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GOOD CORPORATE GOVERNANCE AND GENDER DIVERSITY IN ASEAN

An overview on the status of women's representation in boards and top management positions



OUTLINE

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By Radhika Behuria



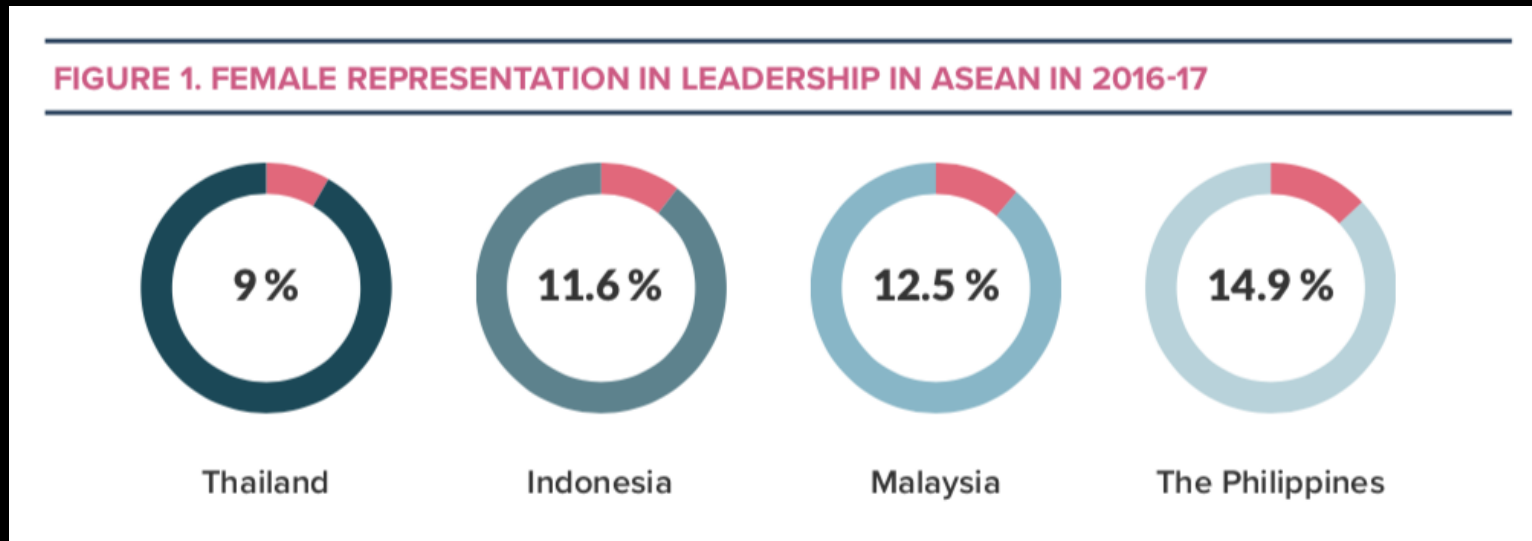
SCOPE OF THE STUDY

- To have a scan and overview of the situation, understand the challenges and start identifying areas of work and collaboration
- ASEAN, with a focus on Indonesia, Malaysia, Myanmar, Thailand, Vietnam and the Philippines
- Gender diversity in leadership (boards and senior management) as a principle of good corporate governance within the context of the flagship project on “Promoting a fair business environment in ASEAN”
- Gender diversity is limited to examining women’s leadership deficits- challenges and opportunities



HIGHLIGHTS FROM THE REGION

- Women's representation on boards increased from 6% in 2011 to 13% in 2016 (lower than the global average of 28%)
- All-male boards are no longer a majority in the region, with a drop of 53.2% in 2012 to 39% in 2014
- Women CEOs are few in number (mirroring the global scenario), with Vietnam being the leader in the region
- Greater number of women in senior leadership, just below the CEO level, with higher numbers across Indonesia, Thailand and the Philippines
- Malaysia has seen the greatest increase in women's representation at the board level



WHY GENDER DIVERSITY MATTERS

Gender diversity in boards and senior management is better for

The economy



Businesses



Social justice and equality



Sustainable Development



- **Its good for EQUALITY and FAIRNESS:** Normative standards provide the case for women to be equally represented in the highest influencing bodies of businesses.
- **Its good for the ECONOMY:** The AP region would add \$4.5 trillion to collective GDP by 2025 by investing in gender equality (labour force-productive sectors-paid work options)
- **Its good for BUSINESS:** Diversity is increasingly regarded as a source of competitive advantage and enabler of growth. Correlation between women in leadership and KPIs such as equity, stock growth and improved sustainability. Women bring in diverse ideas, perspectives and solutions adding to the strategic advantage. Investor funds are also including gender diversity on boards.
- **Its good for the PLANET:** Companies with more women on boards – invest in renewables, low carbon products and energy efficiency, thus unlocking the “economic prize” associated with the SDGs. Showcasing greater balance between tackling development issues-innovative solutions-maintaining the bottom line.
- **Its good for the BUSINESS ENVIRONMENT:** Linkages between women on corporate boards linked to more positive social outcomes and greater corporate responsibility and women in senior positions have shown greater affinity to institute stronger governance structures, increased efforts to monitor management and demonstrate high levels of disclosure and transparency.

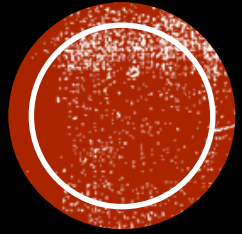
BOTTLENECKS

Demand	Supply	Perceptions & Unconscious bias
<ul style="list-style-type: none">• Growing acknowledgment of the benefits of gender diversity to the business but yet to translate into real changes in numbers• Sourcing for positions is still overly reliant on personal networks• Unconscious bias which may limit many women from being perceived as “board-ready”	<ul style="list-style-type: none">• Women may not consider that they have the right skills• Family responsibilities limit or prohibit them• Trend of women dropping out between mid to senior level• Lack of a pipeline of women who are nurtured, trained and mentored	<ul style="list-style-type: none">• A traditional, male-focused view of leadership continues to dominate• Unconscious gender bias and automatic associations feed into decision making about roles, promotions and leadership

ROLE OF POLICY AND REGULATIONS

- **India:** mandatory quota for publicly traded companies to appoint at least one woman to their boards
- **Malaysia:** 30% quota for new appointments to boards
- **Singapore:** through its DAC has placed a triple-tier target of 20% (2020), 25% (2025) and 30% (2030)
- **Hong Kong:** “comply or explain” requirements for board diversity (incl gender diversity)





DISCUSSIONS



GAPS AND AREAS FOR COLLABORATION

Gaps and opportunities to promote more women in boards and leadership positions in ASEAN

1. Research and evidence
2. Advocacy and policy
3. Regional learning platforms
4. Regulatory frameworks

