

Strength in Diversity

As Asia's World City, Hong Kong has a reputation to live up to. However, its track record in diversity in the workplace and inclusion needs to improve. – By Sarah Graham

In May this year, the reaction to an advertising campaign by Hong Kong's flagship airline, Cathay Pacific, threatened to dent the city's efforts to project itself as a place that embraces diversity.

One advert, part of its "Move Beyond" rebranding campaign, depicted a male couple holding hands while walking on a beach. The Airport Authority Hong Kong and railway operator, MTR Corporation, both banned the image, causing uproar not only among the LGBT community but also the wider public.

Conversely, in the same month, Taiwan became the first country in Asia to legalise same-sex marriage.

The Cathay furore, which eventually saw the airport authority and MTR Corporation reverse their decisions

to veto such adverts, highlighted some of the challenges facing Asia's World City when it comes to diversity.

While the Hong Kong government announced last September that it would grant dependent visas to same-sex couples who had legally married overseas following a landmark court battle which found that a British woman had been subjected to "irrational" discrimination by immigration authorities in not being awarded a dependent visa to accompany her female partner to the city, Chief Executive Carrie Lam stated in March that the SAR was no closer to legalising same-sex marriage.

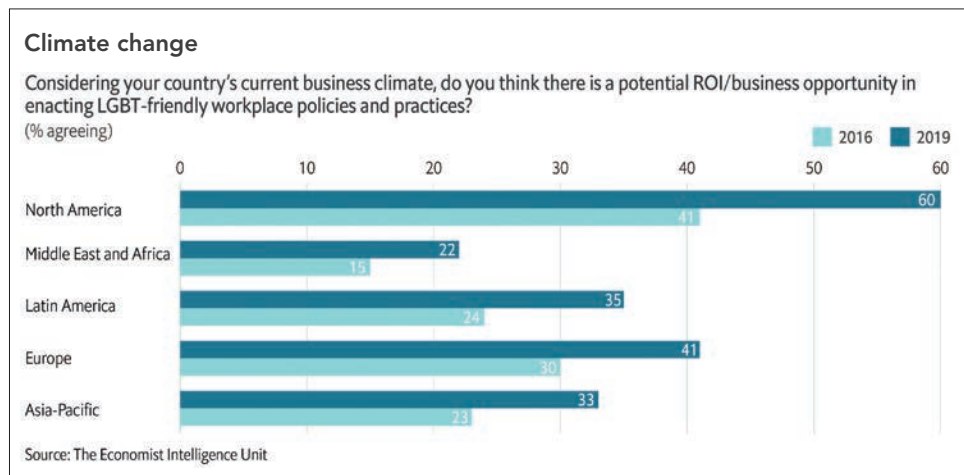
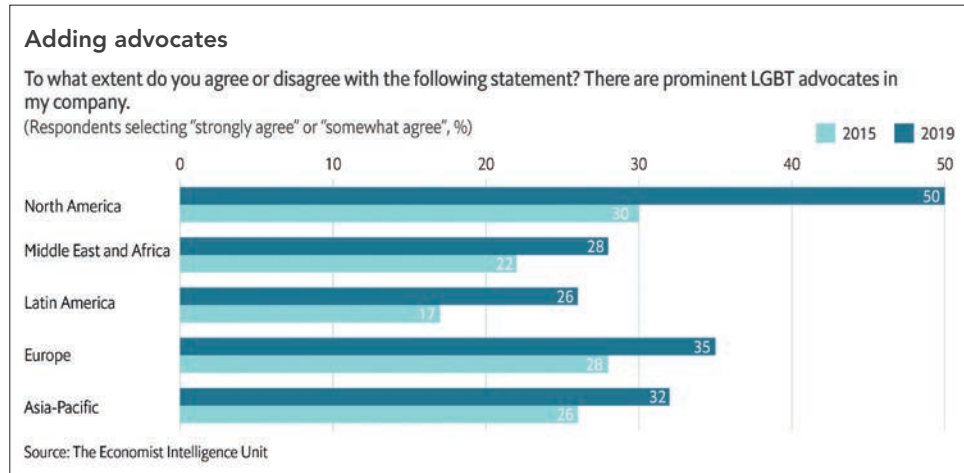
Add to the mix the city's continued struggle to address gender inequality in its company board

rooms – Community Business, a leading non-profit organisation that monitors female representation on boards highlighted the city’s lack of progress on the issue in its April 2019 report – and it would appear that Hong Kong has a problem with diversity.

These issues, however, are being addressed in several ways.

According to the Economist Intelligent Unit’s Pride and Prejudice report, released in May, three in four executives and members of the public surveyed reported a growing openness towards lesbian, gay, bisexual and transgender (LGBT) rights, and an increasing number said they saw financial opportunities for firms embracing LGBT rights.

The report, which comes out every four years and analyses the business and economic case for LGBT rights around the world, this year focused on Asia Pacific. According to its key findings, a virtuous circle is



emerging in which visibility for LGBT workers is rising along with the perception of bottom-line benefits to diversity & inclusion (D&I).

Its author, Michael Gold, says he believes that the cases currently moving through the courts will have a positive impact on D&I in Hong Kong. But he admits that while the city is quite open on a social level, companies must do more to build their diversity profiles.

“There’s momentum among rank and file workers for more action to be taken by companies to create a more welcoming environment for LGBT staff,” he says.

Adrian Warr, Managing Director of Edelman, a global communications firm that works with organisations to evolve and protect their brands and



reputations, says the Cathay Pacific affair demonstrates there's still some way to go in Hong Kong with regards to attitudes towards inclusion, but adds that progress has been made in some areas.

"I think in some ways the progress in LGBT has been a lot faster than in gender equality here. I think that much of the hostility towards LGBT has been driven underground, whereas opposition to gender equality can still be very open," he says.

Gender inequality in the city's organisations, Warr believes, is often still tolerated more widely, or perhaps goes unnoticed more easily. A founder member of Male Allies, part of the Women's Foundation, Warr believes a thriving workplace must promote inclusion to reflect the changing world. Male Allies, a group of business leaders who leverage their collective influence to advance gender equality within their organisations and more broadly across the Hong Kong business community, promotes the challenging of gender stereotypes and empowerment of women.

The group seeks to drive behavioural change in companies by offering resources to help male company executives address inequality in their organisations. Male Allies offers sessions that include unconscious bias training, how to identify micro-aggressions, how people interact, and what biases are more general. It also conducts research to help organisations evolve their cultures and policies.

"We offer reverse mentoring which is much more personalised. There's a huge amount of privilege you're not aware of so it's an opportunity to get mentoring from a younger female to understand what it's like to be female in some corporate situations," Warr says.

Hong Kong is beginning to address its gender inequality issues, says Warr, citing the recent increase in paternity leave for new fathers from three to five days. It falls well short of other Western countries,

however. In Sweden, for example, parents of both sexes are entitled to 480 days (16 months) of paid parental leave at about 80% of their salary (with a cap), plus bonus days for twins, and they must share – Swedish dads must take at least some of those 16 months.

In the UK, one partner can swap up to three months of the UK allowance of one year.

"Hong Kong is probably behind but it really depends on how you look at the problems and what you're comparing it to. If you're comparing parts of Western Europe and Scandinavia, yes, Hong Kong is behind. Hong Kong has some challenges in this respect. It also has some advantages. The culture here in Asia of looking after your elders, combined with the fact we have easy access to childcare can give women and parents considerably more choice," Warr argues.

Warr says that while the ratio of women on boards remains low in Hong Kong, the issue is "completely unrealistic for the general population", adding that the bigger opportunity is ensuring female role models are more representative of real women.

"Unattainable and unrealistic role models can disengage people," he says, adding: "Businesses can change things today. It's heartening to see

businesses paying attention to this now, changing how they hire and changing their culture."

This sentiment is echoed by Kirti Lad, Executive Director of Meraki Executive Search & Consulting.

"Although companies in Hong Kong have woken up to the idea that driving inclusion is good for employee and customer engagement and for business performance, few have understood it has to be driven from the top. For this reason, their boards still lack diversity and inclusion is not embedded into the culture or viewed as strategic," she says.



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To help companies address this issue, Meraki runs an annual Women's Directorship Programme (WDP), a joint venture with The University of Hong Kong, Faculty of Business and Economics, which is a deep-dive corporate governance program that helps organisations create responsible, impactful

and visionary board directors. This six-day programme aims to prepare women for board responsibilities through offering insights and experience from prominent members of the business industry, for example, Chairman and CEO of Schneider Electric, Jean-Pascal Tricoire. Sir Donald Brydon, ex-chairman of the London Stock Exchange, has supported the programme from year one, and takes participants through an all-day board simulation with scenarios they may face to help them understand business and ethical decision-making. The places go to either country or regional CEOs, and functional leaders put forward by their companies. A secondary programme has just been launched, the Women's Development Programme, aimed to support women transitioning from mid management to senior management to enable them to achieve their full potential in the workforce.

"If we're looking at Hong Kong, there has been very little progress. It's very much at this stage a big advocacy push. We're trying to get the right people engaged," Lad says.

One significant step forward recently came from the Hong Kong Stock Exchange, which in May



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Meraki Executive Search

announced that new IPO listing applicants would be required to specifically address gender diversity in their prospectuses. In circumstances where the listing applicant has a single gender board, it would be required to explain how and

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when board gender diversity will be achieved post-listing.

"A lot of multinational companies are appointing a number of women on to their Asia boards. Having said that, although we do have a number of Hang Seng listed companies making progress, it's few and far between. If they've got business outside Hong Kong, they're doing it because they're being influenced by the corporate governance in other markets," Lad says.

Figures released in April by Community Business put the ratio of women on Hang Seng boards at 31.1%, down from 31.9% at the beginning of the year. Lad believes Hong Kong is falling behind because the companies that use third party executive search are few, and they often appoint board members through recommendations via their existing networks. This, she says, does not offer the same level of transparency as in other countries.

The University of Hong Kong, Faculty of Business and Economics recently launched Hong Kong's Female Talent Pipeline Study.

Sophie Gray, Executive Director of Meraki Executive Search & Consulting, explains the idea stemmed from frustration at the pace of change in Hong Kong.

"Last year we engaged with over 200 companies, when we took it upon ourselves to set up an on-going tracker. Some companies volunteered to give us their data and it resulted in us gathering some really interesting data points that showed us the industries that were really struggling, such as financial services and the industrial sector," Gray says, adding: "Surprisingly, a lot of organisations aren't tracking this data. If you're not tracking it, you don't know where you are. It's the first step in the process – track your data, understand your position." 