



# Boardroom diversity, equity, and inclusion: A strategic reframing

Board Leadership Center (India)

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In the evolving landscape of corporate governance, the conversation around diversity on boards has shifted from a box-ticking exercise to a strategic imperative. The term 'diversity' is often discussed but seldom dissected in boardrooms. It surfaces in board evaluations, appears in investor dialogues, and features in governance reports. Yet, its meaning is frequently reduced to representation—primarily gender. This limited view misses the strategic edge that true diversity brings.

As India continues its march towards global business leadership, it is increasingly evident that boards must reflect the multifaceted nature of the organisations they govern. Yet, despite this recognition, Indian boards remain strikingly

homogeneous compared to their global counterparts. Why does India trail behind? Is the issue simply one of representation, or is it rooted in deeper structural biases that limit progress?

In this paper, we explore the complexities of diversity—encompassing gender, cognitive diversity, skills, age, and backgrounds—and examine how this extended lens should be aligned with the broader goals of equity and inclusion. The narrative is clear: diversity alone is no longer enough. The focus must shift to creating meritocratic, inclusive, and equitable boards that are not just diverse in appearance but are truly representative of the innovation and talent that will drive organisations forward.

**“ You can’t read tomorrow’s headlines with yesterday’s lens.**

**Boards that continue to operate with legacy thinking—without evolving the composition of the minds around the table—risk governing in hindsight.**

**”**



# The traditional approach

While India is home to some of the world's largest companies, we observe the yawning gap in its boardroom structures when compared to other leading global markets. It's not just a matter of numbers; the question we must address is how to open the floodgates to diverse talent that is too often overlooked. For years, Indian boardrooms have been shaped by legacy structures, socio-economic privilege, familiar networks, and traditional hierarchies that prioritised continuity over transformation. The Indian business landscape, heavily dominated by family-run conglomerates and public sector enterprises, offers unique challenges, often leading to a lack of institutionalised board appointment processes. While this approach has ensured stability, the

businesses today demand a more dynamic, future-ready approach to corporate leadership.

The evolving business landscape is marked by geopolitical instability, digital disruption, ESG mandates, and shifting stakeholder expectations, which demands broader perspectives at the table. Boards that remain homogeneous risk blind spots in crisis response, innovation, and long-term strategy. Boards that are likely to remove structural barriers, promote meritocracy and embrace diverse expertise make sharper decisions, drive stronger innovation, and build long-term resilience.

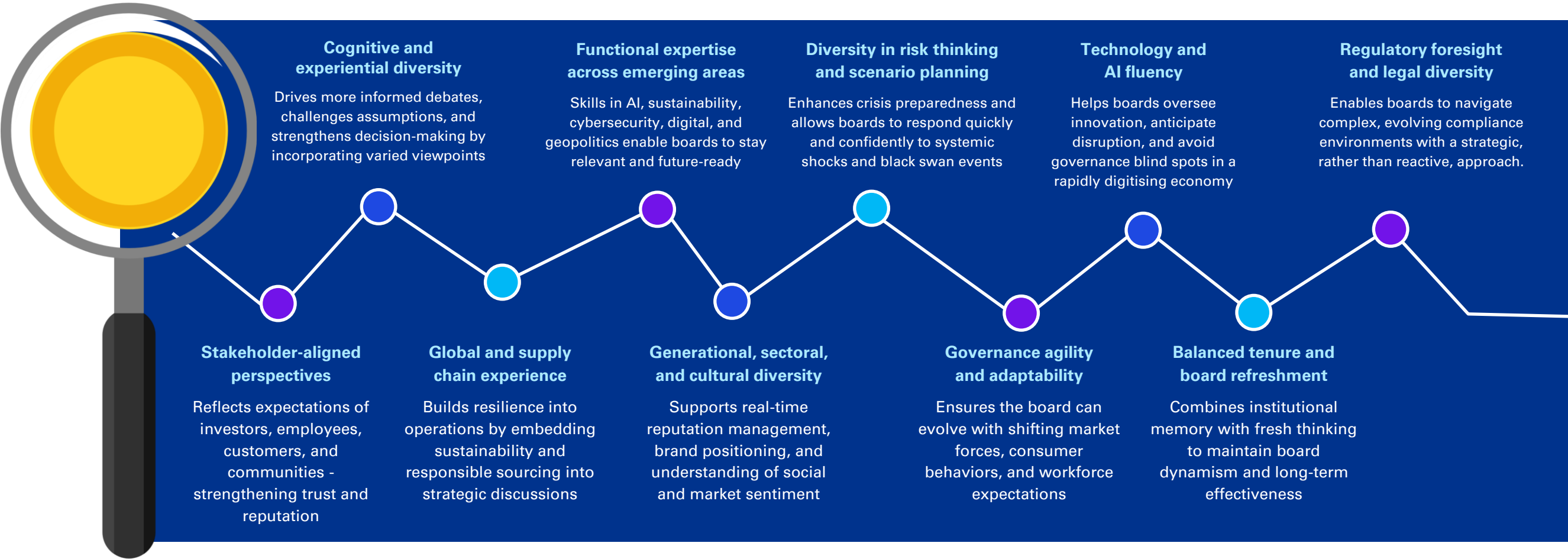
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**Diversity is not a checkbox. It's a compass. And when used right, it doesn't just signal inclusion—it strengthens governance.**

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# Expanding the diversity lens – Beyond gender

While gender diversity continues to be the most visible and discussed facet, true diversity in boards spans multiple dimensions given below. These diverse viewpoints—collectively—make boards more resilient and adaptable in the face of changing markets and business environments.



The nature of the company itself plays a significant role in determining the type of diversity needed. MNCs, public sector enterprises, and Indian promoter-driven companies face different challenges, requiring tailored diversity strategies. For example, MNCs often require international experience and cross-cultural sensitivity, while promoter-driven companies may need greater representation from outside the family circle to ensure impartiality and objective governance.



# What's holding Indian boards back?

Despite growing awareness, structural challenges continue to hinder board diversity. Addressing these barriers is critical to moving from symbolic representation to governance transformation.



## Insider-driven appointments

Board selections often rely on closed networks, limiting access for diverse and qualified talent. Structured, merit-based selection can fix this



## Leaky leadership pipeline

Many boards have token female representation without influence. The issue is not talent scarcity but lack of sponsorship and growth pathways



## Narrow expertise focus

Boards often over-index on traditional skills, missing out on emerging areas like AI, ESG, and behavioral science crucial for future readiness



## Diversity without influence

Diverse directors often lack committee roles or decision-making power. Inclusion must translate into governance authority



## Limited global and cross-sector view

Boards remain insular despite global operations. Cross-border and cross-industry expertise is critical for innovation and resilience



## Poor support for first-time directors

New and diverse directors struggle due to inadequate onboarding. Mentorship and readiness programmes can accelerate their effectiveness



## Lack of accountability

Without tying diversity to evaluations and outcomes, efforts remain symbolic. Embedding metrics into governance is essential for real change.

## The role of bias – familiarity and beyond

In the boardroom, biases are not just barriers; they shape decisions. The well-known 'familiarity bias' ensures that established networks and comfort zones prevail, even when the candidates may not necessarily be the best fit for today's evolving business needs. This bias results in the recurring appointment of familiar faces, often at the expense of new, potentially more diverse perspectives. However, this is just one facet of the problem. Cognitive biases—based on preconceived notions about gender, experience, age, or educational background—also influence board appointments. These biases are deeply ingrained and need to be addressed in the selection process for board members, which remains informal and subjective in many cases. The implications for governance are significant: familiar faces may not necessarily add value, while diverse voices often face a silent resistance.

# Equity and inclusion—The forgotten pillars

It's time to expand the conversation beyond diversity alone and embrace equity and inclusion as equally critical components of governance. Diversity represents a snapshot of demographic representation; however, equity ensures that everyone, regardless of background, has equal opportunities to succeed. Inclusion goes a step further by fostering an environment where diverse individuals are not only welcomed but actively empowered to contribute.

In Indian boardrooms, diversity initiatives often falter because they fail to integrate these pillars into the broader organisational culture. As a result, diverse board members may find themselves marginalised, with their voices underrepresented in critical decisions. Equity and inclusion are not just add-ons to diversity—they are integral to ensuring that the diverse perspectives brought into the boardroom are genuinely heard and acted upon.





# Leading practices for boards

For boards to truly evolve, they must confront the biases that hinder diversity, equity, and inclusion head-on. This will require:

Formalising board appointment processes	Targeted development programmes	Re-evaluating governance practices	Fostering an inclusive culture	Ongoing education and awareness
It is crucial to move beyond informal, network-based appointments and adopt more structured and objective processes. This may include using external recruitment firms, diversity consultants, or governance experts who can bring fresh perspectives to the table	To address the pipeline issue, organisations must invest in leadership development programmes that actively mentor and groom diverse talent for senior roles. This could help cultivate a leadership pool that is both skilled and diverse	Boards must create a culture that goes beyond diversity quotas to embrace diversity of thought, age, background, and cognitive skills. This requires reevaluating current practices and making intentional efforts to ensure that diverse voices are not just present but empowered to contribute meaningfully	The responsibility for inclusion rests with the board itself. Creating an inclusive culture should not be limited to the HR department or diversity initiatives; it must be embedded in the organisation’s core values. Boards must lead by example, ensuring that they are not just diverse in appearance but also inclusive in practice	Board members should undergo regular training on unconscious bias, equity, and inclusion. This could help them understand how their decisions and actions affect diversity and inclusivity within the organisation.



The topic of diversity on boards requires a deeper commitment to equity and inclusion if it is to reach its full potential. Indian boards must recognise that diversity is not just a matter of ticking boxes but a powerful lever for driving organisational success and governance excellence. By embracing diversity in all its forms and fostering an environment where all voices are heard and valued, boards can unlock new possibilities for innovation, resilience, and growth. It is time for boards to lead the charge — not only in terms of diversity but in championing the broader agenda of equity and inclusion that will define the future of corporate governance.

# Questions for boards to consider:

What is our board's vision for diversity—and does it align with our strategic goals, stakeholder expectations, and governance priorities?	?	Does our current composition reflect a balance of gender, experience, generational, cultural, and cognitive diversity aligned with our evolving business context?	How inclusive is our board culture—do diverse directors have meaningful influence through active roles in key committees and strategic decisions?
?	Are our nomination and selection processes structured, bias-free, and designed to tap into wider talent pools beyond traditional networks?	Are we integrating emerging skills—like AI, ESG, digital transformation, and geopolitical insight—into our boardroom to remain adaptive and future-ready?	
Are we leveraging global and cross-sectoral perspectives to enhance decision-making, innovation, and risk oversight?	What are we doing to build a sustainable pipeline of diverse leaders—through succession planning, mentorship, and leadership development?	Do we onboard and support first-time or non-traditional directors effectively to accelerate their impact and integration into the boardroom?	
How are we tracking our diversity outcomes—are they tied to board evaluations, leadership accountability, and transparent stakeholder reporting?	?	How often do we review and discuss DEI progress at the board level, and is it linked to executive performance metrics?	?



# KPMG in India contacts:

## Ritesh Tiwari

Partner  
Board Leadership Center  
E: [riteshtiwari@kpmg.com](mailto:riteshtiwari@kpmg.com)

## Sunit Sinha

Partner and Head –  
Human Capital Advisory Solutions  
Business Consulting  
E: [sunitsinha@kpmg.com](mailto:sunitsinha@kpmg.com)

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KPMG Assurance and Consulting Services LLP, Lodha Excelus, Apollo Mills Compound, NM Joshi Marg, Mahalaxmi, Mumbai - 400 011  
Phone: +91 22 3989 6000, Fax: +91 22 3983 6000.

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