

Hong Kong tries to woo more women to boards

The Women's Foundation will start reaching out to companies in Hong Kong in an effort to encourage them to add more women to their boards.

Wednesday, 31 October, 2012. FinanceAsia
By Lara Wozniak

A new push to get women on Hong Kong corporate boards is underway.

The Women's Foundation, a Hong Kong non-profit organisation dedicated to the advancement of women, announced yesterday an outreach initiative to promote transparency and measurable objectives around women's participation on Hong Kong company boards.

This follows the recent launch of a consultation process by Hong Kong Exchanges and Clearing (HKEx) on a proposed new code provision directing listed companies to report on their board diversity policy.

Standard Chartered has sponsored two studies on gender diversity at board level in Hong Kong. "The 2012 report demonstrated that the overall percentage of women in directorship positions has not improved since 2009," said Jaspal Bindra, group executive director and CEO, Asia of Standard Chartered. "This is something which has clearly not escaped the attention of the stock exchange of Hong Kong. We applaud the exchange for taking decisive steps to tackle diversity on boards as part of a stronger focus on corporate governance."

In May, *FinanceAsia's* magazine cover story, "What glass Ceiling?" focused on the barriers that women bankers face in the industry. It noted that a 2012 Korn/Ferry Asia-Pacific board diversity study of the biggest 100 domestic companies by market capitalisation in each of seven Asia-Pacific countries (Australia, China, Hong Kong, India, Malaysia, New Zealand and Singapore) underscores how under-represented women are on boards.

Of the 700 boards examined, only 22 have more than two female directors of any type and eight of those are in China. Only two of the 700 boards have three or more female independent directors. More than 70% of the boards in five countries — Hong Kong, India, Malaysia, New Zealand and Singapore — have no female independent directors.

The Women's Foundation's new initiative, which it has launched in partnership with the UK-based 30% Club, will celebrate any incremental progress from the current level of only 10% of directors being women towards an aspirational goal of 30%.

Launched in the UK in 2010, the 30% Club is a group of chairmen of leading UK companies and organisations who have publicly committed their support for a voluntary goal of 30% representation of women on boards, recognising that more women on a company's board is not just good for gender equality, it is also good for business performance.

The 30% Club aims to meet its goal not through quotas, but by inspiring company leaders to appoint more women to directorships, improving the pipeline of women to widen and build the available talent pool, and supporting and encouraging successful women in business.

Su-Mei Thompson, CEO of The Women's Foundation, said: "We are delighted to announce our partnership with the 30% Club of the UK and the beginning of related outreach initiatives in Hong Kong. We have learned from our conversations with the Hong Kong business community that one of the best ways to promote change here is through friendly peer pressure.

"We think that chairmen are in a good position to influence one another to consider more diverse boards through sharing how gender diversity has already proved a plus to their companies. This has worked well in the UK where more than fifty chairmen and leading organisations have joined forces to champion more women on boards, and we think this will also work well in Hong Kong. We are now inviting expressions of interest from interested chairmen and organisations in advance of a formal launch of a Hong Kong 30% Club in early 2013."

Sian Westerman, one of the co-founding steering committee members of the UK 30% Club, said "Given the similarities between the stock exchange of Hong Kong's proposed approach to encouraging board diversity and the regulatory position in the UK, we see a lot of scope for fruitful collaboration between the 30% Club in the UK and The Women's Foundation's new chairmen's initiative, including the exchange of strategic ideas, shared learnings and possibly joint research and mentoring initiatives."

According to HKEx chairman CK Chow: "We are closely following global developments on this topic at the exchange and are extremely keen to see more of Hong Kong's extremely bright and capable women sitting on corporate boards. We fully endorse the view that greater board diversity enhances corporate governance and contributes to better decision-making. We believe there is no shortage of talented and capable women who would provide new and valuable perspectives on company boards in Hong Kong."

© Haymarket Media Limited. All rights reserved.