

# More women in the boardrooms!



The executive search firm Harvey Nash has initiated a programme in Hong Kong to enable more women to become board directors. 'Hong Kong has a great opportunity to become a board governance hub in Asia,' says managing director Nick Marsh.

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**T**he proportion of women on corporate boards is generally much lower in Asia than, for example, in Europe and the United States. While gender-balanced boards are proven to result in greater business success, women are still hugely underrepresented in boardrooms across the world.

"Hong Kong needs to improve and it has a great opportunity to become a board governance hub in Asia," says Nick Marsh, managing director at Harvey Nash Ltd in Hong Kong. Earlier this year, he initiated a programme with the aim of addressing this imbalance by enabling more board-ready female leaders to rise to the challenge.

Harvey Nash is a global professional recruitment and outsourcing consultancy with 41 offices around the world and some 1,500 employees. ➤



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It was founded in London in 1987. In 2007, the company acquired the leading Swedish executive search firm called Alumni, which is also strong in leadership services and board improvement programmes. In February 2012, Harvey Nash established an office in Hong Kong.

Five years earlier, Harvey Nash set up a women's executive network called Inspire, with the idea of bringing senior women together and help them to network. Today, this network has about 4,000 women executive members around the world. "Executive women are outstanding in their job, but tend to put less emphasis on networking. Many have family responsibilities on top of business responsibilities and not much time to network," says Marsh.

**When Marsh came** to Hong Kong, he discovered that there were no programmes in Asia for board governance. He contacted the University of Hong Kong, and they liked the idea to set up such a programme and suggested to give it a female twist, creating an entire course exclusively for women.

So in February this year, the Women's Directorship Programme was launched as a six-day course – half of it in April and the other half in June – with some 35 participants.

"This is a unique programme since it is the first of its kind in Asia. We will have 16 international business leaders from the likes of General Electric, Schneider Electric, Philips and Freshfields Bruckhaus Deringer, to talk about how the role of director needs to be improved, how mergers and acquisitions affect the board work and how to deal with committees, etc," says Marsh.

**He was inspired by** an initiative in the United Kingdom called The 30% Club, a group of chairmen and CEOs at leading companies and organisations who have publicly committed their support for a voluntary goal of 30 per cent representation of women at UK corporate boards.

When the club started three years ago,

**“This is a unique programme since it is the first of its kind in Asia.”**

**“Studies show that there is a real link between financial performance and balanced boards.”**



women had a representation of just 12 per cent on the boards of the FTSE 100 index companies – that is the top 100 companies listed on the London Stock Exchange.

"Today, there has been an increase to 25 per cent. And in the last 12 months, some 40 per cent of all new board member appointments among the UK's leading companies have been women," says Marsh.

The 30% Club was also recently launched in Hong Kong by The Women's Foundation, a Hong Kong-based non-profit organisation dedicated to the advancement of women. 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.

**There is strong interest** in this issue at the moment in Hong Kong. The Hong Kong Exchanges and Clearing Limited (HKEx) has recently announced that it will introduce a new Code Provision in the Corporate Governance Code to be effective on 1 September 2013 requiring every public company to report on their board diversity policy.

"Most companies probably do not have such a policy, but this initiative raises the issue to a much more visible level," says Marsh.

Hong Kong is lagging behind Europe and the US in this field. Almost half of the 48 companies that are included in the Hang Seng index and represent the leading companies on the Hong Kong Stock Exchange have no women at all on their corporate boards.

"And if you look at the executive and non-executive directors of all publicly listed companies in Hong Kong there are only 8.5 per cent women, which means only one woman in a group of 12," says Marsh.

**In 2011, the Asian average** percentage of women on corporate boards was as low as 6 per cent, while the European average was 17 per cent with Norway topping the list at 35 per cent, according to a study by McKinsey & Company. Hong Kong's performance is actually among the better ones in Asia with Japan and South Korea having only 1 or 2 per cent women representation on the boards.

"These studies also show that there is a real connection between financial performance and balanced boards," says Marsh. "A board or management team performs better if there is a mix between men and women in the team, so if you are an investor you should look for companies with a balanced board."

**8.5%**

On average, only one out of 12 directors in all public companies in Hong Kong is a woman.

**Some companies defend** themselves saying that the talent pool of females is not that big. Marsh objects strongly, he firmly believes

that there are plenty of women that want to become board members.

"If half of the employees are women and half of the customers also are women, then a company's management team and board of directors should better reflect that, since it will help the company to make better decisions," he says.

"Men and women have different mindsets. Even if a woman has, let's say, 80 per cent of the needed skills, she hesitates, while a man who may only have 50 or 60 per cent of the skills says he can easily become a director. Women need to gain the confidence to push themselves forward," says Marsh.

The ambition of the Women's Directorship Programme is to run it twice a year for two years and create a visible pool of 150 talented women at a senior level. The initial response has been very positive.

The next step is to export the programme to other parts of Asia – for example to Shanghai, and also to run a programme for both male and female directors. \*

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\* The similarity between marketing and planting bamboo was originally conceptualised by George Torok, a marketing expert and co-author of the book Secrets of Power Marketing.



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