

2013:

A Year of Action for Gender Imbalance in the Boardroom

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Board members face new challenges and an increase in responsibility since the recent wave of governance reform swept in. Directors need to be better prepared — beyond just compliance — to best represent the interests of shareholders

and stakeholders. Gender-balanced boards are proven to result in greater business success but women are still hugely underrepresented in boardrooms across the world. A great deal of talk has focussed on tackling the gender imbalance on boards but little action has taken place as a result.

2013 is the year to act, which is why Harvey Nash and The University of Hong Kong, Executive Education of the Faculty of Business and Economics have joined forces to introduce a world first, the Women's Directorship

Programme, for cross industry, internationally focused women executives.

Gender imbalance is a global trend

Currently, women are represented in less than 10% of all board level positions, even though they make up over 45% of the workforce across the world. Women in China are on only approximately 9% of executive committees and 8% of all boards. We see similar figures for Taiwan, and 5% in Malaysia and Indonesia. In Japan and Korea, the figures are less than 2%. In Hong Kong, as much as 42% of Hang Seng Index-listed companies have no women on their boards.

This imbalance is globally recognised and a number of organisations, such as the 30% Club, are rallying the business community to make a change. The quota debate is raging around the world and initiatives are being put in place to address the issue. For instance Hong Kong Exchanges and Clearing Ltd recently announced

a new code for 2013 where all listed companies must report their board diversity policy.

Gender imbalance is costly

The existing gender imbalance in the boardroom costs firms money, and those who fail to retain and promote women to top leadership positions experience a significant drain on resources and talent. A McKinsey study found that companies with the highest female representation in top management positions achieved return on equity of 35% higher than companies with the lowest female representation. This clearly highlights the importance of gender diversity as good business practice.

Lack of female talent vs. untapped potential

If it makes such good business sense, why is there such gender imbalance? Oftentimes, companies bemoan the lack of a skilled talent pool of women. However, research consistently demonstrates this is not the case. Female leaders are simply more hidden and less inclined to put themselves forward due to lack of confidence. Statistics show women will only put themselves forward for a role if they feel they fulfil at least 80% of the stated criteria, while men will pursue a role if they only fulfil 50-60% of the requirements.

Women need to feel empowered and supported by their companies in order to put themselves forward for senior positions. Without this commitment and backing from the business community, the current imbalanced situation we are facing won't change.

World's first board preparedness programme for cross industry, international female executives

In view of this, Harvey Nash and The University of Hong Kong, Executive Education of the Faculty of Business

and Economics will be launching the world's first cross industry, certificated board preparedness programme in Asia this April (Session 1: 11-13th April and Session 2: 6-8th June), exclusively for internationally focused women executives. The programme aims to address contemporary issues to help participants become more effective at managing boards, equipping them with the skills and knowledge required to serve as directors or non-executive directors. It also serves women already on boards who want to ensure they are performing at a world-class level.

The Women's Directorship Programme will enable participants to develop their own set of strategies tailored to their career ambitions, situation and personality, recognising that these factors will evolve overtime as new challenges arise and their lives change. Programme content includes board governance,

persuasive communications and conflict resolution, ethics and compliance, and strategic leadership. The programme will be led by a number of esteemed international professors and involve real life case studies and thought leadership delivered by industry leaders who are champions of diversity in the boardroom, such as Sir Martin Sorrell, CEO of WPP; Sir Roger Carr, Chairman of Centrica and President of the Confederation of British Industry; Donald Brydon, Chairman of Smiths Group / Sage Group; Teresa Ko, China Chairman of Freshfields; Charles Li, CEO of Hong Kong Exchanges and Clearing Ltd; Kevin Taylor, President APAC, BT Group; Rick

Haythornthwaite, Chairman, MasterCard and Umran Beba, APAC Regional President of PepsiCo.

The winning way

Business success hinges on a gender-balanced boardroom for continued growth. Not only does it improve performance and create a strong talent pipeline by accessing a wider talent pool, a balanced boardroom also serves to leverage broader perspectives and leadership styles, bringing the best out of a business. ■

