Time to promote more women to boards of directors

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The Hong Kong Securities and Investment Institute has announced a programme to prepare senior executives for company board directorships. There is nothing unusual about that, except that it is being launched in partnership with the Women's Foundation. The programme is not confined to women, but does contain training and networking programmes aimed at female executives. Mentors will include board chairs and directors from Hong Kong Exchanges and Clearing, one of the big accounting firms, law firms and financial services companies.

We hope it succeeds in improving gender diversity - for two reasons. The fact that fewer than 10 per cent of the directors of Hang Seng Index companies on Hong Kong company boards are women, and that 40 per cent of all listed companies have none, does not reflect women's qualifications, ability or potential in 21st century Hong Kong. And international research has shown that companies with women in leadership positions generally perform better, during good times and bad. Researchers argue that women contribute different ideas that can lead to better decisions.

But gender diversity is not an easy sell. Damien O'Brien, head of consultant head-hunter Egon Zenhder International, says that here and elsewhere, companies are prone to a "hardwired" resistance to change. As a result, some European companies have introduced board quotas for women. This is a last resort that does not sit easily with our cherished economic freedoms. But nor can we afford sclerosis of corporate leadership ranks. There is more appeal in a British government inquiry's recommendation of a voluntary target of 25 per cent female representation on FTSE 100 boards by 2015. Failing that, quotas are an implied threat. Ultimately, they can only be avoided if business takes them off the table with meaningful initiatives to break the glass ceiling. If Hong Kong is to remain competitive, it can no longer afford to ignore the talent among half its population.