HK backs ‘women on company boards’ drive

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By Paul J Davies in Hong Kong

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Hong Kong has joined international efforts to get more women serving on the boards of listed companies, a rare initiative in a region that has seen a high number of female political leaders.

HSBC, Goldman Sachs, PCCW and Swire Properties are among 35 international and Hong Kong-listed companies whose chairmen are backing the local Women’s Foundation’s launch of the 30 Percent Club on Thursday.

The move also has the support of the securities regulators in Hong Kong and China, as well as key business associations in Hong Kong, and The Hong Kong Institute of Directors.

Roughly 40 per cent of Hong Kong-listed companies do not have a single woman on their boards, according to Su-Mei Thompson, chief executive of The Women’s Foundation. Only 10.7 per cent of all directors in the territory are female, even though a recent survey found that about 30 per cent of senior management positions in Hong Kong are held by women, Ms Thompson added.

“We believe there is a good supply of board-ready women in Hong Kong,” she said. “Women are consistently overlooked for reasons ranging from boards not having a diverse enough range of candidates to persistent gender bias about the leadership aptitude of women.”

Hong Kong is one of the least worst in the region in terms of the overall proportion of female directors, according to a recent study by consultants at Catalyst cited by the 30 Percent Club. The worst is Japan, with just 0.9 per cent of all directors being female, while Indonesia has just 4.5 per cent, Singapore 6.9 per cent, Australia 8.4 per cent and China 8.5 per cent. In the US the number is 16 per cent and in the UK 15 per cent.

Some cultural issues around a strong focus on traditional family roles remain in much of Asia in spite of many more female political leaders in the region than the west. South Korea and Thailand currently have female leaders, as does the more Anglo-Saxon Australia, while Indonesia and the Philippines have had female leaders in the past.
Ms Thompson said that in Hong Kong last year, 25 per cent of women left the workforce when they married, fewer than in the past, but still a significant proportion.

Teresa Ko, chairman of China for Freshfields, the law firm, said that there was less reason for this to happen in Hong Kong than in the west, especially for higher earners.

“In Hong Kong it ought to be easier for women to serve on boards because of the amount of domestic support that is available,” she said. “In the UK and some other countries, many women are forced to make a stark choice between career and family because of the very high costs of child care.”

The Hong Kong 30 Percent Club has had support from the eponymous UK group but is independent of it.

Its main aims are similar in that it does not want to see quotas or legislation to enforce change as has been recommended by the EU and adopted by countries such as Norway.

The club hopes instead to get locally listed groups to increase the number of women on their boards voluntarily by promoting awareness of the benefits of diversity, providing training and helping companies to identify suitable candidates and candidates to identify companies.