Asia-Pacific lags behind in recruiting women to boards

Lack of progress seen by some as threatening the region's efforts to improve governance

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Women hold just one in eight seats on the boards of Asia's largest public companies, a level that puts them behind peers in Europe and North America despite the region's economic growth and increasingly mature stock markets.

In the 1,557 largest listed companies in 20 Asia-Pacific countries, measured by market value, women account for just 12.4 per cent of board seats, according to Corporate Women Directors International, a Washington-based research group.

Asia-Pacific lags behind well behind Europe, where women hold 30 per cent of board seats at the top 500 companies, and North America, where just over a fifth of board members at the 500 largest public companies are women, according to the research. In Africa, women hold 14.4 per cent of board seats at the 300 largest listed companies.

The low levels of representation of women in top positions in boardrooms across Asia has been blamed in part on ingrained corporate norms, as well as very long working hours and childcare burdens that still fall on mothers.

But the lack of progress is now seen by some executives as threatening the region's attempts to improve governance and develop meritocratic corporate structures. The majority of Asia-Pacific companies with women on the board still only have a token representation of a single female director.

"While there is global momentum — largely driven by Europe — to increase the presence of women board directors globally, Asia-Pacific companies are being left behind in moving women to corporate leadership roles," says Irene Natividad, CWDI chair. The report will be released today in Tokyo at the Global Summit of Women. "The irony is that this region has a wealth of highly educated women, many with strong business experience, who were equal contributors to the region's explosive economic growth," she added.

Wide differences exist between countries in the region. In Australia, women hold 27.2 per cent of board seats at the 100 largest public companies, more than twice the regional average, and in New Zealand they hold 19.3 per cent. But only 14 out of South Korea's 100 largest listed companies have any female directors.

Tim Payne, chair of the Hong Kong steering committee of the 30% Club, which campaigns for more senior corporate women, says governments, and particularly securities regulators and listing committees, should play a role in encouraging future progress. Hong Kong ranks ahead of Asian rivals but behind the developed markets it compares itself to. The number of blue-chip company boards with no women members has halved in five years but that still leaves a fifth of companies led by men.

"Diversity is one of the hallmarks of good governance and therefore of a leading stock exchange," Mr Payne says. "The future reputation of markets like Hong Kong will depend on making progress on these issues."

But only eight out of the 20 countries in the Asian survey have strategies in place to increase the number of women directors. India adopted a quota of at least one woman on the board of all publicly listed companies in 2013. Companies were slow to to comply, however, amid complaints of that the move was tokenism that did little to change India's male-dominated, "old-boy" network corporate culture. Among those that moved slowest were state-owned companies in heavy industry.

But the law has still had some impact. According to report by the Credit Suisse Research Institute, the share of women on Indian boards has risen from 5.5 per cent in 2010 to 12.7 per cent now, closing the gap with a global average of 14.7 per cent. In family-owned companies, the female board member has typically been the wife or daughter of the controlling shareholders.

Malaysia imposed a quota of 30 per cent women directors, which has resulted in the proportion of female board members at its largest companies more than doubling from 7.6 per cent in 2011 to 16.6 per cent. In Japan, one of the prime minister Shinzo Abe's early goals in his "womenomics" programme was for women to occupy 30 per cent of all management positions by 2020.

The government has scaled back its target to 10 per cent, although that is still seen as ambitious with the share of women executives at listed Japanese companies stuck at just 3.4 per cent.

Additional reporting by Jennifer Hughes and Amy Kazmin

Driving force: Yuriko Koike, the governor of Tokyo, and Irene Natividad, CWDI chair, speak during the 2017 Global Summit of Women, which is being held in Tokyo this week
Aflo/REX/Shutterstock

Equality drive
Astellas leads way in Japan

Astellas Pharma took steps to improve working conditions for women after it became clear that many female employees in their thirties were leaving after getting married or giving birth.

Japan's second-largest drugmaker has seen the ratio of women in management positions rise to 32 per cent last year from 28 per cent in 2013. One of its six board members is female.

Japan's female workers enjoy benefits such as 12- to 18-month maternity and childcare leave, but long hours and attitudes that assume women are responsible for raising children make it hard for them to pursue careers after giving birth. Unlike in Hong Kong and Singapore, childcare can be expensive.

Another hurdle is the comparatively small pool of women senior enough to be promoted on to boards in many companies.

Yoshihiko Hatanaka, chief executive of Astellas Pharma, says that it has taken time to groom internal female talent for management positions, and argues that the individual efforts of companies have their limits.

"It has to be a combination of what individual companies can do together with the efforts of local and national governments in terms of social infrastructure," says Mr Hatanaka.

"Unless these two are aligned, it will continue to be challenging."