

## Banking on women

By: S.N. Venkat

There was one event of significance in India in October that trumped America.

Two days before US President Barack Obama announced the nomination of Mrs Janet Yellen as the next chairperson of the US Federal Reserve, the government of India announced the appointment of Mrs Arundhati Bhattacharya as the first woman chairperson of the 207-year-old State Bank of India (SBI). While both broke the male bastions in their respective old institutions, unlike Mrs Yellen, Mrs Bhattacharya will not be alone at the top in Indian banking.

She will be joining some of India's most successful women bankers, who have led their banks to spectacular growth, turned around not so successful ones, and done deals at the top of global M&A league tables.

(See accompanying table on India's Dhanalakshmis.) Gracefully draped in strikingly spectacular saris and with stellar track records, these women bankers have changed the stereotypical image of a suited and booted banker.

These head honchos are not only leading government-owned banks like SBI but also major Indian private-sector banks as well as Indian operations of major global banks.

And this is not limited to commercial banks alone, India has so far had three deputy governors of Reserve Bank of India, equivalent to a position Mrs Yellen now holds at the US Federal Reserve. An Indian stock exchange and insurance corporation also have women leaders.

In a 2013 study by EMA Partners, reported in India's Economic Times recently, said that in the Indian banking and financial services sector, one could find the most number of women CEOs/MDs (15).

That accounted for nearly a third of the CEOs surveyed for the study. So what is so special about this sector in India? How has this sector in India managed to attract, retain, nurture, and groom women leaders?

To answer that question, one needs to start with growth of the Indian urban middle class over the past four or five decades and their transformative attitude to educating girls.

Many of these families invested in the best education for their children, both boys and girls. They encouraged them to excel in their academics, compete and secure places for higher education in India's premier educational institutes as well as take up employment after that.

Now, manufacturing jobs were not the most favoured as the environment was not considered women-friendly. The shop floor, night shifts, and remote locations were synonymous with factory jobs.

While these parents could have been more progressive than the generation before them, they still preferred the daughters to work in places that they considered to be "safe". Mr Rajesh Dahiya, president of human resources at Axis Bank in India, said: "With many branches in the cities, and being organised in providing visible workspace for women, banks had an early start over manufacturing and other sectors and came out on top."

The Indian government also took conscious steps to promote diversity. With nationwide competitive examinations to select officers in government- owned banks, educated young women competed on an equal footing with men. Rules were put in place for women staff in the Indian government and the institutions that it owned, to accommodate job transfers to the same city for the wife when her husband got transferred by his employer, especially if both worked with government agencies.

When some of the banks in India were privatised, these more nimble institutions, and global banks in India, went to the top business schools in India and hired both smart men and women. According to Mrs Madhabi Puri Buch, a director at Agora Partners in Singapore who was a former CEO of ICICI Securities as well as a former executive director of ICICI Bank: "Women made up around 10 per cent of an MBA batch (in India) at that time."



*Group General Manager and Country Head of HSBC India, Naina Lal Kidwai.*

Ms Naina Lal Kidwai, country head of HSBC in India, is the first Indian woman to graduate from Harvard Business School. Ms Meera Sanyal graduated with an MBA from INSEAD. Among the other women leaders in India's financial institutions, Shikha Sharma, Vedika Bhandarkar, Roopa Kudva, and Mrs Buch were graduates of IIM Ahmedabad.

Many others mentioned in the accompanying table graduated with an MBA from some of Mumbai's famous business schools.

In the bottom-line-driven banking sector, meritocracy played a big role in the women leaders' performances being noticed and their rise to the top.

With so many of the women bankers having specialised in corporate banking, long-term relationship management which naturally comes to women, contributed to their success.

<b>India's Dhanalakshmis</b>	
Current	Former
Arundhati Bhattacharya – chairperson, SBI	Tarjani Vakil – chairperson, Exim Bank
Chanda Kochhar – MD and CEO, ICICI Bank	Ranjana Kumar – CMD, Indian Bank
Shikha Sharma – CEO, Axis Bank	Lalita D. Gupte – Joint MD, ICICI Bank
Vijayalakshmi Iyer – CMD, Bank of India	Manisha Girotra – MD, UBS India operations
Aradhana Bhargava – CMD, United Bank of India	K.J. Uteshi – deputy governor, Reserve Bank
Shubhalakshmi Panse – CMD, Allahabad Bank	Shyamala Gopinath – deputy governor, Reserve Bank
Naina Lal Kidwai – country head, HSBC	Usha Thorat – deputy governor, Reserve Bank
Kaku Nakhate – president and country head, BOAML	Himai A. Daruwala – MD, Central Bank of India
Kalpna Morparia – CEO of S. Asia & India, JPMorgan Chase	Nupur Mitra – CMD, Dena Bank
Vedika Bhandarkar – MD and vice-chairman, Credit Suisse India	Meera Sanyal – CEO and chairperson, RBS India
Renu Sud Kamath – MD, Housing Development Finance Corporation	Madhabi Puri Buch – CEO, ICICI Securities
Chitra Ramakrishna – MD and CEO, National Stock Exchange of India	Renuka Ramnath – MD and CEO, ICICI Venture
Roopa Kudva – CEO and MD, Crisil & managing director, chief executive officer and region head, Standard & Poor South Asia	

Successive leaders of ICICI for nearly 30 years starting from the 1980s believed in the potential to groom women leaders. "The amazing thing about them (ICICI's former chairmen Mr S. Nadkarni, Mr N. Vaghul and Mr K.V. Kamath) was that they were truly gender agnostic. They did not treat women in any special way. They treated women on a par with men," says Mrs Buch. The bank is headed today by Ms Chanda Kochhar. Besides her, others like Ms Shikha Sharma, Ms Lalita Gupte, Ms Madhabi Puri Buch, Ms Renuka Ramnath, Ms Kalpna Morparia all worked in top positions in the ICICI Bank or its group entities, sometime in their career. The parents who applauded their daughters' acas Federal Reserve. An Indian stock exchange and insurance corporation also have women leaders.

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<b>The Secret Ingredients?</b>	
<b>A Transformed Society</b> <ul style="list-style-type: none"> <li>● Urban middle- and upper-middle-class families give higher education to both girls and boys.</li> <li>● A conscious effort to promote diversity.</li> <li>● Indian government and government-linked organizations try to accommodate job transfers to the same city for the wife when the husband gets transferred.</li> <li>● Large progressive companies in various sectors provide daycare, flexi hours, option to take sabbatical.</li> <li>● One in five CEOs and MDs in Indian companies in 2013 are women.</li> </ul>	<b>The Industry</b> <ul style="list-style-type: none"> <li>● No shop-floors, no night shifts in banks.</li> <li>● Competitive entrance exam in government banks.</li> <li>● Private and global banks select smart women and men from B-S schools.</li> <li>● Meritocracy, bottom-line driven.</li> <li>● Deals are not done over golf and beer.</li> <li>● Nearly one-third of CEOs in Indian financial services sector are women.</li> </ul>
<b>The (Bank) Boss is Right</b> <ul style="list-style-type: none"> <li>● ICI's former bosses Mr S. Nadkarni, Mr N. Vaghul and Mr K.V. Kamath believed in the potential to groom women leaders.</li> <li>● Government-owned as well as private banks have been hiring women leaders over the last 15 years.</li> </ul>	<b>Family Support</b> <ul style="list-style-type: none"> <li>● Support from parents/in-laws in childcare.</li> <li>● Low-cost help –maid/hanny.</li> </ul>

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The parents who applauded their daughters' academic success later went on to step in and support their daughters and daughters-in-law who were climbing the corporate ladder were there as grandparents at home. Mrs Buch cites the affordable cost of hiring domestic help in urban India, unlike in the West, as a factor that contributed significantly to help these women bankers devote more time to their office work.

One could argue that many of these societal factors are also true for India's IT sector. Then why aren't there many women leaders in Indian IT companies?

While the industry attracts young women coming out of college, it suffers from a notable drop-out rate among married women. Research on women in the Indian IT sector by Kelly Services, a global recruitment firm, reported in the Times of India last year that "while 22 per cent of women left their jobs because of family reasons, 27 per cent of them quit while taking care of their children".

Mr Dahiya of Axis Bank, however, feels that "when married Indian women in the IT sector take a break, the technology might move on. But they are an educated and experienced



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talent pool staying at home. More effort has to be made to retain or re-train and bring them back. After all everyone has to go through knowledge and skill upgrading".

Having said that, nearly one in five leaders surveyed for the EMA Partners study were women leaders in the IT industry in India. Indian operations of leading global IT companies like IBM, Intel, HP, Capgemini, Facebook etc. all have women in top positions. Will IT be the next male bastion to fall in India?