

HKEx opens door to female director

Days of all "boys' club" board at exchange are numbered in push for diversified management

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HKEx is practising what it has started to preach. Photo: David Wong

Kudos to Hong Kong Exchanges and Clearing, which promises to have at least one female director on its board soon.

An insider told *White Collar* that the government was likely to appoint at least one female director to the exchange, which is now among the 40 per cent of Hong Kong-listed companies with an all "boys' club" board.

HKEx, which operates the local stock and futures markets, has 13 directors, including chief executive Charles Li Xiaojia. Six are elected by shareholders and the rest appointed by the government.

The government would announce its female appointment next month when the exchange would have its annual general meeting, an informer told *White Collar*.

Good news indeed. We hope other listed companies will follow.

For HKEx, it has become a matter of practising what it has started to preach. The exchange has announced that from September, companies will need to have a diversified board composition in terms of gender, age and knowledge or they will need to explain why not.

Even with many working women nowadays, their numbers only represent 10 per cent of all directors, below the 17 to 40 per cent in overseas markets.

Mainland-listed companies appear to be taking the lead, with some having 40 per cent of women on board.

A survey by accounting firm Grant Thornton International showed mainland women topped the world with 51 per cent of senior management roles in mainland companies held by females as of January, more than double the 25 per cent from a similar survey last year.

Hong Kong women were placed sixth, holding just 30 per cent of top management posts in the city, mainly in human resources and marketing. It seems Hong Kong ladies need to catch up.

Jerry Chang, the managing director of headhunter Barons & Co, said companies looking to fill senior management roles focused on the capabilities of candidates rather than their gender, and it was often the case that qualified female candidates themselves turned down offers even though they were fully capable of filling the posts.

"In many cases, it is because many senior positions in Hong Kong are regional roles that require a lot of flying. Many female candidates dislike flying as they want to spend more time taking care of children. Men are usually more willing to take top jobs that require a lot of flying," Chang said.

Kelvin Wong Tin-yau, the chairman of the Hong Kong Institute of Directors, said some overseas markets had a higher percentage of women on board because of government intervention. Norway, for example, required that 40 per cent of directors must be female.

He said HKEx's new rule in September was going to make a change and he expected more companies to appoint women to their boards.

As mentioned in this column last week, Hong Kong will set up its own version of the 30% Club on Thursday with a big ceremony to be attended by Chief Executive Leung Chun-ying and other business heavyweights. The club started in Britain two years ago with a group of chairmen voluntarily committed to getting more women on British corporate boards. Its target is to have boards comprising 30 per cent female directors.