

Gender Equality, Representation, and Inclusion: Core Elements of a Sustainable Future

The conversation around gender equality in the workplace and the representation of women on corporate boards has been ongoing for quite some time. India's legal framework has promoted equitable treatment and representation of women in corporate leadership roles. However, the genuine impact of women in everyday business operations becomes evident when they are provided with equal opportunities. Nowadays, investors around the world are increasingly attracted to organizations that adhere to best practices regarding diversity, independence, and skill diversity.



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INTRODUCTION

Sustainable value creation now depends on whether organisations expand opportunity, representation, and inclusion to the full breadth of available talent. Gender inclusion correlates with healthier pipelines, more resilient decision-making, and stronger oversight. Yet the path to influence remains narrow; although women now account for a substantial share of the global workforce, they continue to comprise only about a third of senior leadership roles worldwide. In India, women's share of Board seats across large, listed groups remains around one-fifth better than a decade ago.

For Company Secretaries and boards, these patterns translate into governance priorities:

- (i) Ensuring that equality is measurable (with targets and transparent reporting).
- (ii) Building representative leadership pipelines (beyond the "single woman director" threshold), and
- (iii) Embedding inclusion into risk, audit, and nomination charters so that culture and conduct are proactively supervised.

BRIEF ON LEGAL FRAMEWORK

India's legal framework lays down a strong foundation to safeguard dignity, safety, and equality in the workplace. Two major statutory pillars:

- (i) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act)

The POSH Act imposes clear, actionable obligations on employers to create and maintain a safe and respectful work environment. Under this law:

- Every organisation with 10 or more employees must establish an Internal Committee (IC) responsible for receiving and investigating complaints of sexual harassment.
- The POSH Act mandates strict due process, including time-bound inquiries, confidentiality protections, and impartial decision-making.
- Organisations must compile an Annual Report detailing the number of complaints received, resolved, pending, workshops conducted, and actions taken, and submit it to the District Officer, making POSH a compliance requirement rather than a mere policy guideline.
- This statutory structure ensures that companies cannot rely solely on written policies; they must demonstrate that those policies are functioning effectively in practice.

- (ii) Companies (Accounts) Rules, 2014 and the Second Amendment:

To strengthen accountability at the highest levels, the Ministry of Corporate Affairs integrated workplace safety compliance into corporate reporting obligations:

- Since 2014, companies have been required to include a statement confirming POSH compliance in their Board's Report.
- The Companies (Accounts) Second Amendment Rules, 2025 has significantly expanded this obligation. Under these revised rules, the Board's Report must now disclose the number of sexual harassment complaints received during the financial year, number of complaints disposed of, number of cases pending beyond 90 days, and organisation's compliance with maternity benefit provisions.

Together, the POSH Act and the enhanced Companies Act disclosure framework ensure that:

- Boards are directly accountable for maintaining a safe, inclusive workplace.
- Compliance moves from policy-based intent to evidence-based verification.
- Organisations must maintain proper records, conduct awareness programmes, resolve cases promptly, and reflect these actions transparently in statutory filings.
- Gender equality becomes part of governance, culture, and annual reporting not an optional HR initiative.

In essence, India's legal framework pushes companies toward measurable inclusion, ensuring that employee safety and dignity are upheld not only in principle but also in everyday practice.

REPRESENTATION: FROM PRESENCE TO INFLUENCE

Just having diversity written in policies is not the same as having real influence in day-to-day work. True representation becomes visible in three ways:

1. Who sits or actively participates in key decision-making positions?
2. How openly and effectively people can share their views? and
3. Whether the organisation creates fair career opportunities for everyone to grow?

In India, after years of efforts to promote gender balance, most listed companies now have at least one woman director on their boards because the Companies Act, 2013 (Section 149(1)), along with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, makes it mandatory for every listed company and certain large public companies to appoint at least one woman director. However, studies show that women still make up only about 19-20% of total Board seats, and the number of women serving as executive directors, the roles with real operational authority remains very low.

Boards can convert representation into influence through tangible steps like rotate committee chairships to ensure gender diverse leadership, disclose the gender mix of key committees, and develop multi-year internal "board ready" programs that pair high potential leaders with targeted experience in profit and loss, risk, technology, and stakeholder engagement. Such measures do more than signal intent, they change the texture of oversight and the organisation's tolerance for blind spots.

EQUALITY IN PRACTICE: HIRING, PAY, AND PROGRESSION

Equality begins at entry but is won or lost at transitions. The evidence around the world points to a broken rung

- at first line management; if women are not promoted into their first supervisory roles at equitable rates, senior leadership will continue to bias male even if entry level hiring is balanced. This is why boards and leadership teams must treat early career progression as a strategic priority not merely an HR process. Effective governance begins by asking the right, data driven questions.

- Are women being promoted to first line manager roles at the same rate as men? Small deviation at this level, when multiplied over several years, leads to heavily skewed senior leadership demographics.
- What is the median pay gap by grade, function, and tenure? Pay inequity, even if unintentional, is often rooted in inconsistent promotion, role allocation, or performance evaluation practices.
- How many women hold roles with profit and loss responsibility? Because P&L roles typically feed into the executive slate, the absence of women in these positions directly affects representation in top leadership.

Evidence from global assessments shows that women occupy only a minority of senior leadership roles worldwide, reinforcing the need for stronger pipelines.

These questions enable boards to look beyond surface level diversity and instead analyse the systemic patterns that shape who advances and who does not.

STRENGTHENING OVERSIGHT: THE ROLE OF THE NRC AND AUDIT COMMITTEE

To address these structural gaps, the board through its committees, must embed equity into governance systems:

- (i) Nomination & Remuneration Committee (NRC)

The NRC plays a central role in dismantling the "broken rung." It should:

- oversee annual pay equity audits, ensuring discrepancies are identified, explained, and corrected;
- require diverse candidate slates for all critical leadership positions, ensuring that promotions and succession planning processes consider equally qualified women; and
- Standardise performance evaluation criteria, focusing on clear, job relevant metrics rather than outdated assumptions such as physical presence or long working hours factors that disadvantage women.

A calibrated approach ensures that talent decisions are fair, consistent, and free from bias.

ii. Audit Committee

The Audit Committee must reinforce the integrity of people data by:

- reviewing internal control systems around HR, payroll, and performance evaluation data;
- testing the reliability and diversity related disclosures, especially as investors increasingly scrutinise these indicators within sustainability and ESG reports; and
- ensuring that data used for public reporting matches internal practices and is backed by proper documentation.

With investors globally focusing more on workplace equity as part of corporate value, rigorous controls around people metrics are now as essential as those around financial reporting.

Together, these measures help organisations move beyond symbolic commitments to equality. They ensure that women have equitable access to leadership pathways, that advancement is determined by merit rather than structural barriers, and that companies maintain transparency and credibility in their reporting.

By strengthening early career transitions and embedding fair evaluation practices, boards can correct the broken rung, build stronger leadership pipelines, and demonstrate that inclusion is a measurable, governable priority not an aspirational slogan.

Boards should ask the NRC to oversee annual pay equity audits, require diverse candidate slates for critical roles, and insist that performance evaluation rely on calibrated, job relevant criteria rather than proxies like constant physical presence. The Audit Committee, for its part, can review internal control maps around people's data and test the reliability of disclosures that investors increasingly scrutinize in sustainability reports.

METRICS: A BOARD DASHBOARD

A concise periodic dashboard enables oversight without drowning boards in data. Suggested indicators include:

- representation by bands and by functions (specific on P&L pathways);
- promotion, hiring, and attrition rates by gender at first line manager and above;
- pay equity gaps by grade, function and corrective actions;
- training coverage for managers on inclusion and respectful conduct; and
- complaints handling efficiency and pendency (as applicable to disclosures).

Dashboards should be tied to time-bound targets and appear in NRC performance dialogues so that accountability is visible.

INVESTOR EXPECTATIONS AND MARKET COMPARATORS

Global investors are increasingly applying a comparative lens across geographies when evaluating corporate boards, examining not just whether companies meet regulatory baselines but how they perform relative to global best practices in diversity, independence, and skill composition.

Cross-market studies and various leadership-advisory reports show a clear divergence: developed markets continue to make steady progress in female board representation, while emerging markets are improving more gradually and often unevenly. These comparisons are becoming part of mainstream investment analysis, influencing institutional voting guidelines, stewardship expectations, and capital-allocation decisions.

In India, external scrutiny conveys a dual message. First, companies must move beyond a compliance only mindset, such as merely meeting the mandatory requirement of one woman director to clear and execute a credible path that aligns board diversity with global medians and peer market trajectories. Second, investors are no longer satisfied with headcount based metrics alone. They expect deeper indicators of influence and integration. Women in meaningful committee roles, succession pipelines that include executive pathways, and more transparent disclosures about board skills, evaluation processes, and future readiness.

In essence, the shift is from representation to impact, from checking the box to demonstrating that board diversity enhances strategic oversight, risk governance, and long-term value creation.

OPERATING MODEL FOR COMPANY SECRETARIES: FROM POLICY TO PROOF

Company Secretaries play a pivotal role in translating the Board's commitment to gender equality and inclusion into consistent, measurable, and organisation wide practice. Their responsibility goes beyond drafting policies, they ensure these policies function effectively in real situations, remain compliant with law, and support long-term cultural change. Following expanded framework outlines how Company Secretaries can operate this mandate:

- Integrate Inclusion Metrics into the Annual Board Calendar:** Inclusion cannot be treated as an isolated HR activity; it must become part of the organisation's formal governance cycle. This means:

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- Scheduling periodic reviews of gender representation, promotion trends, retention patterns, and pay equity alongside financial reviews;
- Ensuring inclusion related updates appear as recurring agenda items for the Board, Nomination & Remuneration Committee, and Audit Committee.
- Aligning these reviews with statutory filings and year-end disclosures so that inclusion data is tracked with the same rigour as financial metrics.
- changes in gender representation across leadership pipelines;
- identified risks, such as rising attrition among women at mid-management levels or skewed promotion rates;
- progress on commitments made in previous meetings; and
- regulatory updates or upcoming compliance changes.

These briefings allow Committee Chairs to anticipate risks early, guide management action, and ensure inclusion efforts stay aligned with the company's long-term strategy.

This signals that inclusion outcomes are not optional, they are essential to organisational performance and leadership accountability.

This structured approach transforms inclusion from a one-time initiative into a sustained governance discipline. By committing these practices, Company Secretaries help to ensure that:

(ii) **Establish Cross-Functional Ownership for Data Integrity:** Reliable inclusion reporting requires contributions from multiple functions. Company Secretaries should:

- create a structured collaboration model between HR, Legal, Internal Audit, and wherever applicable, ESG and Sustainability teams;
- define clear data owners for each metric such as hiring statistics, promotion and attrition data, representation across levels, and complaints handling indicators; and
- set verification checkpoints where Internal Audit validates the accuracy and completeness of inclusion related datasets before they reach the Board or external stakeholders.
- inclusion metrics survive leadership transitions;
- accountability is embedded across the organisation;
- data quality and disclosure readiness remain strong year after year; and
- the Board is equipped with accurate insights to drive meaningful cultural change.

These steps are practical, and future ready, enabling companies to move confidently from policy commitments to measurable proof of progress.

Company Secretaries can translate board intent into durable systems by anchoring five practices as follows:

(iii) **Create a Public Facing “Inclusion Snapshot” for Transparency:** A concise, easy to understand Inclusion Snapshot published on the company's website increases transparency and trust. This may include:

- gender diversity percentages across different employee levels;
- composition of Board and Committee;
- key initiatives undertaken during the year; and
- aggregate data on training coverage or grievance redressal measures (without compromising confidentiality).
- (i) Integrate inclusion metrics into the annual board calendar alongside financial closes and statutory filings.
- (ii) Establish cross-functional ownership between HR, Legal, and Internal Audit for data integrity.
- (iii) Commission an independent review of complaint handling and culture indicators.
- (iv) Ensure website level transparency through a “Inclusion Snapshot”.
- (v) Brief Committee Chairs periodically on key shifts in representation and risk.

These steps are pragmatic, replicable, and resilient to leadership changes.

By openly communicating progress and areas for improvement, organisations demonstrate sincerity rather than treating inclusion as a checklist requirement.

BRIEF COMMITTEE CHAIRS ON SHIFTS IN REPRESENTATION AND RISK

Company Secretaries should provide strategic briefings to the chairs of critical committees, especially the NRC, Audit Committee, and CSR Committee covering:

LOOKING OUTWARD: SOCIETY, POLICY, AND THE LONG TIMELINE TO PARITY

The 2024 global parity reading at 68.5% reminds the boards that progress can stall unless organisations actively design for inclusion. Political empowerment and economic participation remain the widest gaps worldwide, and the estimated time to parity about 134 years means today's

boards are accountable for accelerating change within their spheres of control, not waiting for macro forces to do the work.

Boards today must recognize that inclusion is not solely a social expectation but a leadership responsibility, directly tied to long-term sustainability, organisational resilience, and equitable growth. Because corporate environments influence employees, suppliers, customers, and communities, Boards have an outsized ability to accelerate progress within their sphere of control, even when macro level change remains slow. This includes setting transparent diversity goals, ensuring fair opportunities for leadership progression, addressing structural barriers in hiring and promotion, and embedding inclusion into governance practices.

Equally important is the understanding that organisations do not operate in isolation. Public trust is shaped by how companies respond to broader societal issues, such as gender based discrimination, unequal access to opportunities, and historical biases that have limited women's participation in politics and the economy. By proactively designing inclusive cultures and equitable leadership pathways, boards send a strong signal that they intend to lead change rather than just follow it.

In short, the long global timeline to parity should not discourage action, it should strengthen it. While structural inequality remains a worldwide challenge, boards hold concrete levers that can significantly compress the timeline within their own organisations. Their role is not to wait for societal transformation but to contribute to it through consistent, measurable, and accountable inclusion strategies. Through such leadership, companies can help shift global trends in a meaningful direction, even if the broader world remains years or decades behind.

CONCLUSION

A classic Sanskrit maxim captures the societal imperative: "स्त्रीपुंसयोः समानता समाजस्य शोभा।" which means "Equality of Women and Men is the Beauty of the Society". In corporate life, these ideal forms the foundation for resilience and long-term value. For Indian boards, the responsibility is to ensure safety and dignity, broaden participation, provide fair pay, and convert representation into real influence. What will now set leaders apart is their ability to turn inclusion from a Goal into a Reality!

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