

In China and Hong Kong, Women Getting On Boards



The number of big Hong Kong and mainland Chinese companies that have at least one woman board member has increased sharply in recent years, according to a Credit Suisse study.

In Hong Kong for instance, women's presence in boardrooms has soared from 28.8% to 51.6% over the past six years based on a sample of 93 large-cap companies. China meanwhile, saw a rise with 50% of companies having at least one woman on the board, compared to 6.5% in 2005.

The China results are part of broader research that looked into almost 2,400 companies globally. The report suggested that the presence of women on boards brought more points of view to the table, contributing to a better mix of leadership skills.

Having women on boards also led to better financial results. Companies that have at least one woman on the board were found to outperform others in the industry by 26%, with shares climbing faster post 2008's financial crisis.

"Long-term owners of companies should be obsessed with the talent running the business and the diversity of thinking,"

said Su-Mei Thompson, Chief Executive Officer of the Women's Foundation in Hong Kong and not involved in the Credit Suisse study. The foundation is one of the non-profit groups in the city advocating for gender equality.

"Well-balanced boards are about ideas, avoiding 'groupthink' and enhanced business performance," Ms. Thompson added.

The results present a more optimistic picture for women's representation on boards than previous studies. [McKinsey published a report recently](#) that looked at the number of women across boardrooms in publicly listed companies and found only 9% were occupied by women.

The difference is about methodology. Credit Suisse calculated the number of companies that had at least one female board member, while the McKinsey report tabulated all board positions at a similar group of companies and figured out what percentage of all those board members were women.

The worst performer in Asia, according to Credit Suisse, is South Korea, with only 3.8% of the 105 company boards to have a woman. Six years ago, corporations in the nation didn't have a single female representative on any board. Other lagging countries include Taiwan, which recorded 9.2% out of 98 companies and Japan, which had 11.2% out of 312 companies with a female board member.



The jump in female representation in Hong Kong is encouraging, but as a city that is considered a developed market, it still lags behind its Western counterparts such as the United States at 85.7%, Britain at 84.9% and Germany at 86%. The global average according to the report is at 58.8%.

Though the study highlighted the benefits of having women as corporate decision makers, which included companies producing better financial results, it also mentioned some downsides. Academic studies, some based on laboratory simulations, found that even though “diverse groups were more likely to produce a better result than the homogenous teams, their

confidence in that result was lower and the working environment was perceived to be more difficult,” the report said.

The barriers that are holding women back from sitting in seats located in the upper echelons include the dual role that women are still playing at work and at home, social typecasting and women’s lower self-confidence and ambition, the report said.

During a gender issues talk last week in Hong Kong, the city’s former chief secretary, Anson Chan, spoke about women breaking glass ceilings while maintaining their role as a caregiver in a family. Her comments echoed a [hot public discussion](#) in the U.S. sparked by former Obama administration official Anne-Marie Slaughter.

“Can women have it all?” Ms. Chan asked. After several seconds of silence she said, “I’m not too sure about that.”

–Trinna Leong

Link: <http://blogs.wsj.com/chinarealtime/2012/08/02/in-china-and-hong-kong-women-getting-on-boards/tab/print/>