ASIFMA–Egon Zehnder Diagnostic
2021 Diversity and Inclusion Ambitions and Practices in APAC
Background and Purpose of this Project

The ASIFMA Board and Diversity Working Group have been discussing ways to increase diversity in the industry. Egon Zehnder was delighted to be asked to work with ASIFMA to deliver a Diversity & Inclusion (D&I) baseline diagnostic for its members across the region.

**Set the D&I ambition**
or the industry by defining strategic priorities, targets, and aspirations as well as identifying opportunities for greater collaboration and how ASIFMA can support its members.

**Gather and distribute best practices**
of activities driving the D&I agenda in the industry. Sharing examples and solutions that have had the biggest impact so far.

**Benchmark**
the current state of play in D&I in the industry: areas where members have made greatest progress and areas that are proving the most challenging.

**Enable actionable outcomes**
at an individual and collective level, such as Industry Pledges or D&I roadmaps to mobilize the collective problem-solving ability within the capital markets industry in the region.
Scope and Contents of the D&I Survey

The D&I baseline diagnostic was:

- **Multi-Dimensional**
  - Looks beyond gender to explore other aspects of diversity

- **Multi-Geography**
  - Covers global, regional, and market activity

- **Comprehensive**
  - Looks at policies, targets, metrics, initiatives and future ambitions

- **Confidential**
  - Responses are anonymous (apart from pre-agreed best practice examples)

### Section

- **Overview & profile**
  - Introduction
  - Outline of content
  - Participation consent
  - Responder profile

- **Strategy**
  - Current D&I strategy
  - D&I commitments
  - Priority areas e.g. target diversity groups

- **Leadership**
  - Who leads on D&I and who else is involved
  - Internal organization of D&I activities
  - Communication about D&I
  - Accountability & measuring outcomes

- **Baseline & activities**
  - Diverse workforce – current baseline and processes
  - Inclusive culture – processes and activities
  - Client impact – products or services
  - Social impact – society and community engagement

- **Progress & challenges**
  - Learnings and progress
  - Roadblocks

- **Industry collaboration**
  - Potential for industry-wide action
  - ASIFMA’s role

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The survey was conducted in May-June 2021
The D&I Journeys within the Capital Markets Industry in Asia are mature and well developed

- We received a broad range of submissions from top tier banks and selected asset managers. These responses provided rich information and excellent examples of ways to further drive progress in D&I.

- This report shows a range of D&I strategies adopted by ASIFMA members who have been on the D&I journey already for some time: they have all integrated D&I in their talent strategy, and sometimes even in their broader business strategy.

- The respondent set is slightly skewed towards large, multi-national financial services institutions, who are leading the way on D&I.

- Nevertheless, the examples from the respondents enrich the D&I perspectives for all members, however advanced in their journey.

Respondent companies have total market capitalisation of over USD 645.998 bn and over 246,748 staff based in APAC.

Global headquarters include the USA, Europe, and APAC.
D&I has moved from the HR Agenda to the CEO Agenda

- Inclusion is now part of the corporate value system, and diversity empowers inclusion.
- Having a good D&I strategy is perceived to be critical to win the ‘war for the best talent’.
- D&I importance is further enhanced by the benefits it brings to meeting customer expectations, enhancing external reputation and supporting client service...all of these are reported more frequently by members who are more advanced on their D&I journeys.
- While 20 years ago D&I activities were limited to markets where the topic gained higher place in the social agenda (e.g. the US), now organizations appreciate that the same value systems should apply to all markets, incl. APAC.
- ESG commitments made by many global ASIFMA members are raising the importance of D&I agendas. Also, learnings from D&I journeys are proving very beneficial for ESG progress.

93% said:

“Inclusion is ‘to a large extent’ a stated value for their organization”

93% said:

“The stated objective of our D&I strategy is to attract and retain the best talent wherever they are”
... and yet there is plenty of room to improve

Even the most advanced members see significant additional potential in D&I investments

- Current reality is still far off from self-imposed targets and pledges; even gender diversity is not yet fixed after decades of investments
- The D&I journey consistently starts with gender, followed by LGBTQ+ and people with caring responsibilities
- However, half of the respondents are making only early steps or are yet to take the first step with plans to support an ethnically diverse, disabled or older workforce
- While members feel that the D&I strategies are progressing well internally (building diversity and inclusion inside the organization), the same cannot be said on the external side, i.e., deploying D&I strategies to benefit clients and societies overall

Women in Leadership today and stated goals ...

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<th>Women at MD level today</th>
<th>Target by 2023-2025 at senior level</th>
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<td>14-25%</td>
<td>35-40%</td>
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Progress in D&I programs for ...

<table>
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<th>Women in leadership</th>
<th>LGBTQ+</th>
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<tr>
<td>87%</td>
<td>73%</td>
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<tr>
<th>People with caring responsibilities</th>
<th>Other (generational, ethnic minorities, disabled workforce, religious minorities)</th>
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<tr>
<td>47%</td>
<td>Less than 30%</td>
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Progress in D&I initiatives ...

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<th>Diversity workforce</th>
<th>Inclusive culture</th>
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<tr>
<td>85%</td>
<td>93%</td>
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<table>
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<tr>
<th>Client impact</th>
<th>Social impact</th>
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<td>54%</td>
<td>50%</td>
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The top challenges for D&I progress within in the industry are all linked to social culture that are best tackled collectively. Concerns about sensitivity and confidentiality around data, metrics and measurement can lead to a risk averse approach to D&I. Learning how others have mitigated these risks could help make the case and unblock barriers internally. D&I Best Practices remain under development and it’s not one size fits all. Surveys like this highlight what a good roadmap might look like and facilitates sharing of best practice ideas. The top challenges for D&I progress are linked to social culture that are best tackled collectively. ASIFMA can play a role as a powerful and influential voice to advocate for improved regulatory environments to support career opportunities for under-represented talent pools. The report includes case studies and examples of best practices, highlighting the progress respondents are making in their D&I journey. It identifies which solutions have had the biggest impact so far and will help to facilitate learning amongst ASIFMA members.

- **86% reported** “Cultural pressure for mothers to stay at home”
- **72% reported** “Cultural bias against people with disabilities”
- **72% reported** “Cultural bias against people who identify as LGBTQ+”
- **50% reported** “Diversity perceived as ‘nice to have’, and not ‘must have’”
Key takeaways

It requires leadership

D&I must be a top priority for the C.Suite. The CEO and business leaders need to show real commitment and dedication. This is not a siloed HR issue – it is a business imperative. D&I requires dedicated resources to build and maintain momentum. Find ways to empower colleagues throughout the organization to drive progress.

It is a journey

Organizations often start by focusing on gender, then LGBTQ+, then those with caring responsibilities before targeting other diversity aspects. Most activity starts internally before growing to encompass external factors too. You don’t have to tackle everything at once. It is a journey and not one size fits all.

It can be done

The important thing is to start and to keep going. There will be barriers and challenges, however they can be overcome through collaboration, learning from others, and thinking creatively to identify what works for your organization. Develop a robust strategy and commit to action. This is the time!