

Gender diversity in the Hong Kong financial services sector

Moving from conversation to action



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Executive Summary

In recent years, significant focus and energy has been devoted to diversity in the workplace, but it remains an issue across most markets and industries. Matters such as bias against working mothers¹, and the number of women reaching the executive level continue to make the headlines. The financial services (FS) sector, in particular, has more to do in increasing women's representation on boards². Training programmes built around diversity and inclusion (D&I) are thriving, but the world of work and education (both public and private) has not moved from intentions to actions.

The position of women in Hong Kong is lagging behind other developed markets and some of our regional neighbours, according to The Women's Foundation (TWF). Hong Kong's gender pay gap is 22% (higher than Singapore, the UK, the US and Australia); maternity leave in Hong Kong was raised recently to 14 weeks at 80% pay (Singapore and Mainland China are at full pay and 16 and 14 weeks respectively). Women occupy 29% of management positions (compared to 38% in Malaysia) and just 13.8% of directorships of Hang Seng Index-listed companies.

1. <https://www.nytimes.com/2018/05/16/opinion/workplace-discrimination-mothers.html>
2. See WEF report The Industry Gender Gap (January, 2016). http://www3.weforum.org/docs/WEF_FOJ_Executive_Summary_GenderGap.pdf



This study was commissioned by a group of senior female leaders to understand the true state of gender diversity in Hong Kong. Based on data from 15 Hong Kong-based FS organisations, it aims to understand the current state of gender diversity in the sector, explore common gender preconceptions and make recommendations to move from conversation to action.

Boosting women's participation in the workforce and closing the wage gap can significantly increase a country's GDP^{3, 4}. In Hong Kong, the female labour force participation rate in 2017 was 55%⁵ compared to an East Asia and Pacific average of 59%⁶. Enacting policies and practices that are more equitable should be beneficial for both Hong Kong society and business.

In terms of **the current state of gender diversity in the FS sector**, the survey found that, while 52% of entry-level positions are filled by women, the proportion falls to approximately one-third at senior management level and to 21% at Board level.

3. Wodon, Q., and B. de la Briere. 2018, Unrealized Potential: The High Cost of Gender Inequality in Earnings. The Cost of Gender Inequality Notes Series. Washington, DC: The World Bank, estimates that with gender equality in earnings, human capital wealth could increase by 21.7 percent globally, and total wealth by 14.0 percent.
4. Women, work and the economy: Macroeconomic gains from gender equity, IMF Staff Discussion Note, September 2013 estimates that raising the female labor force participation rate (FLFPR) to country-specific male levels would, for instance, raise GDP in the United States by 5 percent, in Japan by 9 percent, in the United Arab Emirates by 12 percent, and in Egypt by 34 percent
5. <https://www.censtatd.gov.hk/hkstat/sub/sp200.jsp?tableID=007&ID=0&productType=8>
6. <https://data.worldbank.org/indicator/SL.TLF.CACT.FE.ZS?locations=Z4>



We used our data to test five common gender preconceptions

1: Diversity recruitment measures are necessary to increase female representation in senior roles

Our findings indicate that — rather than specific diversity recruitment measures — greater impact can be achieved by engaging smaller working communities to define their own D&I goals. Direct interaction within the organisation by its leadership has greater impact on day-to-day behaviours than formal policies.

2: There are fewer women than men in senior positions because women leave work to start families

Data indicates that, rather than raising a family, lack of career progression and other career opportunities is the primary reason why women leave an organisation.

7. http://www3.weforum.org/docs/WEF_FOJ_Executive_Summary_Gender_Gap.pdf

8. PwC's 21st Global CEO Survey, <https://www.pwc.com/gx/en/ceo-survey/2018/pwc-ceo-survey-report-2018.pdf>

9. Women and Men in Hong Kong – Key Statistics [2017] compiled by the Census and Statistics Department of HK, Table 5.5: Median monthly employment earnings of employed persons by industry of main employment and sex (based on HSIC Version 2.0), available at <https://www.censtatd.gov.hk/hkstat/sub/sp180.jsp?productCode=B1130303>

3: Succession plans and leadership programmes are important for female retention and progression into senior roles

Findings suggest that female employees see greater value in career sponsorship than men: 54% of senior females strongly agree that sponsorship would make a difference in getting more women into senior positions.

4: Flexible working policies will help improve gender balance

86% of employees surveyed say that flexible working policies are essential to enable both men and women to carry out family and other responsibilities. Separately, the World Economic Forum (WEF) reported that 44% of respondents cited lack of work-life balance as a barrier to gender parity⁷. But while mobile and remote working are becoming increasingly important to attract suitable talent, a recent PwC survey⁸ found that only 30% of CEOs in Hong Kong offer flexible working arrangements. This compares to a Mainland China average of 51%.

5: Men are paid more than women

The surveyed organisations confirmed that they have internal processes to ensure there is no pay disparity between male and female staff. This comes as the Women's Commission reports an estimated gender pay gap of 22% across all sectors in Hong Kong, with women in the FS industry earning on average HK\$8,800 less per month than their male counterparts⁹. There is a significant disconnect between employers' and employees' views on pay equality. 72% of senior female employees feel that "senior women do not earn as much as senior men"; only 23% of senior male employees agree with this statement.

Policy intervention or institutional initiatives may be warranted to change the mind-sets and practices that cause gender imbalances and pay gaps. However, above all, organisations need to acknowledge the obstacles and then actively address them.

The key recommendations that have emerged from this study are in the areas of policy and culture; recruitment; retention and promotion; flexible work arrangements; and reporting and accountability.



Policy and culture: Policy is the enabler of D&I measures, while culture and tone from the top can embed D&I within the organisational DNA and drive the necessary changes. Leading by example, especially by senior management, is the most effective way to promote inclusion and empowerment. Promoting gender parity should be a senior management priority. Policy change can be brought about by top-down implementation and by providing a framework that allows each team to decide what aspect of D&I they want to focus on.

Recruitment: Organisations need to understand what is driving gender imbalance. They can do this by tracking and reporting the gender mix: by grade; as a result of external hiring, attrition and promotion; and (where possible) within high-visibility projects. Breakdowns by gender are crucial to evaluating imbalances and tracking progress.

Retention and promotion: Women seem to be leaving at a higher rate than men. Organisations need to consider alternative measures for retaining women. Open discussions should be held with employees on career progression opportunities, expectations, mentoring and identifying sponsors for career advancement and promotions. Creating formal training, mentoring and sponsorship programmes for both men and women can create an empowering environment that is effective in promoting gender parity.

Flexible work arrangements: Policies relating to gender-neutral flexible working arrangements should be prioritised to ensure a more diverse workforce stays within the organisation. These policies should enable and empower employees to ask for flexible arrangements, irrespective of gender, and ensure there is no stigma associated with them. This may require a period of adjustment where employees are expected or even required to work flexibly, rather than leaving it to them to ask for permission.

Reporting and accountability: Establishing diversity targets for senior level female representation and publicly reporting progress against these targets are necessary to drive D&I progress. Transparency in compensation is key to reducing gender-based pay discrimination and increasing trust and accountability.

PwC's 21st Global CEO Survey found that 55% of executives in HK are helping to drive transparency of their people strategy (compared to a global average of 58%) and 45% are helping to promote D&I (compared to a global average of 53%). This institutional leadership drive is instrumental to reducing inequalities and biases.

For Hong Kong to end gender-based disparities and to remain competitive, it will need to make gender equality a critical part of its human capital development. To maximise reach and impact, some next steps for consideration could include:

- Coordinated action between business leaders, civil society and policy makers to address the gap in women's representation at senior levels in all industries. The FS organisations surveyed are already likely to be market leaders in best practice and influential in driving behavioural change in their customer base.
- All forms of diversity – not just gender – need to be addressed.
- The gender pay gap agenda should reflect the growing international focus and progress in this area.

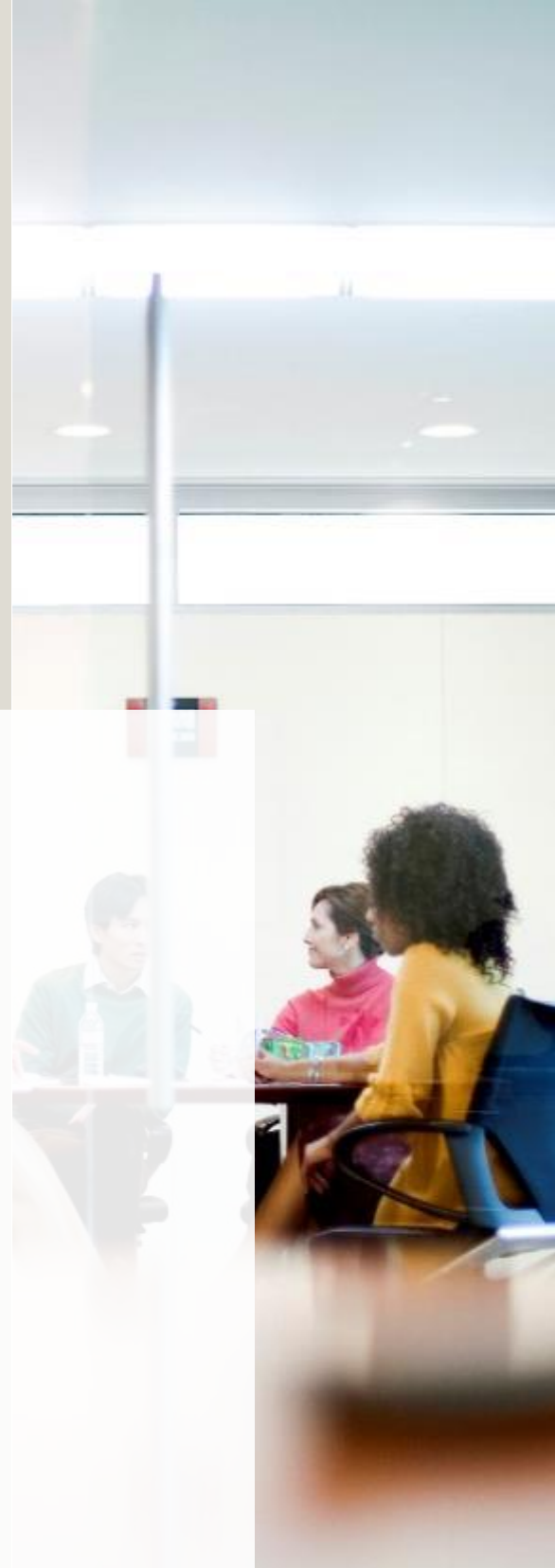
This will help ensure that Hong Kong keeps pace with other financial sectors, such as the UK and US, and continues to promote itself as Asia's international financial centre.





Introduction and objectives

The Women Chief Executives Hong Kong (WCE HK) group was established to create an enabling environment for more women to succeed at middle management levels and progress to senior roles within the FS industry. In order to do this, they sought to first understand the current state of diversity within their own organisations. PwC, with the support of The Women's Foundation (TWF), conducted a survey to gain an initial sense of the state of women's advancement within a pilot industry group of 15 FS organisations in Hong Kong. The survey, including a series of interviews with the participating organisations, captures the views of the organisations and their employees. It identifies some of the challenges and makes recommendations to move from conversation to action.



1. The case for change

1.1 Why do we care?

- **The business case for change is clear.** Study after study shows that the business case for gender parity extends beyond the social benefits to higher risk adjusted returns¹⁰. PwC research found that 85% of global FS CEOs believe diversity can enhance business performance¹¹.
- **The economic case is also clear.** With women accounting for only 38% of global human capital wealth, The World Bank¹² estimates gender inequality in earnings could lead to losses in wealth of US\$23,620 per person per annum globally. The IMF also estimated the macroeconomic gains from gender equality: raising the female labour force participation rate (FLFPR) to each country's male levels would raise GDP in the US by 5%, in Japan by 9%, in the United Arab Emirates by 12%, and in Egypt by 34%.
- **A diverse workforce can lead to better decisions¹³.** "The more diverse a team is, the more likely it is to make the best business decisions"¹⁴ — diverse teams lead to inclusive decision making. These different perspectives facilitate "independent opinions and constructive decision making" to counter the "groupthink" phenomenon¹⁵.



10. Credit Suisse found that "investors focusing on companies where gender diversity is an important strategy continue to be rewarded with excess returns running at a CAGR of 3.5%". A study performed by Morgan Stanley found a correlation between companies hiring more women and higher average equity returns. <https://glg.it/assets/docs/csr-gender-3000.pdf> and <https://www.morganstanley.com/access/gender-diversity>
11. China's new economic course: Navigating turbulence, PwC Global CEO Survey 2016
12. Unrealized Potential: The high cost of gender inequality in earnings, May 2018, The World Bank
13. A Forbes study found that "more diverse and inclusive teams made better decisions up to 87% of the time, took less time to make the decision, and delivered 60% better results".
14. White Paper: Hacking Diversity with Inclusive Decision-Making -- By Cloverpop an Enterprise Decision Platform https://www.cloverpop.com/hacking-diversity-with-inclusive-decision-making-white-paper?utm_campaign=Forbes&utm_source=Forbes&utm_medium=Forbes%20Hacking%20Diversity%20White%20Paper
15. The European Commission notes that the groupthink phenomenon is "considered to have led to insufficient oversight exercised by the management body in the past". Report from the Commission to the European Parliament and the Council on benchmarking of diversity practices under Directive 2013/36/EU, European Commission 2016

2. Current state of play

2.1. Global action

Gender equality has long been regarded globally as a key measure of progressive and sustainable economies. The United Nations (UN) lists “achieving gender equality and empowering all women and girls” within the top five Sustainable Development Goals, and 93 UN Member States have each made national commitments of resources and initiatives “to ensure women and girls can reach their full potential by 2030” (19 of which are from the Asia Pacific region)¹⁶.

However, recent reports indicate that global progress towards these goals and commitments is stalling. According to the World Economic Forum Global Gender Gap Report 2017, progress towards gender parity in economic participation globally remains low and in fact reflects a reversal, as the 2017 score is the lowest since 2008¹⁷. The global average for female representation on executive committees increased from 13% in 2013 to 16% in 2016. However, this average includes 45% of women acting as head of HR or marketing, 30% in legal, audit and control functions, and only 8% in CEO roles¹⁸.

Continued progress towards gender parity requires government action. The EU and its member countries, especially the UK and Ireland, have spearheaded notable initiatives in recent years covering greater reporting and accountability^{19,20}. Neighbouring countries in the Asia Pacific region, such as Japan, have made great strides in closing the gender gap since 2012 by providing strong policies, targets and support to attract, retain and promote women in the workforce²¹.



16. Asia Pacific Member States Commit for Gender Equality, UN Women Asia-Pacific 2015

17. The Global Gender Gap Report, World Economic Forum 2017

18. Women in Financial Services 2016, Oliver Wyman/Marsh & McLennan Companies

19. Legal and regulatory risks for the finance sector United Kingdom, Allen & Overy

20. Women in Finance Charter, UK HM Treasury 2016

21. <http://foreignpolicy.com/sponsored/japanus/896258-2/>

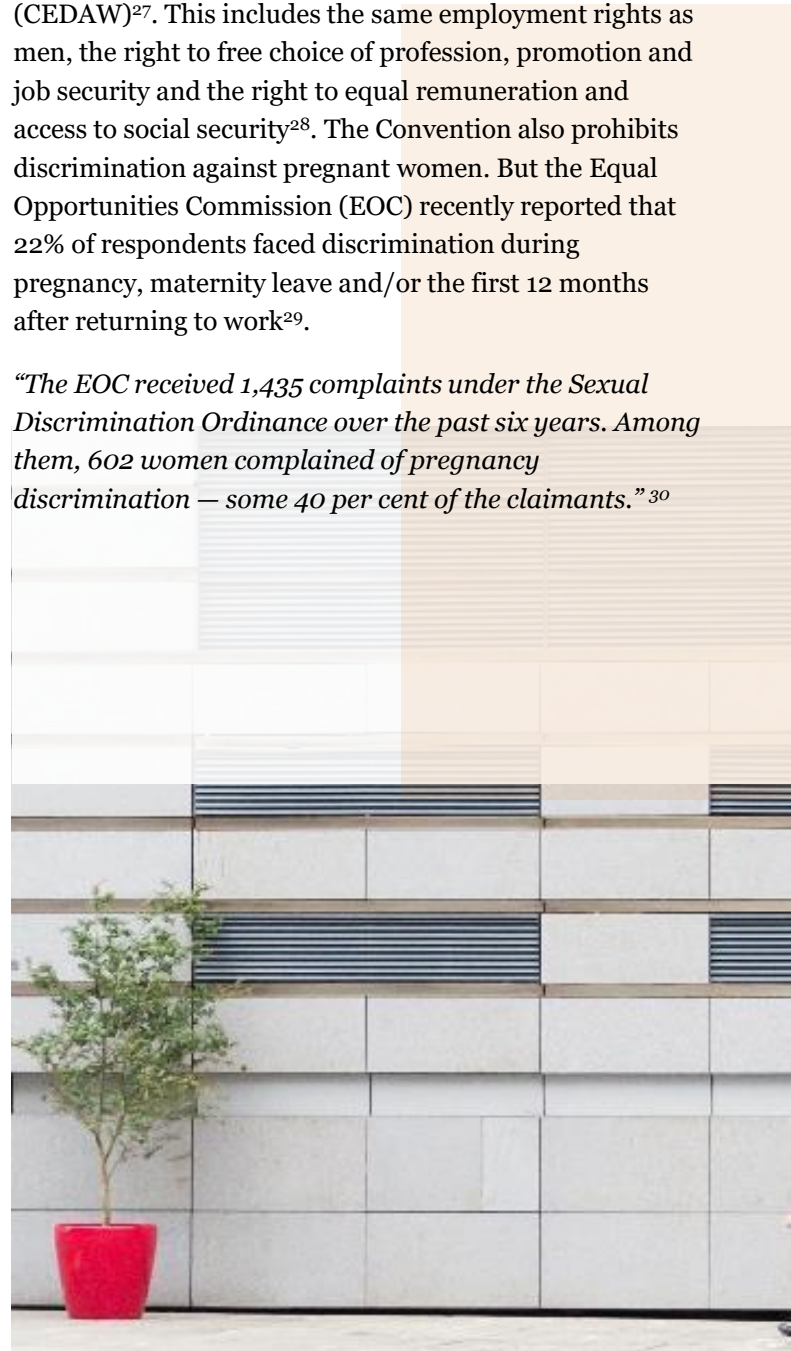
2.2. The Hong Kong story

While Hong Kong government bodies have acknowledged many of the benefits of gender diversity²², they have been cautious about setting concrete targets. For example, in November 2017 Hong Kong Exchanges and Clearing (HKEX) issued a consultation paper on the review of the Corporate Governance Code, including Board Diversity. Within the paper, HKEX lists gender as one of the aspects of diversity that boards can consider. It requires boards to include their policy on board diversity in their Corporate Governance report and recommends voluntary disclosures on total workforce, hours of training and turnover rate by gender, among other factors²³. TWF pointed out that “an additional requirement for companies to set measurable objectives for board diversity policies (rather than the inclusion of measurable objectives as a guidance) would be of benefit to Hong Kong”²⁴.

The 2018 Chief Executive’s Policy Address focused on strengthening support for families through initiatives such as providing additional funding for elderly services, childcare and kindergartens to alleviate stress on working women. It proposed to extend paternity leave to five days and raise statutory maternity leave from 10 to 14 weeks²⁵. This compares with Singapore’s 4-week paternity leave and 16-week maternity leave²⁶. An overview of Hong Kong’s key family-friendly employment policies are shown in the Appendix, with comparisons to other locations in Asia.

The Hong Kong Government will be reporting to the UN in its role as a signatory to the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW)²⁷. This includes the same employment rights as men, the right to free choice of profession, promotion and job security and the right to equal remuneration and access to social security²⁸. The Convention also prohibits discrimination against pregnant women. But the Equal Opportunities Commission (EOC) recently reported that 22% of respondents faced discrimination during pregnancy, maternity leave and/or the first 12 months after returning to work²⁹.

*“The EOC received 1,435 complaints under the Sexual Discrimination Ordinance over the past six years. Among them, 602 women complained of pregnancy discrimination – some 40 per cent of the claimants.”*³⁰



22. Board Diversity Consultation Paper, Hong Kong Exchanges and Clearing Limited 2012

23. Corporate Governance Code Consultation Conclusions, Hong Kong Exchanges and Clearing Limited, July 2018

24. Women on Boards Update, The Women’s Foundation, August 2018

25. The Chief’s Executive’s 2018 Policy Address, Hong Kong Government

26. Maternity leave eligibility and entitlement, Singapore Government Ministry of Manpower

27. The Mainland China Government is expected to submit a consolidated report, including Hong Kong and Macau findings, in 2019

28. Article 11 of the CEDAW

29. Gender and Sex Discrimination in Hong Kong, EOC 2018

30. Discrimination against pregnant women and new mothers in Hong Kong ‘worse than figures show’, SCMP, 8 May 2016

2.3 Hong Kong's competitive edge — myth or opportunity?

A gender imbalance in senior roles is one of the primary drivers of workplace gender diversity efforts worldwide. Our data reveals a similar bottleneck within our peer group of 15 financial institutions in Hong Kong.

While a gender imbalance in senior roles may come as no surprise, several characteristics of our surveyed peer group and the FS industry in Hong Kong as a whole might have suggested a uniquely beneficial environment for working women:

Hong Kong is a leading FS hub, with the regional headquarters for many of the largest multinational institutions across a broad range of sub-sectors (e.g. capital markets, retail banking, etc.). 60% of the institutions surveyed are headquartered outside of Asia and benefit from the D&I activities in their home markets. However, at 29%, Hong Kong has a smaller proportion of women in leading managerial positions than Singapore and Mainland China (both 31%) or Malaysia (38%)³¹. The proportion of women on Executive Committees in FIs in Singapore is 25%, compared to 13% in Hong Kong³². Only 13.8% of board members of Hang Seng Index-listed companies were women as at January 2018³³.



31. Asia Gender Diversity Report, Hays 2017

32. Women in Financial Services 2016, Oliver Wyman/Marsh & McLennan Companies

33. Community Business, Women on Boards Report, 2018

“Without bold and urgent reform, Hong Kong will continue to fall behind other markets with respect to board diversity.”³⁴

There is a “hidden women’s labour force”³⁵ with the availability of domestic helpers potentially enabling more affluent women to (re-)enter the workforce. Despite this, the participating organisations still view that cultural expectations obstruct some women from pursuing the same career paths as men. Among these, there is a culture of ‘face time’ in the office, which can put pressure on some women to work longer hours, making it difficult for them to spend time with their families. This is not unique to women.

“It is true that while some women choose to “lean in”... we will recognise that some may face barriers to genuine equal opportunity as roles and responsibilities in family sometimes make it difficult for them to fully realise their potentials.” – Carrie Lam, Chief Executive, Hong Kong SAR (International Women’s Day 2018)

Why, then, does a gender imbalance persist in Hong Kong? We found a disconnect between the D&I agenda proposed by institutions (often defined by overseas Head Offices) and the actual needs and perceptions of female employees in Hong Kong. This disconnect is not specific to Hong Kong, so we hope these findings can shed light on common misconceptions about gender diversity in the workplace.



34. The Women’s Foundation submission to the Hong Kong Exchanges and Clearing Limited’s Corporate Governance Code Consultation

35. Chan Yuen-Han, Chairman of the Hong Kong Women’s Commission on Hong Kong’s 530,000-strong potential workforce of housewives, SCMP, 17 February 2018

3. The results of our survey

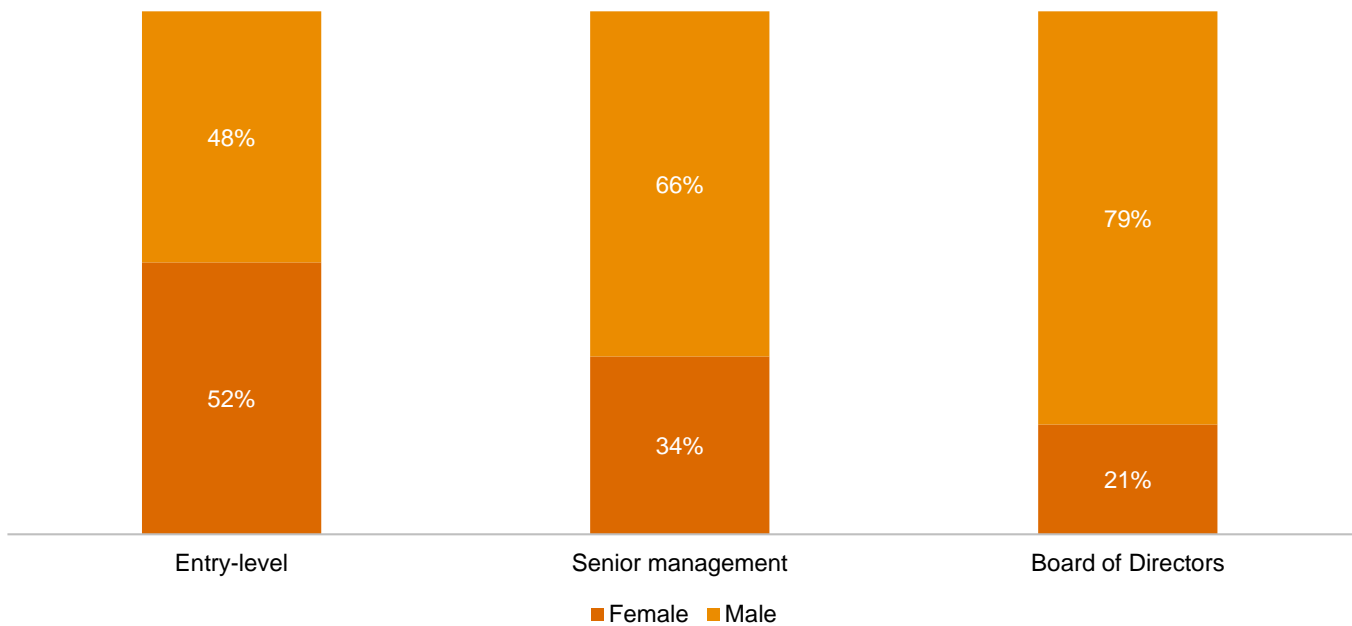
To test the argument that Hong Kong is not doing enough to tackle the gender imbalance in the financial sector, this survey looked at the areas of **recruitment, retention, career progression, work flexibility** and **pay**. In each of these areas, we tested commonly held beliefs that limit diversity.

Why are there fewer women at the top?

3.1 Recruitment in senior roles

Within the FS industry, entry-level jobs are divided almost equally between women and men. The proportion of women falls to approximately one-third at the senior management level, and is lower still at board level (fig. 1). Our survey found that 52% of entry-level positions are filled by women, falling to 47% for experienced hire roles. Is this decline in the pipeline for female leaders driven by a failure to recruit women into senior roles or to retain female talent?

(fig. 1) Gender diversity within the survey group:

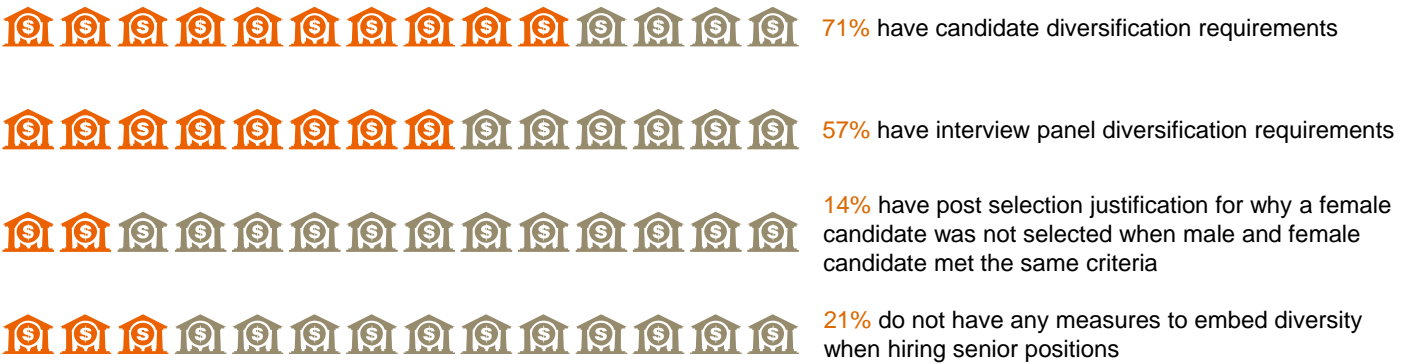


If it is a recruitment issue, how can organisations tackle the challenges of recruiting more women into senior roles?³⁶

Preconception #1: “Diversity recruitment measures are necessary to increase female representation in senior roles”

Recruitment proves more difficult at senior levels because of a smaller candidate pool and less career movement between FIs at that level. However, organisations still try to embed diversity measures into recruitment so as to hire women in more senior roles (79% of organisations have some measures to embed diversity in hiring practices to fill senior roles, fig. 2).

(fig. 2) How to embed diversity in filling senior roles



36. Senior roles were defined as “up to 3 levels below the CEO” for purposes of the survey

Our findings suggest official D&I measures for recruitment do not always correlate with greater female representation in senior roles. The three organisations with the highest percentages of female representation in senior roles do not have any formal measures, while organisations with the most measures have lower percentages of female representation in senior roles (fig. 3).

Clearly, diversity recruitment measures are different in every organisation, and their effectiveness depends on the context of each particular organisation. Interestingly, we found that the organisations with the greatest diversity in recruitment rely on organisational culture, rather than formal quotas and policies. This does not mean that these policies lack impact, but rather that top-down cultural change within smaller working teams has more impact. The more interaction the leadership has with its organisation, the more direct the impact of day-to-day behaviours compared to formal policies. This has led to some organisations encouraging discrete businesses or teams to take responsibility for their own culture, policies and approaches to encourage positive behavioural change.

“We allow each team to formulate their own D&I agenda, as we find that they are more motivated to progress in D&I when they are able to define their own approach”
— Ben Way, Macquarie CEO

(fig. 3) Senior women in organisations with different levels of D&I





3.2 Building a pipeline of future female leaders

Recruitment is not the only reason for a shortage of female leaders. Women also seem to be leaving the workplace at a higher rate than men. The challenge of retaining women to the same extent as men therefore needs to be considered further.

“Female managers, senior managers and executives in financial services are 20% to 30% more likely to leave their employer than their peers in other industries... many women face a mid-career conflict. At this point, the costs of a career, especially the sacrifices in their personal lives, seem too great in relation to the uncertain benefits of pressing on.”³⁷

There is a widely held impression that women leave work in order to focus on starting a family. But is this really true?

While the survey results appear to show that some larger organisations with policy-driven measures have less diversity, recently introduced policies have often not had time to take effect and demonstrate benefits. This highlights the importance of reviewing data over a period of time. Performing a similar exercise at regular (e.g. annual) intervals to track progress may be beneficial. Although the interview participants held a range of views on the benefits of a formal policy approach, the general consensus was that policies are important in bringing about behavioural change.

More work is therefore required to measure the impact of different policies over time and to see whether specific policies drive particular results. Organisations also need to be mindful of potential push-back if diversity metrics in recruitment give the appearance of positive discrimination.

We can ensure diversity among recruiters and in the candidate pool, but ultimately we are focused on suitability – not gender.” – Diana Cesar, Chief Executive, Hong Kong, HSBC.

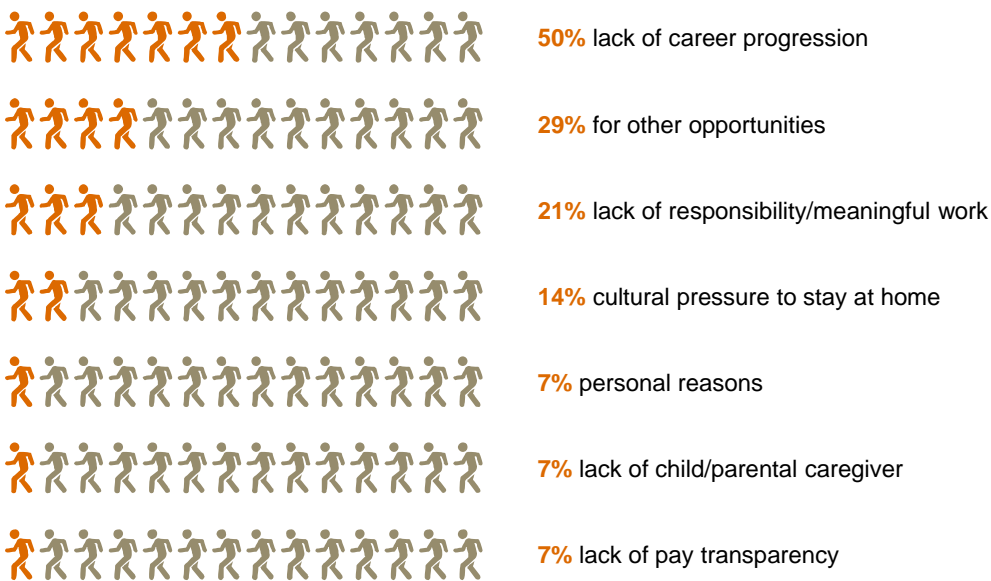
37. Women in Financial Services, Oliver Wyman 2016



Preconception #2: “There are fewer women than men in senior positions because women leave work to start families”

Only 21% of organisations surveyed said that “lack of childcare/parental caregiver options” or “cultural pressure to stay at home” are the top reasons why women leave their organisation. In fact, 73% of the surveyed organisations said “lack of career progression” and “other career opportunities” are the top reasons why women leave. This disproves the presumption that gender disparity in senior roles is largely due to women leaving work to start families (fig. 4).

(fig. 4) Why do women leave your organisation?



Note: Some FIs selected more than one option.

Our findings raise the question of whether organisations really understand why women leave work, and whether the larger issue lies within retention or recruitment. Historically, PwC perceived that the challenges were largely around retention and the need to design policies to support working mothers. A detailed review³⁸ found that women were not in fact leaving at a higher rate than men, but rather that the gender imbalance was driven by a failure to recruit a balance of men and women at senior levels.

Some women leave work to start families, and some return. But are they disadvantaged in their careers when they do? An Equal Opportunities Commission survey found that within 12 months of returning to work, 15% of respondents felt they were discriminated against in promotion opportunities, 35% noted impolite behaviour towards them, and 38% were unable to claim sick leave for absences from work for post-maternity check-ups. A question therefore arises as to whether women would return at a higher rate/with more success if they were better enabled to do so.



38. The PwC diversity journey: Creating impact, achieving results, PwC September 2016

3.3 Sponsorship is crucial for career progression

Preconception #3: “Succession plans and leadership programmes are important for female retention and progression into senior roles”

As noted in the previous section, our respondents overwhelmingly cited career progression and promotion challenges as driving exits from their organisations. To address this, organisations need to focus on leadership development opportunities for their future female leaders. Only 53% of organisations said that they have clearly defined succession plans and leadership programmes.

67% of senior females strongly agree that early identification and management of female talent is important, compared to 34% of senior males. Women and men in higher ranks are more likely to agree that “encouraging women to push harder for promotion makes a difference”. Further, senior females found that consciously including women in the succession planning process can help address gender inclusion: our survey results showed that 78% of senior females strongly agreed, compared to 49% of senior males.

Most of the participating FIs have access to internal or external leadership programmes to develop female talent. Our findings show that 73% of female employees thought that mentorship for women would have a positive impact. By comparison, 79% thought that sponsorship would further the D&I agenda, suggesting there is merit in having both mentoring and sponsorship programmes to develop female talent.

Among senior females, 54% strongly agree that sponsorship for women would help them get to senior positions, compared to only 17% of senior males who shared the same sentiment. This disconnect may well lie in the differing views of men and women as to what is meant by mentoring versus sponsorship.

“More women than men have mentors – yet women are less likely to advance in their careers. That’s because they’re not actively sponsored the way the men are. Sponsors go beyond giving feedback and advice; they advocate for their mentees and help them gain visibility in the company. They fight to get their protégés to the next level. Sponsorship programs that get results clarify and communicate goals, match sponsors and mentees on the basis of those goals, coordinate corporate and regional efforts, train sponsors, and hold sponsors accountable.”³⁹

39. Why men still get more promotions than women, Harvard Business Review 2010

The fact that men see greater value for women in mentorship rather than sponsorship leads to differences in the importance of these initiatives as enablers of career progression. Mentorship has been a key focus for many organisations in developing senior female talent. For instance, many of the surveyed FIs have in-house mentoring programmes focused on developing female talent and/or have had female employees successfully qualify for external mentoring programmes, such as TWF’s mentoring programme for 100 women leaders in Hong Kong. Mentorship is important in encouraging women to succeed, but sponsorship may be a more effective enabler in the workplace. Is today’s focus on mentoring detracting from the efforts to develop sponsorship opportunities for women in senior roles?

From mentorship to sponsorship programmes – Macquarie

Macquarie actively participates in external and internal women’s networks and mentorship programs to retain and develop talent. For instance, Macquarie’s Women in Tech Asia employee network is an employee led group that aims to attract, develop and support female employees, to increase female representation within technology. However, Macquarie is not just focused on mentorship but also in identifying sponsorship opportunities for women within the organisation through organic growth within different business groups.

3.4 Flexible working policies are an important aspect of evolving business needs. Meeting the demands of a younger workforce⁴⁰ will help tackle the leadership gender imbalance.

Preconception #4: “Flexible working policies will help improve gender balance”

86% of employees considered that flexible working policies are essential to enable both females and males to meet family and other life responsibilities. All the participating organisations recognised the importance of such arrangements, with over 70% ranking it as a high (top 3) priority in driving their D&I agenda. 77% agreed that having broader family-friendly policies assists women, and 76% agreed that enabling men to take on childcare responsibilities would have a positive impact on women in the workplace. A PwC survey⁴¹ also found that flexible working arrangements such as mobile and remote working are becoming increasingly vital to attract suitable talent.

40. Similar views were held by female millennials, where more than half (53%) believe that taking advantage of flexibility and work-life balance programmes would have negative consequences for their careers. Source: PwC’s Female millennials in financial services: strategies for a new era of talent, May 2015

41. PwC 21st Global CEO Survey, China report: <https://www.pwchk.com/en/research-and-insights/ceo21/china-report.html>

“Customer-centric and outcomes-focused” model for flexible working

— Commonwealth Bank of Australia

In 2016, CBA globally launched “iCAN Flex” to offer an outcomes-based, ‘reason-neutral’ approach to flexible working. The iCAN Flex approach is designed to promote and facilitate the benefits of both formal and informal flexible work arrangements for their employees. The ‘reason-neutral’ policy allows an open discussion between managers and employees to create the optimal arrangement that works for everyone and no one reason for requesting flex is any more or less legitimate than another. During the discussion, the manager and employee can choose a range of flexible working options that works for them, including: altering normal work hours, working from home, reduced hours, job sharing, compressed working weeks, working from other CBA locations, part-time roles and adaptable roles where a team member may work in one role for part of the week and in another for the rest of the week. One of the critical success factors is leading by example; senior executives need to be open and show others that they also utilise the flexible arrangements. Currently, 71% of CBA’s workforce work flexibly as reported in their 2018 Your Voice employee survey.

However, within the FS sector, only 50% of employees think that their organisation has an adequate flexible working policy. The CEOs interviewed recognise that there may be some limitations on who can adopt flexible working arrangements. Arrangements can vary in terms of providing flexibility in location (e.g. working from home) or in time (working part-time or flexible hours). Some roles are limited in their flexibility (e.g. traders may be restricted to when and where they can trade).

“The nature of the financial services industry is that it is demanding and highly intensive. Work-life balance is an issue, and there is little uptake of flexible working policies that are already in place.” — Angel Ng, Citibank CEO

Organisations may already recognise that there is a perception issue, as almost all organisations (93%) listed “creating the right culture” as a top priority on their gender diversity agenda. An expectation of long working hours or a perceived lack of flexibility may still deter working mothers from pursuing more senior positions within the organisation.

“Executives need to lead by example here, in order to lessen the stigma.” — Ben Way, Macquarie CEO

3.5 Closing the gender gap

Preconception #5: “Men are paid more than women”

Pay transparency was not viewed as a high priority for the surveyed FS organisations, with only one citing it as a high priority under their organisation’s gender diversity agenda. All of the surveyed organisations confirmed that they have internal processes to review and ensure there is no pay disparity between men and women. However, employees view things differently. 72% of senior female employees felt that “senior women do not earn as much as senior men”; only 23% of senior male employees agree with this statement. The difference in views between men and women around pay equality is narrower at the more junior levels but still remains notable (42% of females agree, against 17% of males).

“There is no difference in the numbers, but there will always be a perception that senior females are paid less.”
— Anthony Davies, Barclays CE

The Women’s Commission’s 2016 census report estimates a gender pay gap of 22% across all industries in Hong Kong, with women in the FS industry earning an average HK\$8,800 per month less than their male counterparts (see page 5). So do these organisations really have equality?

10 April 2018 was recognised in the US as Equal Pay Day. In other words, women in the US had to work all of 2017 and up to 10 April 2018 to catch up with what their male counterparts earned in 2017 alone. And yet, when six US financial institutions⁴² voluntarily disclosed their gender pay disparity figures, they found only a 1% difference. This contrasts with mandated reporting in the UK⁴³, which revealed a median pay gap of 24% in the banking sector.

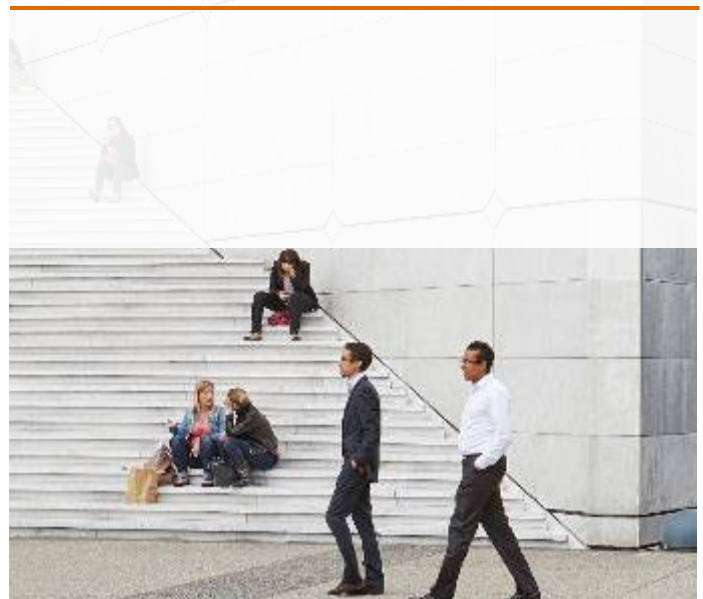
What is driving these differences in reporting and do we really understand the data that is being reported?

What is meant by the gender pay gap?

“Gender parity on pay” applies where equal pay is determined for equal work, i.e. for comparable jobs, women and men are paid the same.

The calculation of the gender pay gap, however, is based on average salaries. So if more men take on higher paid roles, the gap will increase. The pay gap explores whether women are taking longer to reach the same pay levels as men. Pay disparity may not exist between the roles that women and men take on, but it may exist when taking into consideration the years of experience of those women and men. A Willis Towers Watson study found that there is no material pay gap between women and men in Hong Kong when comparing the same role. However, when age/skills/years of experience are taken into account, they found that women are in fact paid less.

Arguments have been made that pay disparity arises as a result of women not asking for pay rises as often as men. However, our survey found that female and male employees are almost equally likely to ask for a pay rise in the next 12 months (45% of females and 47% of males), suggesting this is not a key driver.



42. Bank of America, Bank of New York Mellon, Citigroup, JPMorgan, MasterCard and Wells Fargo

43. Based on publically available gender pay gap figures reported as of 8 April 2018. The gender pay gap reporting regulations under The Equality Act 2010 came into effect on 6 April 2017 impacting employers with 250 or more employees in the UK.

4. Recommendations

The institutions participating in this study are driving their own D&I agendas, with CEO-level support for gender equality. They might well be expected to show the most promising gender equality statistics in Hong Kong. And yet, the results of the study show there is still some way to go for these organisations. What does this mean for the rest of Hong Kong's financial and non-financial institutions?

What steps can the government/industry/organisations take to make the gender diversity agenda more relevant and better able to address the unique challenges of Hong Kong's business environment? We propose the following actions and share examples of best practice for workplaces and the government (based on survey findings and consultations) so that they can best position themselves to lead extended efforts in this area.

4.1 Policy vs culture

It is important for organisations to embed D&I within their organisational DNA in order to create the right culture within their business and their customer and workforce strategies. This is not a quick fix – each organisation needs to understand the pros and cons of implementing policies, or even quotas, in order to drive change.

Quotas or no quotas?

Many countries implement gender equality quotas (e.g. Malaysia). The implications of failing to meet these quotas can vary, and include: fines (e.g. India), a requirement for the post to stay open until it is filled by a woman (e.g. Germany and France) or incentives, such as priority for government contracts (e.g. Spain)⁴⁴. While quotas have the potential to create a negative backlash against perceived positive discrimination, the arguments in favour suggest that quotas can build up experience, networks and a pipeline of future female leaders. Once the frameworks are in place and training against gender bias (including subconscious bias) is recognised in the organisation's culture, the need for quotas naturally falls away. An example of where this thinking has been put into practice can be seen in the Netherlands, where quotas have a shelf life⁴⁵.



44. Is Gender Diversity Profitable? Evidence from a Global Survey - Marcus Noland, Tyler Moran, and Barbara Kotschwar, Peterson Institute for International Economics (PIIE), February 2016

45. The Netherlands enacted legislation under which large firms were required to target 30% women on the supervisory and executive board by 2016 where a 'comply or explain' principle is applied requiring non-compliance to be reported and explained in a company's annual report. Source: European Parliament, Directorate-general for internal policies, Policy department — citizens' rights and constitutional affairs, The policy on gender equality in the Netherlands, 2015

At a corporate level, effective quotas are also becoming more common, with initiatives such as the US's 2020 Women on Boards (20% by 2020), HK's 30% Club (20% by 2020), the UK's 30% Club (30% of FTSE boards), and the UK and Australia's Women on Boards (40% by 2025). An interesting middle ground could be to expand the board to more women, but not at the expense of qualified men⁴⁶.

Recognising the need for a change in thinking and best practice is important in order to make progress. D&I is still viewed as a western concept⁴⁷ and organisations need to outwardly support D&I initiatives to educate their organisations and their customers. These messages should include men in the conversation, such as recent initiatives to drive the discussion through male support.

For instance, TWF's Male Allies is a leading initiative in Hong Kong which is driven by a group of male business leaders coming together to support and promote gender equality in Hong Kong. Another example is the UN Women's "HeForShe" solidarity campaign for the advancement of women, through encouraging men and boys, as agents of change, to take action against inequalities faced by women and girls.

"Gender equality is not and should never only be a women's issue, but should concern and engage both genders." — Carrie Lam, Chief Executive, Hong Kong SAR (Celebration of International Women's Day 2018)

A shift in culture cannot just be driven from the top. Nor should policy initiatives just focus on implementing change at the top. In order to create a culture of diversity, change has to come from the bottom up. Organisations need to engage line managers and middle-management in order to create a sustainable shift in cultural mind-set that runs throughout the organisation.

Creating a culture of diversity and inclusion

For organisations:

- *Engage everyone in the conversation, communicate back to demonstrate the importance of D&I to the organisation and tackle the expectation gap. If your people can talk about what the organisation is doing, then this helps to reinforce the culture and the image*
 - *Making your stakeholders – including your customers – accountable reinforces your own organisation's values*
 - *Communicate a compelling case for gender diversity: back it up with numbers and share success stories to help employees understand the agenda and buy into it. The culture of an organisation can only change if middle management is also engaged*
 - *Enable managers to drive change: this means giving them the know-how /tools, including more targeted training (it's not just for the leadership). They should also be rewarded where they succeed and demonstrate active gender diversity support*
 - *Include a focus on D&I from day 1 – don't just focus on senior management*
-

46. Implemented by The International Triathlon Union as referenced under the PIIE survey, 2016

47. Examining diversity and inclusion from an Asian perspective, Diversity and Inclusion in Asia Network (DIAN) findings — 55% of 23 respondent companies from HK said that D&I is a Western concept

4.2 Recruitment

Organisations need to understand the drivers within their company that lead to the gender imbalance through tracking and reporting of the gender mix: by grade, as a result of external hiring, by attrition and promotions, and (where possible) by the assignment of high-visibility projects.



Best practice for recruitment

For organisations

- *Ensure gender neutral job specifications*
- *Communicate and work with head-hunters/recruitment agents that actively seek more diverse candidate pools*
- *Implement candidate diversification requirements, where any position to be filled requires at least one female candidate to be interviewed and considered for the position*
- *Implement interviewer panel diversification requirements, where the organisation must have at least one female interviewer for all external hires*
- *Mask CV data so that the application screeners cannot identify whether the candidate is a man or a woman when determining which candidates will be invited for interview*
- *Implement post-selection justification for why a female candidate was not selected in the case of a male and a female candidate both meeting the criteria*
- *Attract workforce returnees (including, but not limited to, women returnees) by identifying suitable channels for advertising the job position (e.g. any dedicated channels for reaching workforce returnees⁴⁸, digital channels, etc.) or instilling an informal “open-door” policy, where former employees are welcomed back to the organisation after a period of leave or employment elsewhere*
- *Design return-to-work programmes to recruit former female employees. Clarify opportunities for upskilling returnees to help them adapt to the changing work environment after returning from, for example, maternity leave*

48. The Diversity Project in the UK (<http://diversityproject.com/returners>) implemented a Returners Database enabling returning professionals to register their profiles for access by asset managers, etc. <http://www.thebuysideclub.com/returners>

For the industry

- *Share best practice — through forums, industry events or cross-industry common interest groups*
- *Areas within the financial services sector arguably suffer from a reputation for being male-dominated. The industry needs to collaborate to combat this stereotype, which creates additional barriers to women entering the sector, through awareness campaigns on the FS sector's impact outside the industry and by visibly putting women forward at external events⁴⁹*
- *Promote FS career opportunities to female students, including targeted messaging to women at university careers fairs, and sponsor university societies*

For the Hong Kong government

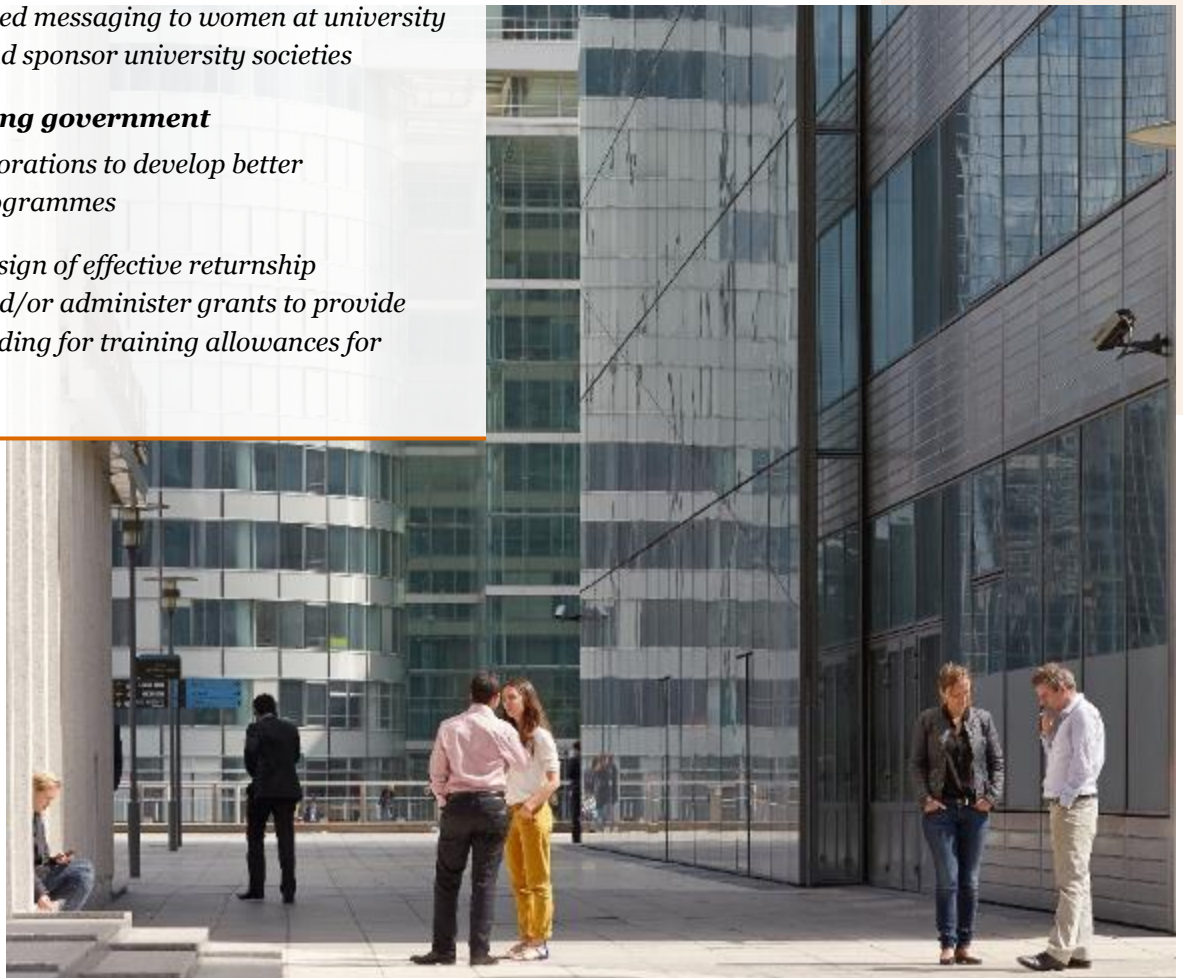
- *Incentivise corporations to develop better “returnship” programmes*
- *Facilitate the design of effective returnship programmes and/or administer grants to provide government funding for training allowances for employers⁵⁰*

4.3 Retention and Promotion

Organisations need to review and track the impact of any current measures to understand their effectiveness.

Clear policies should be implemented and open discussions held with employees around career progression opportunities, expectations, etc.

Initiatives to promote mentoring opportunities for women should consider how this can involve male support, as well as more sponsorship and networking relationships for senior women.



49. A survey conducted by Mercer found that “the [investment management] industry brand is stuck in a stereotype creating an inclusive culture in the investment profession”, The Diversity Project, Mercer Benchmarking Study, <http://diversityproject.com/resource/diversity-project-mercercer-benchmarking-study>, September 2017

50. For instance, the Singapore Manpower Ministry provides a grant to companies offering better “returnship” programmes — <http://www.straitstimes.com/singapore/manpower/new-scheme-to-help-stay-at-home-mums-relaunch-their-careers>

Best practice for retention

For organisations

- *Review the exit interview process to clarify why women leave the organisation*
 - *Track and report the gender mix by grade, of external hiring, attrition and promotions, to understand where the retention risk lies*
 - *Involve middle management in policy decisions and D&I discussions with senior management to ensure buy-in and to foster a culture of inclusiveness*
 - *Create strategic networking opportunities to open up otherwise private networks*
 - *Design sponsorship opportunities/programmes (not just mentoring programmes) for women and educate employees on the distinction and the need for a greater focus on sponsorship for women*
 - *Provide visible role models and share the success stories of senior women at the top that can act as inspirational role models within the organisation. 79% of women generally agree that strong female role models would have a positive impact on workplace diversity*
- *Step up retention by recognising performance over presence*
 - *Engage male gender diversity champions and/or encourage Male Allies networks*
 - *Implement corporate maternity and paternity leave policies in line with international standards*
 - *Celebrate men who bear a greater share of responsibilities at home, including supporting them through better paternity leave options*
 - *Provide unconscious bias and other leadership and inclusion training to middle management to change the culture throughout the organisation*
 - *Review the assignment of high-visibility projects to ensure that opportunities are being fairly assigned to both women and men and, in particular, that no unconscious bias is being applied to, for example, women returning to work after maternity leave*
 - *Create an executive committee responsible for talent pipeline strategy*
 - *Review the effectiveness of implemented flexible working policies (see below for best practice)*
-

For the industry

- *Mentoring programmes should be open to all employees – not just the high performers. Often the employees recognised as high performers are less likely to be the ones struggling to develop professionally/personally within an organisation. The industry players should collaborate across organisations to run mentoring programmes that provide opportunities for mentoring outside direct reporting lines/the same organisation in order to create more opportunities for all employees*
-

4.4 Policies around flexible working arrangements

Policies around flexible working arrangements should also be prioritised to ensure that they enable and attract a broader workforce to stay within the organisation. At a minimum, policies should be put in place to enable and empower employees to ask for flexible working. Beyond that, there should be a cultural and mind-set change in order to remove any stigma associated with their use and to facilitate their adoption.



Best practice for flexible working arrangements

For organisations

- *Identify and establish different flexible working policies that suit the organisation's operations, e.g. working from home, part-time work, paid leave, etc.*
- *Communicate clearly what flexible working arrangements are available to employees and what they look like*
- *Employers should enable employees to adopt flexible working policies, e.g. through technology-enabled solutions*
- *Combat the stigma around using flexible working arrangements and communicate what, if any, impact these may have on evaluations, promotions, etc. to validate that they do not disadvantage employees*
- *Showcase successes, e.g. female and male leaders who work part-time*
- *Lead by example and demonstrate that it works – leaders should be encouraged to adopt flex arrangements or even to run compulsory trial periods to help shift the mind-set. For instance, organisations can mandate that all employees must work from home for a given period, e.g. one day a month for a 6-month term*

For the industry

- *Share best practice – through forums, industry events or cross-industry common interest groups*

For the Hong Kong government

- *Provide more support for family responsibilities for both women and men – e.g. childcare and elderly care options*
 - *Provide guidance on and implement breastfeeding-friendly workplace policies*
 - *Provide enhanced social support, services and resources, including childcare and elderly care⁵¹*
 - *Review international standards to set a benchmark for where Hong Kong should be in order to be competitive and attract talent, and then lead by example*
-

51. The 2018 Policy Address pledged that the Labour and Welfare Bureau (LWB) will implement additional measures and resources to strengthen the integrity of family policies

4.5 Reporting and Accountability

In order to drive change, a greater focus is being put on organisations to identify internal targets and publicly report on progress against them. Public reporting is not without its challenges but is an important step towards informing the diversity debate and starting the conversation. Challenges will also be around how to make this work effectively and practically for organisations operating specifically in Hong Kong.

Establishing targets for senior level female representation and efforts to create a culture of diversity are necessary to drive D&I. Goals can be designed by and driven at a team level rather than the whole organisation to better fit different contexts and to better engage middle management. Accountability can be internal or public, and can also be designed to a specific peer group.

Best practice for reporting and accountability

For organisations

On diversity targets

- *Identify the workforce profile (including, for example, the representation of women at different levels) and the timeframe that you are targeting*
 - *Understand how diversity metrics can be, and are already, reported within the organisation (can they be reviewed at the Hong Kong level or regional level, and are they already reported at the global level?)*
 - *Leverage the businesses' processes and protocols to review performance against business targets to consider how D&I targets can also be measured, monitored and made accountable*
 - *Identify who will be accountable for diversity within the organisation – should this be driven by department, bottom-up or from the central leadership?*
 - *Understand the KPIs and pay-linked incentives to drive accountability*
 - *Formulate and disclose diversity policies and targets as part of corporate governance. Performance against targets should also be published, along with reasons where targets are not met*
-

Specifically on pay

- *Recognise and understand the different factors that may influence pay equality, ensuring that there is a clear communication of what is being measured*
- *Transparency around compensation and benefits for each pay grade should be complied with. Salary differences in comparable positions (and adjusted for age/years of experience) should be made transparent*
- *To build trust, third parties can be contracted to undertake and provide certification on pay disparity reviews, to validate the process and findings⁵²*

For the industry

- *Industry and common interest groups should consider building accountability through peer group commitments and reporting — these can be both at the organisational level and the individual level⁵³*

For the Hong Kong government

- *Mandate that listed and large MNCs measure and report on initiatives to create transparency around their people strategy and set diversity and inclusion targets⁵⁴*
 - *Consider the impact of disclosures on a “comply or explain” basis against an enforced rule approach with penal or other consequences*
 - *Transparency in pay should be mandated and guidance provided on how this should be measured — including whether pay is reviewed from the perspective of the gender pay gap or gender parity on pay⁵⁵*
 - *Utilise Hong Kong’s Gender Focal Point network of listed companies to drive change through reporting and accountability⁵⁶*
-

52. The Equal Salary foundation (Switzerland) has developed a robust methodology for objective pay analysis and a certification system for verifying the fairness of pay between men and women in organisations (<http://www.equalsalary.org/en/about-equal-salary/about-equal-salary/>).

53. Male Allies currently apply organisational and individual member targets

54. In order to increase awareness and improve pay equality, the UK government introduced compulsory reporting of the gender pay gap for organisations with 250 or more employees by April 2018 (<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/understandingthegenderpaygapintheuk/2018-01-17>).

55. In 2018, the government of Iceland mandated equal pay policies and made pay disparity illegal: <http://fortune.com/2018/01/02/illegal-to-pay-men-more-than-women-iceland/> — as of 1 January 2018, companies with 25 or more employees must demonstrate that they provide equal pay.

56. The Gender Focal Point was set up in late 2016 as a HK Government led initiative to work with director (or equivalent) level leadership within listed groups to help raise awareness and understanding of gender-related issues and promote gender sensitivity concept in the daily work of their staff

4.6 Conclusion

In order to improve the representation of women in senior leadership positions in Hong Kong, several implications for workplaces and the government have emerged. There are barriers being faced by economically active women in the labour market from recruitment and retention, to career progression and compensation. These barriers eventually hamper organisations and societies. In order to press for progress, they need to be lowered by government mandates/policies that level the playing field for women.



A number of studies have demonstrated, and even quantified, the economic costs of gender inequality. As this research has shown, women's economic contribution to organisations and economies is critical to progress and there is an urgency to move from conversations to concerted action. However, to have a transformational perspective and to genuinely close the gender gap, the mind-sets of leadership have to change. This requires a long term commitment to first acknowledge the obstacles and then to actively address them.

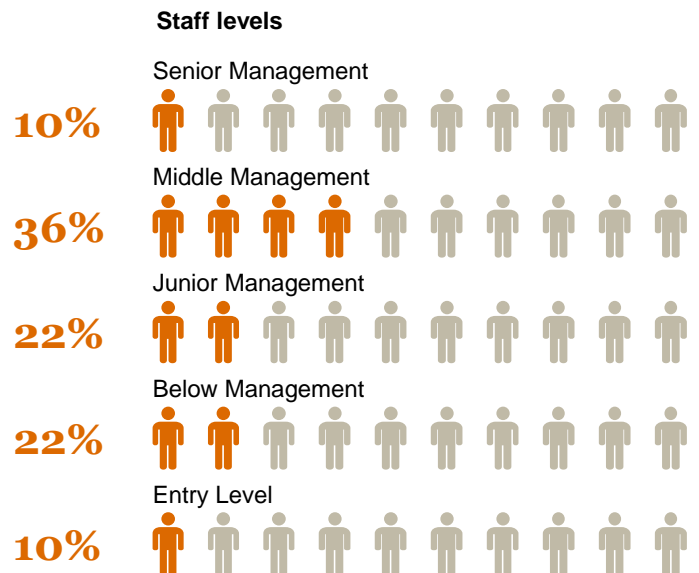
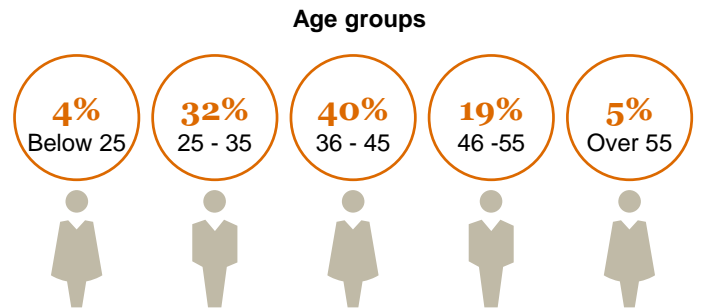
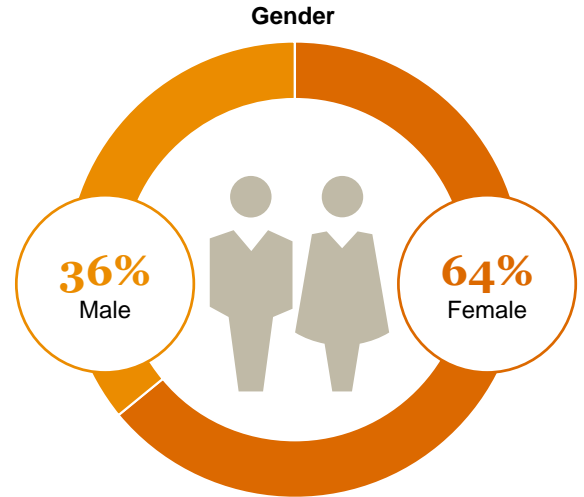
5. Research Methodology

The D&I survey had three components: employee survey, institutional survey and qualitative interviews. In the employee survey we collected data from 1,430 employees at 13 financial institutions. In the institutional survey, the respondents were mainly HR and D&I professionals from 15 institutions. In the qualitative sample, insights were collected from 26 interviewees.

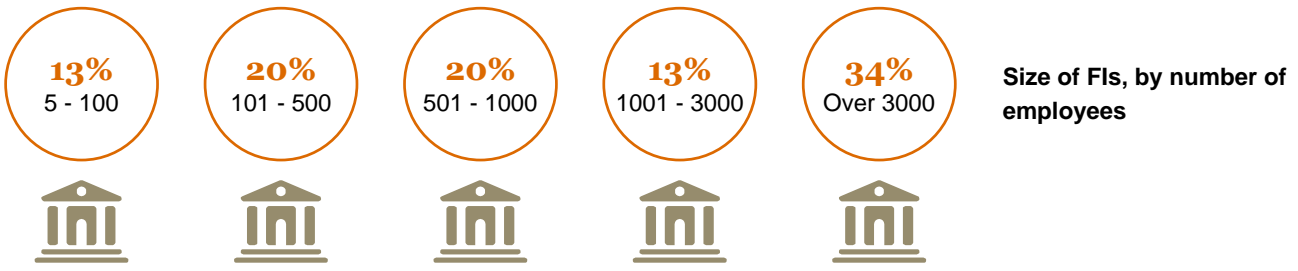
According to the sample composition of the surveyed group, the proportion of females in all Hong Kong organisations is 52%, with varying female participation across different sub-groups. 34% hold senior-level positions; 21% serve on the board of directors; 34% serve on the executive committee; 52% re newly-hired entry level employees; 47% are newly-hired experienced employees; 39% perform external client facing/P&L driving roles in Hong Kong; and 56% perform internally facing functional roles (HR, communications, legal, compliance, etc.) in Hong Kong.

Employee Survey

Total population: 1,430 employees from 13 financial institutions



Institutional Survey



FI Headquarter Location



Interviewees



In Hong Kong, we conducted 26 interviews with 14 Financial Institutions for qualitative insights to supplement the survey data. There was an even split between human resources/diversity & inclusion leads (50%) and Chief Executives (50%).

6. Data limitations and implications

The survey of 15 FS organisations was designed to research gender preconceptions. Due to the small sample size, caution should be exercised in interpreting the results. It is intended to facilitate discussions as to whether the collection of additional data is warranted in order to establish more representative findings and where this broader data should be gathered in order to establish a more robust data set.

7. Contributors

WCE HK

Women Chief Executives Hong Kong (WCE HK) is a group of female financial services leaders who are committed to achieving greater gender balance in, and developing the female talent pipeline for, the financial services industry in Hong Kong. WCE HK come from some of the biggest financial services institutions with a presence in Hong Kong, including those that participated in the survey.

TWF

Established in 2004, The Women's Foundation (TWF) is a non-profit organisation dedicated to improving the lives of women and girls in Hong Kong. TWF meets its goals through ground-breaking research, innovative and impactful community programmes, and education and advocacy. As part of their goals, they support the development of the pipeline of female talent in Hong Kong for executive and non-executive roles through a variety of programmes: TWF's signature Mentoring Programme for Women Leaders, the 30% Club Hong Kong, Women on Boards and Male Allies as well as Best Practice resources for organisations to better cascade gender diversity.

PwC

At PwC, we believe our diversity and inclusion footprint allows us to bring a fresh perspective to our work, our people and our communities. Our diversity and inclusion strategy focuses on three key areas: attracting and developing a diverse workforce, encouraging a respectful workplace that values differences and being a catalyst for change in the marketplace.

8. Acknowledgements

We thank all the participants that contributed to this report. In particular the WCE HK group for leading the charge as role models within their organisations and setting the stage for the industry, TWF for their continued efforts to educate and influence action in order to promote the equality of women and girls in Hong Kong, and the PwC volunteers for their contributions to this report.

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Appendix



Appendix

Major family-friendly employment policies in selected places in Asia⁵⁷

	Hong Kong	Singapore	South Korea	Taiwan	Japan	Mainland China
1. Maternity leave for mothers	• 98 days, with pay at 80% of the monthly earnings for the whole period.	• 112 days, with full-pay for the whole period.	• 90 days, with full-pay for the whole period.	• 56 days, with full-pay for the whole period.	• 98 days, with two-thirds of the monthly earnings for the whole period.	• 98 days at full pay
2. Paternity leave for fathers	• 5 days, with pay at 80% of daily salary.	• 14 days, with full-pay for the whole period.	• 5 days, with full-pay for only three days.	• 5 days, with full-pay for the whole period.	• No.	• No. ⁵⁸
3. Parental leave for fathers and mothers	• No.	• One week for father with child under the age of 12 months, sharing from the mother's 16-week maternity leave.	• One year for each parent with child under the age of eight, with pay at 40% of the monthly earnings for the whole period.	• Two years for both parents with child under the age of three, with pay at 60% of the monthly earnings for up to 6 months.	• One year for both parents with child under the age of 12 months, pay at 67% of the monthly earnings for 6 months and 50% for another 6 months.	• No.
4. Other childcare related leave	• No.	• 6 paid days per year for child under the age of seven. • 6 unpaid days per year for child under the age of two.	• No.	• 7 paid days per year under family care leave.	• 5 unpaid days per year for preschool child.	• No.

57. Fact Sheet: Parental leave and family-friendly employment policies in selected places (FS07/16-17), issued by the Research Office of the Legislative Council Secretariat (Hong Kong), Appendix supplemented with information on Mainland China

58. International Labour Organization, *Maternity and Paternity at work*. 2014.

	Hong Kong	Singapore	South Korea	Taiwan	Japan	Mainland China
5. Statutory right to flexible work arrangements	• No.	• No. ⁵⁹	• Reduction of working hours for caring a child under the age of eight. ⁶⁰	• Reduction of one working hour per day for caring a child under the age of three. ⁶¹	• Exemption from non-schedule work and shorter working hours for caring a child under the age of three.	• No.
6. Statutory provision of nursing break at workplace⁶²	• No.	• No.	• Two 30-minute breaks from work per day, counted as work time for nursing a child under the age of 12 months.	• Two 30-minute breaks per day, counted as work time for nursing a child under the age of two. • Nursing facilities are mandatory for workplace with more than 100 employees.	• Two 60-minute breaks per day, counted as working time.	• Yes, for one year after the child is born, female employees are given a one-hour (paid) break each day for breastfeeding. Female employees who bear more than one baby in a single birth are granted an extra one-hour break for each additional baby born. ⁶³

59. In Singapore, companies can apply for a work-life grant from the government to implement flexible work arrangements, including flexi-time, flexi-place and part-time work.

60. The period of working hour reduction for childcare purpose can be at maximum of one year. The working hours after reduction should range within 15 to 30 hours per week.

61. This is only applicable to companies with more than 30 employees.

62. Nursing break refers to the time given to the female employee who needs to express breast milk for nursing her child.

63. Thomson Reuters, Practical Law. Employment and employee benefits in China: overview. 2017.

PwC Diversity and Inclusion Thought Leadership — Financial Services

Diversity and Inclusion



Making diversity a reality

Supporting diversity and inclusion at all stages of the employee lifecycle

Diversity in all its forms — from gender, generation, ethnicity, sexuality and disability to people with a broader range of skills, experiences and industry backgrounds — is a vital element of the changing talent focus within FS. There is a lot that organisations can do to ensure that diversity is embedded into the culture.



Opening up on Diversity — managing the reputational risks

Making an impact on external perceptions and getting to grips with the risks

An organisation's record on diversity and inclusion is now a key, though often under-managed, source of reputational risk. It comes to play an increasingly powerful role in shaping stakeholder perceptions, and the spotlight of new gender pay reporting will force diversity further up the risk register.



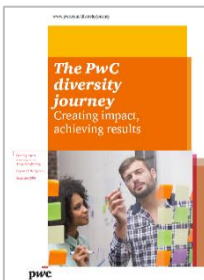
PwC's D&I story



PwC Diversity Journey

Creating impact, achieving results, doing the right thing

An insight into how PwC is a driving force in the area of diversity and inclusion focusing on all aspects of our journey, from senior leadership roles to the awareness and education at all levels of the firm. The report shows both successes and the learnings made on the journey so far.



Diversity within the wider HR context



20th Annual Global CEO Survey — FS Talent

Key findings in Financial Services

Technology, regulation and changing customer expectations are challenging traditional business models within financial services. And with this comes a whole new set of skills and organisational demands. Bringing people strategies up to speed with disruption and change is an opportunity to innovate, differentiate and engage more closely with customers. The risks of falling behind are highlighted by the 72% of FS CEOs who see the limited availability of skills as a threat to growth.



20th Annual Global CEO Survey

Availability of skills — key concern

1,379 CEOs in 79 countries were interviewed for PwC's 20th Annual Global CEO Survey. The report analyses the views of CEOs, including the business challenges and skills to drive growth.



The power to perform: Human Capital 2020 and beyond

Getting the HR priorities right

In the face of political upheaval, fast-shifting customer expectations, and technological and regulatory disruption, the question is no longer whether financial services is being transformed, but how quickly how to keep pace and to deliver strong business result in this new environment. Diversity is a key part of this.



Work-life 3.0

Offering value to diverse groups of employees

The structure of a company is imperative in order to keep staff both happy and committed to the firms long term goals. With different subgroups of workers all wanting different things from an employer, are you offering enough in order to make these groups feel like they are better off where they are?



Women and International Mobility

Aligning diversity and international mobility

International mobility and opportunities to work abroad are key for female millennials when choosing an employer, yet biases persist and women still face barriers. This report discusses what women would like to achieve, the common misconceptions and what companies can do to make mobility more inclusive.



Gender balance



Gaining an edge in the competition for talent

Inclusive recruitment in FS Survey

The mounting skills gaps within (FS) are spurring a rethink of how talent is sourced and selected. In this report, we explore employees' and employers' perspectives on how far the financial services industry has come in making recruitment more inclusive and what more could be done to accelerate progress.



Gender Pay Gap Reporting

Market study — February 2017

We recently ran a gender pay gap survey, receiving responses from over 130 companies. This survey covered how companies are planning to report their gender pay gap, actions they are taking to address it and initial analysis on what the gap is.



Female millennials in financial services

A new era of talent

Organisations the world over are currently facing the challenges that come with vast numbers of millennial talent entering and reshaping the workforce. In parallel, they are also challenged with a lack of women in leadership positions.



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