presence of women directors is 20.4% in R3000 companies in 2020. In UK also the presence of women directors is 30% on FTSE-350 boards in 2020. In France and Norway, it is mandatory to have 40% women directors on corporate boards. Other countries of Europe like Italy, Austria, Netherlands, and Belgium too have a mandatory regulation of 30-40% quota for women directors on boards. The 30% Club has been launched in UK, the purpose of which is to achieve to achieve at least 30% representation of women in top leadership positions. In 2020, the presence of women in FTSE-350 companies' board was 30% or more. Regulators of some other countries like Denmark, Sweden, Finland, Australia, New Zealand, Canada, UK and Singapore have instructed boards to reveal their plans on women representation on boards (*Corporate India Women on Boards*, 2020; Vohra, 2020).

The story of corporate boards in India is worse as compared to other countries. Women are underrepresented on corporate boards in India. India became the first developing country to impose quota on number of women in corporate boards to increase the number of women on boards. According to Section 149(1) of The Companies Act 2013, listed companies (except those having paid up equity share capital not exceeding 10 crore and net worth not exceeding 25 crore) and the public companies with paid up share capital of 100 crore or more, or, turnover of 300 crore have to appoint at least one woman director on their boards by 01st April 2015 (*Corporate India Women on Boards*, 2020; Vohra, 2020). Despite this development the number of women directors remained low.

Gender inequality and discrimination in society and at workplace are among the barriers behind this status of women on corporate boards in India. India is a country with diverse characteristics of its people. Being a patriarchal society, Indian women face gender inequality in society which has been observed at work too. Statistics show that women in India face high or extremely high inequality on all the five indicators of Gender Equality at work which are labour force participation rate, presence of females in professional and technical jobs, perceived wage gap for similar work, presence of women in leadership positions, and unpaid care work (Woetzel et al., 2018). Women face various types of discrimination at the workplace like discrimination at the time of recruitment, selection, in employment offer, in promotion, transfer, training or other benefits, or even dismissal (Adejugbe & Adejugbe, 2018). Women face this gender gap in top management positions and corporate boards too. The share of women decreases as they move along the business talent pipeline due to prevailing bottlenecks in the country. Table 2 shows the percentage of women at different levels of talent pipeline in India. As shown in table 2, in India only 43 percent women get enrolled in tertiary education due to which only a smaller pool of female talent enters the talent pipeline.

Table: 2 Women's Representation In India (2016)

Level	Tertiary Educated Graduates	Entry-Level Professionals	Senior Management	Board Members
Percentage of Women	43%	25%	4%	11%

Source: Mckinsey Global Institute Analysis

This share of women significantly drops and only 25 % women join workforce as entry level professionals in India. In fact this decline in share at this stage is greatest in three countries namely: India, the Philippines, and Australia. The share of women further decline and reaches to only 4% at the level of middle and senior management. However, when it comes to board, 11% of the board members are females, but this increase in the share of women is associated with the legal mandate under Companies Act 2013 to have at least one women board member in all listed companies (Woetzel et al., 2018).

SEBI further strengthened the compulsory provision of Companies Act 2013 regarding one women director in May 2018 by mandating the top 500 companies on the basis of market capitalisation to have an independent woman director by 01st April 2019 and the top 1000 companies to follow the same regulation by 1st April 2020. But if we look at the data, the percentage of women directors in India is still 17% on the boards of NIFTY 500 companies as on 30 March 2020 (*Corporate India Women on Boards*, 2020; Vohra, 2020).

So, It can be seen that despite developments in most of the countries, women are not getting their share in corporate boards. Across world, women have a very low representation in corporate boards and that too even when their increasing importance for the firm performance and economy has proved in the literature. It is vital to overcome this challenge because of the diverse benefits women bring to the corporations. Next section discusses about the corporate governance theories in brief and analyse these corporate governance theories to discuss the business case for gender diversity on corporate boards.

3. Business Case For Gender Diversity: Corporate Governance Theories Perspective

Several studies and literature suggest that presence of women directors tend to bring benefits in their organisation. This section analyses the relevant literature and aims to find support for gender diverse corporate boards from the perspective of corporate governance theories.

3.1 Agency Theory

Agency theory has been developed in 1970's by Jensen and Meckling (1976). In sole proprietorship type of business, owner manages the business. In partnership too, partners are the owners. Sometimes, all partners manage the business whereas sometimes, only a few partners take care of the business management according to their managerial responsibility. In partnership, all partners are supposed to work together for the success of partnership, still some partners may pursue their individual goals at the cost of the business. This priority of personal goals by some partners while taking decisions may result into the conflicts between partners and affects the successful working of partnerships as well.

In corporation type of business form, the owners contribute towards the capital and they are generally disperse. Managers are separate from the owners and they are appointed by owners. This type of relationship is called principal- agent relationship where owners are principals and managers are agents. Although managers are expected to take decisions for the benefit of shareholders/ owners but due to the separation from owners, managers indulge in decisions or activities which may not maximize the shareholders' wealth rather benefit the managers themselves. This situation generates agency conflicts (Jensen & Meckling, 1976; Madhani, 2017). According to agency theory, board of directors act as an important monitoring device to reduce the agency conflicts generated due to principal-agent relationship where owners are the principals, managers are the agents and boards of directors monitor the managers. Boards play the role of fiduciaries to shareholders by reducing the agency problems and they ratify the decisions taken by managers as well as ensure proper implementation of the ratified and other decisions (Jensen & Meckling, 1976). Summing up, according to agency theory, two participants are important in the corporations, managers and shareholders. Second argument of the theory is that humans are self-interested and do not want to sacrifice their personal interests for others' interests (Daily et al., 2003).

We know that independent directors play a significant role in the corporate governance of the firm. According to Carter et al. (2003) external directors tend to behave independently as compared to the internal ones and are proved as good caretakers of interests of the shareholders, from the perspective of agency theory. By revieing the literature it has been found that presence of women directors on boards is crucial as women directors tend to have a similar impact as the independent director have on the governance so, there is a positive relationship between the gender composition of the board and its effectiveness (Adams & Ferreira, 2009; Choudhury, 2015; Handa & Singh, 2013). Women work as independent directors as they do not belong to the ''old boys club'', women allot more time for preparation of meetings, show better attendance and participation records in board meetings. In addition to this, presence of more women on boards also improves the attendance behaviour of male directors (Adams & Ferreira, 2009; Choudhury, 2015). Due to the higher proportion of women, boards become more active, effective (Handa & Singh, 2013), and generate ability to engage in cognitive conflict. Women directors are more likely to ask tough questions and have the ability to win the arguments in controversial situations (Adams & Ferreira, 2009; Choudhury, 2015; Tsiklashvili et al., 2019). Female directors tend to be concerned about the performance monitoring and tend to have a significant impact on board governance (Adams & Ferreira, 2009). If women directors work as independent directors, actively participate in the meetings, engage in controversial situations and win in those situations, these directors ultimately act as monitoring device and as literature shows they improve governance and effectiveness of the boards and firms. In contrast to tokenism theory which suggests that women are treated as minorities in groups and face discrimination and hurdles in influencing group decisions, on average women directors are great influencers in the corporate boards (Elstad & Ladegard, 2012). Therefore we found evidence through literature that agency theory and its approach explains the link between women directors on boards and value of the firm. There is a positive relationship between the firm value and presence of women directors on corporate boards.

3.2 Stewardship Theory

As compared to agency theory, stewardship theory of corporate governance have a different approach towards the relationship of managers and owners. Stewardship theory advocates that managers are good stewards of the company who will act in the best interest of the owners (Donaldson & Davis, 1991; Turnbull, 2000). The theory has been developed on the basis of the fundamentals of social psychology and focuses on the behaviour of executives. It has been argued that the behaviour of stewards is pro-organizational and collectivist, which has higher efficacy than individualistic self-serving behaviour. The steward's behaviour takes care of the interest of the organization and seeks to attain the objectives of the organization (Davis et al., 1997). When organisation achieves success and shareholder wealth is maximized, the steward's benefits also tend to get maximised, as it serves most of their requirements.

Just like good stewards who focus on the maximization of shareholders' wealth, women directors if present on corporate boards, maximise the shareholders' wealth. While examining the literature, it is found that there is a positive relationship between the percentage of women or minorities in boards and firm value (Carter et al., 2003; Panitapu, 2015; Schmid & Urban, 2018) . Literature also suggests that the presence of women directors on corporate boards matters for performance of companies as they follow diverse leadership styles like people development, role-modelling, inspiration, convey expectations and rewarding success, and participative decision-making as compared to their male counterparts, which strengthen performance of the organizations (Desvaux et al., 2017; Thomas et al., 2020). Some studies even focused on building the talent pipeline for women managers, as the presence of women on corporate boards and in the C-suite increases firm performance (Kramaric & Miletic, 2017; Noland et al., 2016). So, on the basis of literature we can say that stewardship theory of corporate governance supports representation of female directors on corporate boards.

3.3 Stakeholders theory

Agency theory and stewardship theory talk only about the interests of the owners or shareholders. Stakeholders theory of corporate governance is an improvement over these two theories, which says that stakeholders are valuable to the company and they should be treated accordingly in the management of company affairs. This theory disagrees with the shareholders' primacy. According to stakeholders' theory the duty of managers and directors in companies is to create optimal value for all stakeholders comprising shareholders, creditors, employees, regulators and Government etc. who can affect or are affected by a company's decisions (Keay, 2011).

While reviewing and analysing the literature we found that presence of women directors not only improves firm value and performance rather companies with more gender diverse boards take care of the interests of all stakeholders (Adams & Ferreira, 2009; Kramaric & Miletic, 2017). According to Carter et al. (2003) corporate diversity including gender diversity supports a better understanding of customers and marketplace, creativity and innovation improves, problem solving becomes effective, and effectiveness of corporate leadership increases and finally it results into improved global relationships.

Extant literature shows female directors on boards behave in such a way that benefits most of the stakeholders. Female directors' presence improves the board's sensitivity towards women's issues (Burke, 1997). Women directors have a positive impact on appointment, advancement, development and retention of other women in the company. Female directors also help in understanding the road blocks faced by female employees, and rate of success of other women in the business (Kitterød & Teigen, 2018; Lazzaretti et al., 2013; Thomas et al., 2020). Women directors behave differently in the corporate boards and bring a different voice to debates and make decision-making process effective (Burke, 1993; Kramaric & Miletic, 2017).

It is true that businesses frequently face stressful and conflicting situations. It is beneficial for the firm to appoint women directors on boards as they are more prudent and can manage the conflict and stressful situations. They are also good at managing the teams (Tsiklashvili et al., 2019). If the number of women directors on corporate boards increases it reduces the information asymmetry which minimizes the default risk. However the inverse relationship between the gender diversity and default risk is stronger for firms with strong internal governance and weak external governance which shows that female directors are substitute to weak external governance but complementary to strong internal governance (Ali, Liu, & Su, 2018). As literature explains, presence of more women directors on corporate boards bring value to stakeholders and therefore supported by stakeholders' theory of corporate governance as well.

3.4 Resource Dependency Theory

The next theory of corporate governance is resource dependency theory. As per resource dependency theory the firms are viewed as entities which operate in an open system and need to exchange and obtain certain resources for survival, creating a dependency between the firm and other external units in the system. Literature on corporate governance shows that a firm seek to connect with the most beneficial resources, and design the structure and composition of its board accordingly (Pfeffer and Salacik's, 1978).

As per Resource Dependency theory, board of directors are used as an important mechanism to manage the environmental uncertainty that can affect the firm. It has also been held that linkages of the firm with the environment or network governance has the power to reduce the transaction costs associated with environmental interdependency (Hillman et al., 2000). Literature suggests that the directors bring resources like skills, information, suppliers, buyers, public policy decision makers, social groups and legitimacy and all these resources reduce uncertainty (Gales & Kesner, 1994). On same lines, this theory advocates the appointment of directors to multiple boards so that they gather information and build network using several ways (Hillman et al., 2000).

Due to the uncertain and competitive environment too, businesses felt the need of diverse leadership skills. Literature shows that diversity supporters used resource dependency theory to describe the need of diverse leadership skills in today's competitive and uncertain environments. Literature finds that contribution of women directors to boards and the performance of the task depends on the board leadership, structures, development activities, culture and levels of women openness. Women directors with different backgrounds, personalities and if perceived and treated differently from men, make vital contributions to the organisations (Nielsen & Huse, 2010) through adding unique skills, knowledge and experience to corporate boards. Diversity benefits however, are difficult to be derived if the boardroom culture does not allow expressive behaviours and in that case, unique feminine traits are masked and only masculine behaviours become visible (Sheridan and Milgate, 2005). According to Adams & Ferreira and Panitapu (2009; 2015) women's presence in corporate boards holds a good business case. Women directors broadens the talent pool and brings different viewpoints to the board. As women directors bring various resources to the organisations, we can say that resource dependence theory also supports appointment of more female members on corporate boards.

After resource dependency theory, social contract theory and legitimacy theory focus on the relationship between a firm and the society.

3.5 Social Contract Theory

The social contract theory of corporate governance assumes society as a string of social contracts between the society and its members (Gray et al., 1996). It has also been pointed out that firm owes a contractual obligation to the society which is known as social responsibility (Donaldson, 1983). Some authors have also been developed an integrated social contract theory which focuses upon ethical decision making in terms of microsocial and macrosocial contracts (Donaldson and Dunfee, 1999).

3.6 Legitimacy Theory

Legitimacy theory is too based on the perception that a social contract exists between any organisation and the society. Suchman(1995) has defined legitimacy theory as a generalized presumption that an organisation's actions shall be desirable, proper, or appropriate from the point of view of norms, values, and beliefs prevail in the society.

Review of literature shows that although male and female directors do not differ on the ethical and legal dimensions of corporate responsibility but it gets better with presence of women directors on boards. Female directors are more concerned with the corporate responsibility and philanthropy as compared to the male directors (Ibrahim and Angelidis, 1994) (Fondas and Sassalos, 2000; Bilimoria, 2000). Presence of women directors on boards improve the board governance and corporate social responsibility too. They also have a positive impact on the success of other women in the company (Kitterød & Teigen, 2018; Lazzaretti et al., 2013). However, some studies in Indian context show that it is tough to analyse the reliable contribution of women directors on sustainability of wealth creation or other objectives, as in India the number of women directors without family ties were very small. Overall it is beneficial to have independent women directors on corporate boards without family connections (Balasubramanian, 2011). Unlike male leaders, female leaders tend to have a holistic approach which comprises caring, nurturing, sharing of power, and facing challenges on family front as well as on work front (Amudha et al., 2016)**.** They frequently apply leadership behaviors like people development, role-modelling, inspiration, convey expectations and rewarding success, and participative decision-making than their male counterparts (Desvaux et al., 2017; Thomas et al., 2020). These types of behaviours on the part of women directors show that with their presence on corporate boards, companies tend to show legitimate conduct and take care of the society as well. Hence with the help of literature we can say that gender diversity on corporate boards is good from the perspective of social contract and legitimacy theory of corporate governance.

3.7 Political Theory

Political theory conveys the approach of developing voting support from shareholders instead of purchase of voting power. Hence it has been argued that political influence may affect the governance within the organization as well. If the government participates in the corporate decision making after considering the cultural challenges it takes care of the public interest (Pound, 1988) . This model of governance also affects developments in the area of governance. Over the last decades, we have witnessed strong political influence of the government of a nation on the firms of that nation (Hawley and Williams, 1996).

As discussed above with the help of corporate governance theories that gender diversity on boards is beneficial for the organisation in various ways. There is a positive relationship between the percentage of women or minorities in boards and firm value (Carter et al., 2003; Panitapu, 2015; Schmid & Urban, 2018). Presence of women on corporate boards affects the working of corporate boards, firm's governance and performance. Government and regulators across the world started valuing the contribution female directors make towards boards and firms and therefore have been taking initiatives to improve the representation of women on corporate boards. Some countries have introduced mandatory quotas while others have introduced comply or explain provisions to improve the proportion of women directors on corporate boards, but still much efforts are required to be made to establish a stronger business case for women (Rhode & Packel, 2014; Terjesen et al., 2009). Although political theory of corporate governance does not strongly support the business case for gender diversity on boards, but we cannot deny that governments and regulators all over the world have been taking interest in the gender composition on boards and continuously trying to improve it.

Above discussion shows that there is a good business case for gender diversity on corporate boards from the perspective most of the theories of corporate governance but some studies give ambiguous results too.

Although a positive relation between gender diversity on corporate boards and firm performance has been cited most in the literature, but the true relation between the two appears to be more complicated. Impact of women's presence in top management on the firm performance depends on the qualifications and independence of female top managers (Nielsen & Huse, 2010; Smith et al., 2005). Gender diversity in boardroom has a positive impact on performance in firms with weak governance but in firms which have the benefit of strong governance, enforcing gender diversity on boards through quotas could ultimately result in the decrease in the shareholders' value. This may be due to the reason of over-monitoring in those firms (Adams & Ferreira, 2009). According to one Sri Lankan study, homogeneous boards are preferred and due to this fact gender diversity on corporate boards increases agency costs and which ultimately decreases firm performance.

(Wellalage & Locke, 2013). As actual relationship between presence of women on boards and financial performance of firm might differ according to cultural, individual and institutional characteristics of a country, therefore business case for gender diversity on boards cannot be generalized for all firms, sectors, environments and countries.

4. Success Strategies For Higher Representation of Women on Boards

As per theories of corporate governance, boards play a vital role in governance of a firm and focus on maximizing the return on the investments as well. According to Kramaric & Miletic (2017) gender diverse boards improve firm performance and it is vital to take initiatives to hire highly skilled women directors so as to achieve the balance in the management boards.

Overs the years women's representation in managerial positions has been improved but still they face unexpected discrimination from their male counterparts. Despite developments in the status of women in business and greater opportunities to succeed for women, it is still mainly a male's domain. It has been witnessed that perceptions and stereotypical attitudes about men help them in getting success whereas perceptions and stereotype attitudes about women withheld them from reaching to higher positions. Women must put more efforts and out-perform men so as to reach the same or lower level than men in the organisations.

Literature suggests that women may follow some strategies to get success instead of combatting discrimination. These strategies may be used by men as well as women. Women should realise that corporate world would always treat women differently as compared to men, So, instead of focusing on discrimination, women should focus on their jobs and productivity and move on (Hacker & Kleiner, 1993; Schilling, 2012; Sur & Kleiner, 1995)

In most of the organisations, a Men's Club exists and show unfair behaviour towards women but an aggressive behaviour to that already established club may go negative for a woman's career (Amudha et al., 2016; Carli & Eagly, 2016; Hurn, 2013). It has been suggested in literature that women may work around it, and approach individually to the members of the club. There are various perceptions and stereotype attitudes towards women which are deep rooted in the behaviour of men as well as women. Strategies to deal with these evils are external as well as internal to women. The external strategy is that women should understand how their behaviour is perceived and deal with the inappropriate perceptions that others may develop towards women. Sometimes women unknowingly support perceptions of others towards women by performing the supportive tasks only without asking for recognition (Hacker & Kleiner, 1993; Landry et al., 2020). The other strategy is internal one where women should learn to recognize their potential and visualize themselves as an important asset to the organisation and they need recognition and success (Hacker & Kleiner, 1993).

Career plan also plays a major role to achieve success in the career. If women acquire proper education, training and job experience, chances of getting success in the male dominated corporate culture are higher. Experience as well as training has to be periodically reviewed in view of the current responsibilities and the future development. Learning good verbal and written communication skills, time management, setting priorities and identification of important tasks are some other success strategies for women. They must learn to say "no" to the unimportant tasks if they are already overburdened (Hacker & Kleiner, 1993; Marrujo & Kleiner, 1992; Schilling, 2012).

As women progress to the higher levels in their career, their job require higher commitment, more time and efforts. This reduces the time to be spent for the home responsibilities, therefore the factors like support from parents and spouses is crucial for the success of women. As women succeed in their chosen careers they become more connected to the networks and join more corporate boards. However still successful men have stronger networks as compared to the successful women. Women still have to go on long way to come at par with men (Kurup et al., 2011). Women those who want success, have to deal with various challenges. Organisational policies like flexitime, work from home, maternity leave and other leaves; sabbatical and childcare facilities served as facilitators for work-life balance of women in some industries (Valk & Srinivasan, 2011).

5. DISCUSSION

In the above sections it has been discussed that irrespective of some studies, most of the studies found a good business case for gender diversity on boards from the perspective of corporate governance theories. Although we found support for more women directors on boards in literature but still women are not getting their share on corporate boards. It has been also argued that mandatory quotas are not effective enough for making the boards gender equal therefore businesses should realise the role of boards and most importantly the role of gender diverse boards (Aguilera et al., 2021). Over the years various definitions and concepts have been used to explain the term "Corporate Governance" and broadly it discusses how to make better the relationship between managers, shareholders (and stakeholders) and directors. Outbreak of various scams in different parts of the world and complexity of the business environment make important the role of good corporate governance. Over time various corporate governance theories and models have been developed which broadly cover the issues like, how to perform organisational processes and organisations, how shareholders keep a control over organisational processes and performance, processes through which shareholders ensure rules and their implementation for managers and how guidance for the organisation is ensured. At the same time it has also been stressed that no single corporate governance theory takes care of all the issues of corporate governance and a combination of CG theories has been preferred to deal with business environment and manage the relationships in a better way (Crisan & Turdean, 2011; Madhani, 2017).

Analysing the contribution of corporate governance theories, it has been found that Agency Theory also called principal-agent theory has developed from economics field. As per this theory shareholders are principals and managers are the agents which indulge into behaviour benefiting themselves. Agency theory focuses on the utility maximisation concept, which says that board of directors should act as monitoring device for the creation of wealth for the shareholders. However, agency theory has been criticised as individual behaviour is more complex than what explained in agency theory and competence of manager was also ignored. Stewardship Theory has originated from the fields of psychology and sociology and explores the relationship between managers and principals. It has been argued by the theory that managers, if receive the required resources form principals, act as good stewards and work for the long-term performance of the organisation as, it is in the interest of both the agent and the principal. Over time it has been realised by the businesses that not only shareholders rather any group or individual who is having interest in the performance of business, are important and their interests should be taken care of by the managers and board of directors. Stakeholder theory of corporate governance has focussed on the same. We know that business environment is uncertain and complex (Crisan & Turdean, 2011). Managers and directors help organisations to overcome the issues between organisations and its various stakeholders through providing various resources and access to the formal and informal networks. This role of managers and boards is focussed on by the Resource Dependency theory (Madhani, 2017).

Businesses should become more responsible towards society as stressed by the concepts of the Social contract theory and legitimacy theory. Unlike what is propounded by agency theory that there is a simple relationship between directors, managers and shareholders, over time business ownership and relationships became complex like institutions owned the companies, shareholders became dispersed, and investment managers acted as fiduciary agents of owners and therefore intervention of government became necessary. Therefore, Political Theory of the corporate governance developed and as per this theory government with the help of some rules and system of corporate governance decides the distribution of corporate power, privileges and profits between shareholders, managers and other stakeholders. Political theory played a major role in the development of corporate governance mechanism over the last years (Crisan & Turdean, 2011). Theories of corporate governance thus contribute towards the development of business environment. Next section presents the concluding remarks of the study.

6. CONCLUSION

Presence of women directors on corporate boards brings value to the organisation and stakeholders and there is a good business case for gender diversity on corporate boards. Women tend to behave like independent directors and improve firm's governance, performance and value, therefore, presence of women directors is supported by agency theory and stewardship theory approach. As per the perspective of resource dependency theory and stakeholders' theory, female directors bring diverse resources to the organisation they work for and take care of the interest of all stakeholders. On the basis of literature it can be concluded that corporate governance theories like agency theory, stewardship theory, stakeholders' theory and resource dependency theory proved the business case for gender diversity better as compared to other theories. The study has a limitation, that it is a review based research paper and should be supported by empirical analysis. Some studies conducted in the area of gender diversity on corporate boards show ambiguous results and positive effects of female representation on firm and board performance cannot be generalized. Managerial implications of the study suggest that although several regulatory initiatives have been taken in most parts of the world to improve the gender diversity in corporate boards, women directors are still skewed in boards. Some organisations have realised the importance of diversity and they have changed their inclusion and diversity policies but others too should overcome their own unconscious biases and attitudes and focus on more gender equality and inclusion policies.

REFERENCES

Adams, R. B., & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. *Journal of Financial Economics*, *94*(2), 291–309. https://doi.org/10.1016/j.jfineco.2008.10.007

Adejugbe, A. A., & Adejugbe, A. N. (2018). WOMEN AND DISCRIMINATION IN THE WORKPLACE: A NIGERIAN PERSPECTIVE. *SSRN Electronic Journal*. https://doi.org/http://dx.doi.org/10.2139/ssrn.3244971

Amudha, R., Cresenta Shakila Motha, L., Selvabaskar, S., Alamelu, R., & Surulivel, S. (2016). Glass ceiling and glass escalator - an ultimate gender divide in urban vicinity. *Indian Journal of Science and Technology*, *9*(27), 97620. https://doi.org/10.17485/ijst/2016/v9i27/97620

Bagati, D., & Carter, N. M. (2010). *LEADERSHIP GENDER GAP IN INDIA INC. Myths and Realities*. https://www.catalyst.org/wp-content/uploads/2019/01/Leadership_Gap_in_India_Inc._Myths_and_Realities.pdf

Balasubramanian, N. (2011). Glass Ceilings and Oak-Paneled Walls Women on Corporate Boards. *SSRN Electronic Journal*. http://ssrn.com/abstract=1933651

Burke, R. J. (1993). Women on Corporate Boards of Directors. *Equal Opportunities International*, *12*(6), 5–13.

Burke, R. J. (1997). Women on Corporate Boards of Directors: A Needed Resource. *Women in Corporate Management*, 37–43. https://doi.org/10.1007/978-94-011-5610-3_5

Carli, L. L., & Eagly, A. H. (2016). Women face a labyrinth: an examination of metaphors for women leaders. *Gender in Management*, *31*(8), 514–527. https://doi.org/10.1108/GM-02-2015-0007

Carter, D. A., Simkins, B. J., & Simpson, W. G. (2003). Corporate Governance, Board Diversity, and Firm Value. *The Financial Review*, *38*(1), 33–53. https://doi.org/https://doi.org/10.1111/1540-6288.00034

Choudhury, B. (2015). Gender Diversity on Boards: Beyond Quotas. *European Business Law Review*, 229–243. https://ssrn.com/abstract=2442040

Corporate India Women on Boards. (2020). https://www.nseinfobase.com/indianboards/files/IIAS_WomenDirectors_20May2020.pdf

Daily, C. M., Dalton, D. R., & Cannella, A. A. (2003). Corporate governance: Decades of dialogue and data. *Academy of Management Review*, *28*(3), 371–382. https://doi.org/10.5465/AMR.2003.10196703

Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a Stewardship Theory of Management. *Academy of Management Review*, *22*(1), 20–47. https://doi.org/10.4324/9781315261102-29

Desvaux, G., Devillard, S., Labaye, E., Sancier-Sultan, S., Kossoff, C., & Zelicourt, A. de. (2017). *Women Matter Time to accelerate Ten Years of insights into gender diversity*. https://www.mckinsey.com/featured-insights/gender-equality/women-matter-ten-years-of-insights-on-gender-diversity

Donaldson, L., & Davis, J. H. (1991). Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns. *Australian Journal of Management*, *16*(1), 49–64. https://doi.org/10.1177/031289629101600103

Elstad, B., & Ladegard, G. (2012). Women on corporate boards: Key influencers or tokens? *Journal of Management and Governance*, *16*(4), 595–615. https://doi.org/10.1007/s10997-010-9165-y

Gales, L. M., & Kesner, I. F. (1994). An analysis of board of director size and composition in bankrupt organizations. *Journal of Business Research*, *30*(3), 271–282. https://doi.org/10.1016/0148-2963(94)90057-4

Hacker, M., & Kleiner, B. H. (1993). Success Strategies for Women. *Equal Opportunities International*, *12*(2), 1–4. https://doi.org/10.1108/eb010594

Handa, R., & Singh, B. (2013). Strengthening Board Rooms through Women: Needed Resource for Effective Governance. *Chartered Secretary, The Journal for Corporate Professionals*, *XLIII*(10), 1202–1207. https://www.icsi.edu/media/webmodules/linksofweeks/OCT2013.pdf

Hillman, A. J., Cannella, A. A., & Paetzold, R. L. (2000). The resource dependence role of corporate directors: Strategic adaptation of board composition in response to environmental change. *Journal of Management Studies*, *37*(2), 235–256. https://doi.org/10.1111/1467-6486.00179

Hurn, B. J. (2013). Are cracks now appearing in the boardroom glass ceiling? *Industrial and Commercial Training*, *45*(4), 195–201. https://doi.org/10.1108/00197851311323475

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305–360. https://doi.org/10.1016/0304-405X(76)90026-X

Keay, A. R. (2011). Stakeholder Theory in Corporate Law: Has It Got What It Takes? *SSRN Electronic Journal*, *January*, 1–52. https://doi.org/10.2139/ssrn.1531065

Kersley, R., Klerk, E., Boussie, A., Longworth, B. S., Natzkoff, J. A., & Ramji, D. (2019). The CS Gender 3000 in 2019: The changing face of companies. In *Credit Suisse* (Issue October). https://www.credit-suisse.com/about-us-news/en/articles/news-and-expertise/cs-gender-3000-report-2019-201910.html

Kitterød, R. H., & Teigen, M. (2018). Bringing Managers Back in: Support for Gender-Equality Measures in the Business Sector. In *Nordic journal of working life studies* (Vol. 8, Issue 3). https://doi.org/http://dx.doi.org/10.18291/njwls.v8i3.109545

Kramaric, T. P., & Miletic, M. (2017). Critical Mass in the Boardroom of Croatian Banks. *South East European Journal of Economics and Business*, *12*(1), 22–37. https://doi.org/10.1515/jeb-2017-0002

Kurup, A., Chandrashekar, S., & Muralidharan, K. (2011). Woman power in Corporate India In conversation with Kiran Mazumdar Shaw, Chairperson & MD, Biocon ltd. *IIMB Management Review*, *23*(4), 223–233. https://doi.org/10.1016/j.iimb.2011.08.006

Landry, M., Vyas, A., Malhotra, G., & Nagaraj, N. (2020). Adolescents' development of gender equity attitudes in India. *International Journal of Adolescence and Youth*, *25*(1), 94–103. https://doi.org/10.1080/02673843.2019.1590852

Lazzaretti, K., Godoi, C. K., Camilo, S. P. O., & Marcon, R. (2013). Gender diversity in the boards of directors of Brazilian businesses. *Gender in Management*, *28*(2), 94–110. https://doi.org/10.1108/17542411311303239

Madhani, P. M. (2017). Diverse Roles of Corporate Board: Review of Various Corporate Governance Theories. *The IUP Journal of Corporate Governance*, *16*(2), 7–28. https://ssrn.com/abstract=2981605

Marrujo, R. E. ;, & Kleiner, B. H. (1992). Why Women Fail to Get to the Top Equal Opportunities International; 1992; 11, 4; ABI/INFORM Collection pg. *Equal Opportunities International*, *11*(4), 1–5.

Nielsen, S., & Huse, M. (2010). Women directors' contribution to board decision-making and strategic involvement: The role of equality perception. *European Management Review*, *7*(1), 16–29. https://doi.org/10.1057/emr.2009.27

Noland, M., Moran, T., & Kotschwar, B. (2016). *Is Gender Diversity Profitable? Evidence from a Global Survey* (No. 16–3; Working Paper Series). http://ssrn.com/abstract=2729348

Panitapu, M. K. (2015). WOMEN EMPOWERMENT IN INDIA. *SSRN Electronic Journal*. http://ssrn.com/abstract=2658666

Pound, J. (1988). Proxy contests and the efficiency of shareholder oversight. *Journal of Financial Economics*, *20*(C), 237–265. https://doi.org/10.1016/0304-405X(88)90046-3

Rhode, D. L., & Packel, A. K. (2014). DIVERSITY ON CORPORATE BOARDS: HOW MUCH DIFFERENCE DOES DIFFERENCE MAKE? *DELAWARE JOURNAL OF CORPORATE LAW*, *39*, 377–426. https://doi.org/https://dx.doi.org/10.2139/ssrn.1685615

Schilling, E. (2012a). Non-linear careers: Desirability and coping. *Equality, Diversity and Inclusion*, *31*(8), 725–740. https://doi.org/10.1108/02610151211277590

Schilling, E. (2012b). Non-linear careers: Desirability and coping. *Equality, Diversity and Inclusion*, *31*(8), 725–740. https://doi.org/10.1108/02610151211277590

Schmid, T., & Urban, D. (2018). The Economic Consequences of a "Glass-Ceiling": Women on Corporate Boards and Firm Value. *SSRN Electronic Journal*. https://doi.org/https://dx.doi.org/10.2139/ssrn.2344786

Shetty, S. S., & Hans, V. B. (2015). Role of Education in Women Empowerment and Development: Issues and Impact. *SSRN Electronic Journal*. https://doi.org/https://dx.doi.org/10.2139/ssrn.2665898

Smith, N., Smith, V., & Verner, M. (2005). *Do Women in Top Management Affect Firm Performance? A Panel Study of 2500 Danish Firms*. www.iza.org/publications/dps/

Suchman, M. C. (1995). Managing Legitimacy Strategic and Institutional Approaches. *Academy of Management Review*, *20*(3), 571–610. https://doi.org/10.5465/amr.1995.9508080331

Sur, G., & Kleiner, B. H. (1995). Sex Discrimination in Employment : Everyone's Problem. *Equal Opportunities International*, *14*(6,7), 54.

Terjesen, S., Sealy, R., & Singh, V. (2009). Women directors on corporate boards: A review and research agenda. *Corporate Governance: An International Review*, *17*(3), 320–337. https://doi.org/10.1111/j.1467-8683.2009.00742.x

Thomas, R., Cooper, M., Cardazone, G., Urban, K., Bohrer, A., Long, M., Yee, L., Krivkovich, A., Huang, J., Prince, S., Kumar, A., & Coury, S. (2020). *Women in the Workplace 2020*. https://wiw-report.s3.amazonaws.com/Women_in_the_Workplace_2020.pdf

Tsiklashvili, N., Turmanidze, T., & Beridze, T. (2019a). Women's role in organizations and public opinion. *Problems and Perspectives in Management*, *17*(2), 510–517. https://doi.org/10.21511/ppm.17(2).2019.39

Tsiklashvili, N., Turmanidze, T., & Beridze, T. (2019b). Women's role in organizations and public opinion. *Problems and Perspectives in Management*, *17*(2), 510–517. https://doi.org/10.21511/ppm.17(2).2019.39

Turnbull, S. (2000). Corporate Governance: Theories, Challenges and Paradigms. *Gouvernance: Revue Internationale*, *1*(1), 11–43. https://doi.org/10.2139/ssrn.221350

Valk, R., & Srinivasan, V. (2011). Work-family balance of Indian women software professionals: A qualitative study. *IIMB Management Review*, *23*(1), 39–50. https://doi.org/10.1016/j.iimb.2010.10.010

Vohra, N. (2020). *WOMEN ON BOARDS IN INDIA NUMBERS, COMPOSITIONS, EXPERIENCES AND INCLUSION OF WOMEN DIRECTORS*. https://www.nseinfobase.com/indianboards/files/IIM_Ahmedabad_FICCI_PRIME_WOB_report.pdf

Wellalage, N. H., & Locke, S. (2013). Women on board, firm financial performance and agency costs. *Asian Journal of Business Ethics*, *2*, 113–127. https://doi.org/10.1007/s13520-012-0020-x

Woetzel, J., Madgavkar, A., Sneader, K., Tonby, O., Lin, D.-Y., Lydon, J., Sha, S., Krishnan, M., Ellingrud, K., & Gubieski, M. (2018). *THE POWER OF PARITY: ADVANCING WOMEN'S EQUALITY IN ASIA PACIFIC Focus: India*. https://www.mckinsey.com/featured-insights/gender-equality/the-power-of-parity-advancing-womens-equality-in-india-2018

Yogendrarajah, R. (2013). WOMEN EMPOWERMENT THROUGH DECISION MAKING. *The International Journal of Economics and Business Management*, *3*(1). http://ssrn.com/abstract=2431352