

Women in the boardroom are good for business

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Changing the mix is desirable.

One of the curiosities of Hong Kong business is that although women do relatively well in terms of occupying senior business management roles, they do significantly less well at making it into the boardroom. According to a recent Grant Thornton International survey, Hong Kong women come sixth in worldwide rankings and occupy 30 per cent of senior management roles.

However, 40 per cent of Hong Kong-listed companies have no women on their boards, while a further 37 per cent have just one woman director. The result is that women occupy just 10 per cent of all directorships in Hong Kong-listed companies - a situation which has not improved in the past five years. But the worldwide picture is not that great with women occupying 16.1 per cent of directorships in the US, 15 per cent in Britain, 8.4 per cent in Australia, and 8.5 per cent in mainland China.

So why is this? The conventional wisdom is that men tend to appoint their buddies to serve on boards. The issue is about to get a major push in Hong Kong with the launching of the 30% Club on Thursday. It's an outreach initiative of the Women's Foundation and its main objective is to get more women into the boardroom.

Why should this be desirable you may wonder? One of the arguments for educating teenage boys and girls separately is that mixing them brought out the worst in the boys as they competed more aggressively for bragging rights. However, there is a large body of research that argues that having more women on the board - at least three, according to McKinsey - is better for business.

Lai See just wonders whether breaking the circle of chums that can form many boards - by introducing outsiders, be they men or women - is key.

Norway has reportedly made great strides following the introduction of a 40 per cent quota in 2002. Perhaps this should be the way to go rather than pursuing what will inevitably be a slow evolutionary path.