



Diversity matters:

Adding colour to boards in APAC

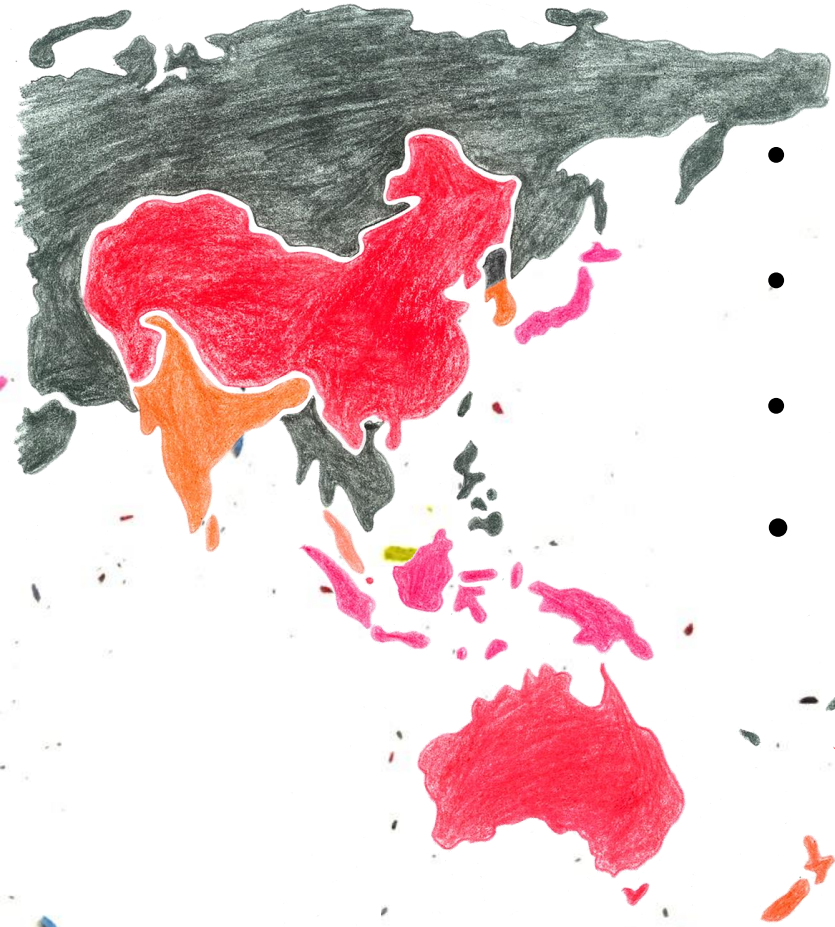
Why Board Diversity Matters

- Global corporate governance **best practice**
- Opportunity to tap broader **talent pool**
- Highlights **correlation** between board diversity and financial performance
- Ensure decisions take into account the interests of **different stakeholders**



About the report

- **10** APAC markets
- **100** top companies per market
- **1000** boards
- Studies age & educational qualifications, but gender diversity **fares poorly** in the region

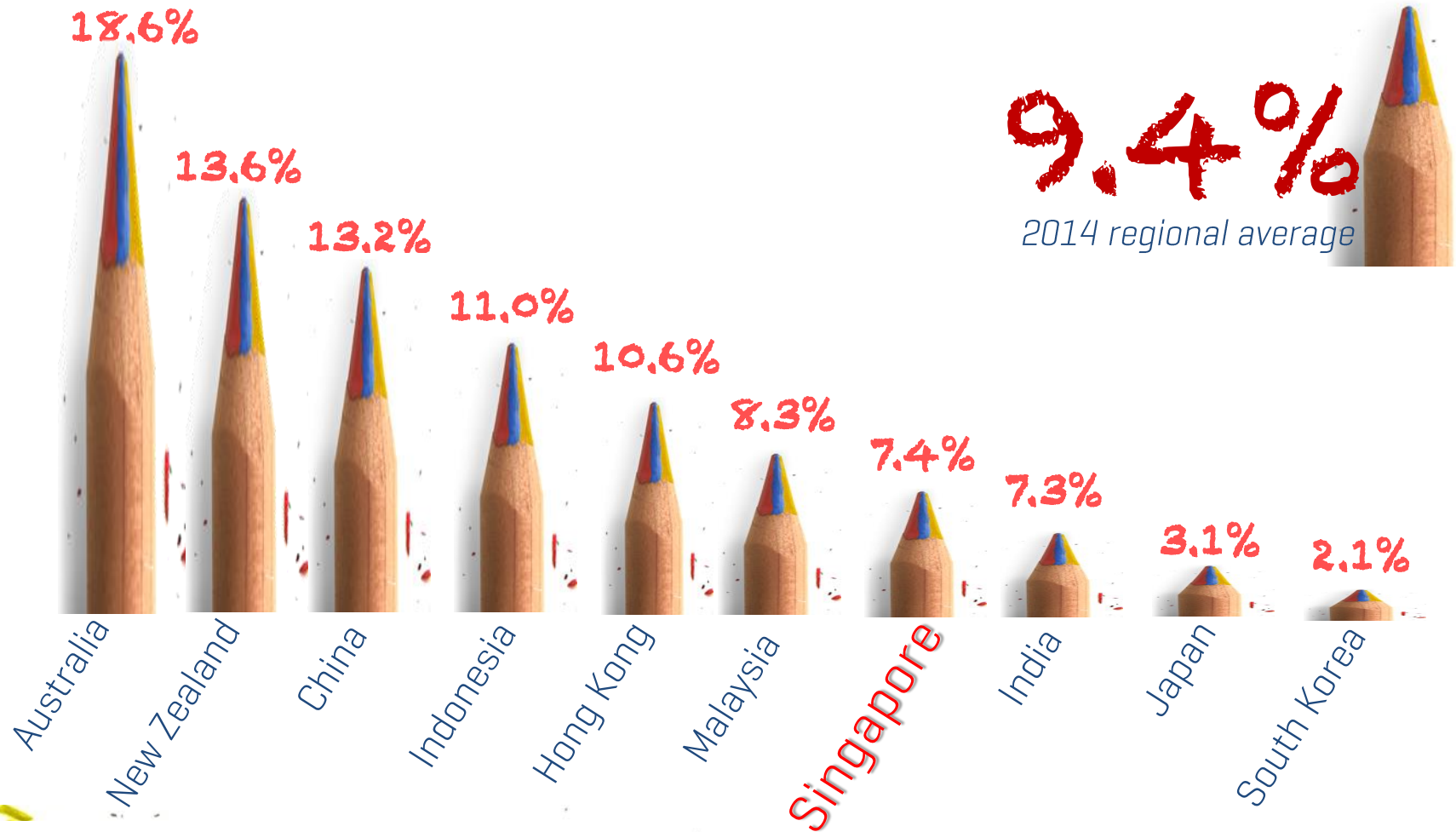


Highlights: ALL- male Boards Dwindling but Dominant

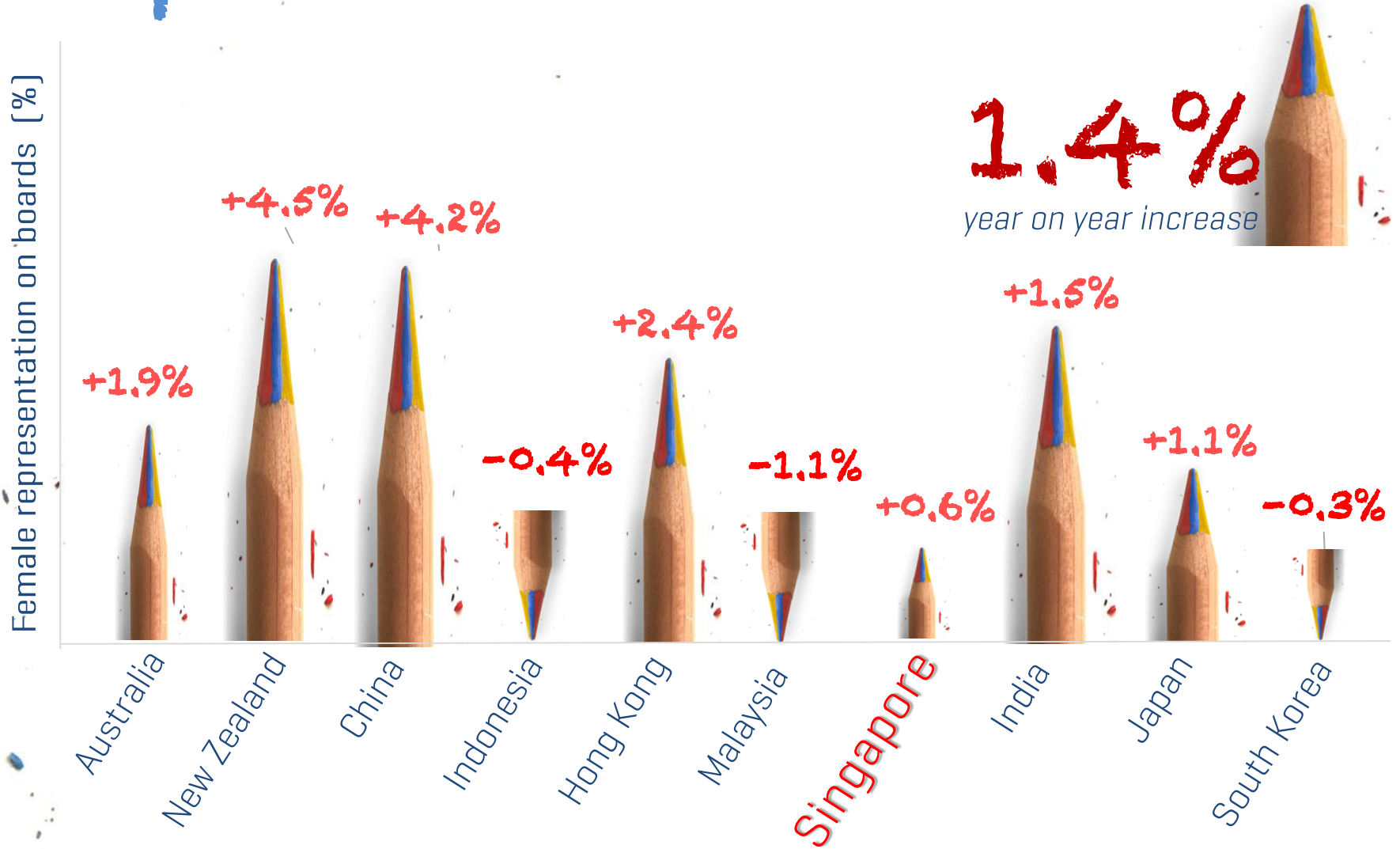
- All-male boards **decreased in 8** countries; Indonesia and South Korea exceptions
- **44.5%** of APAC boards all male
- **Over 50%** of boards in Japan, South Korea, Singapore, Malaysia



Highlights: More Women on Boards



Improvement visible, but slow

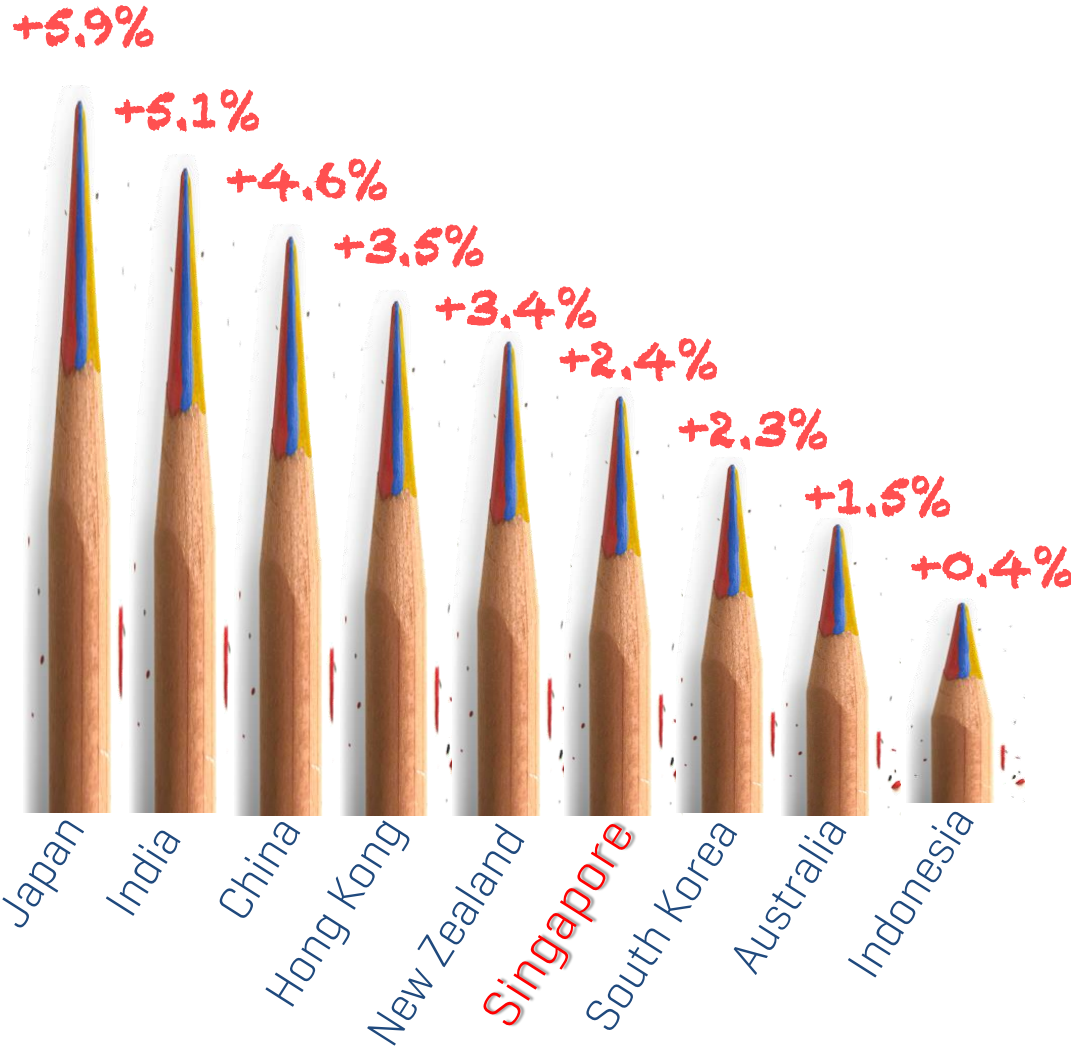


Leadership of Women on Boards

- **3%** female chairs
- **3.3 %** female CEOs
- No female chairs in **India** and **South Korea**
- No female chair or CEO in **Japan**
- **Highest** representation in healthcare [13.6%], **Lowest** in Industrial sector [5.8%]



Diverse Boards Outperform



- **Higher** average Return on Equity (ROE)

Gender diversity associated with higher firm performance

15.4%

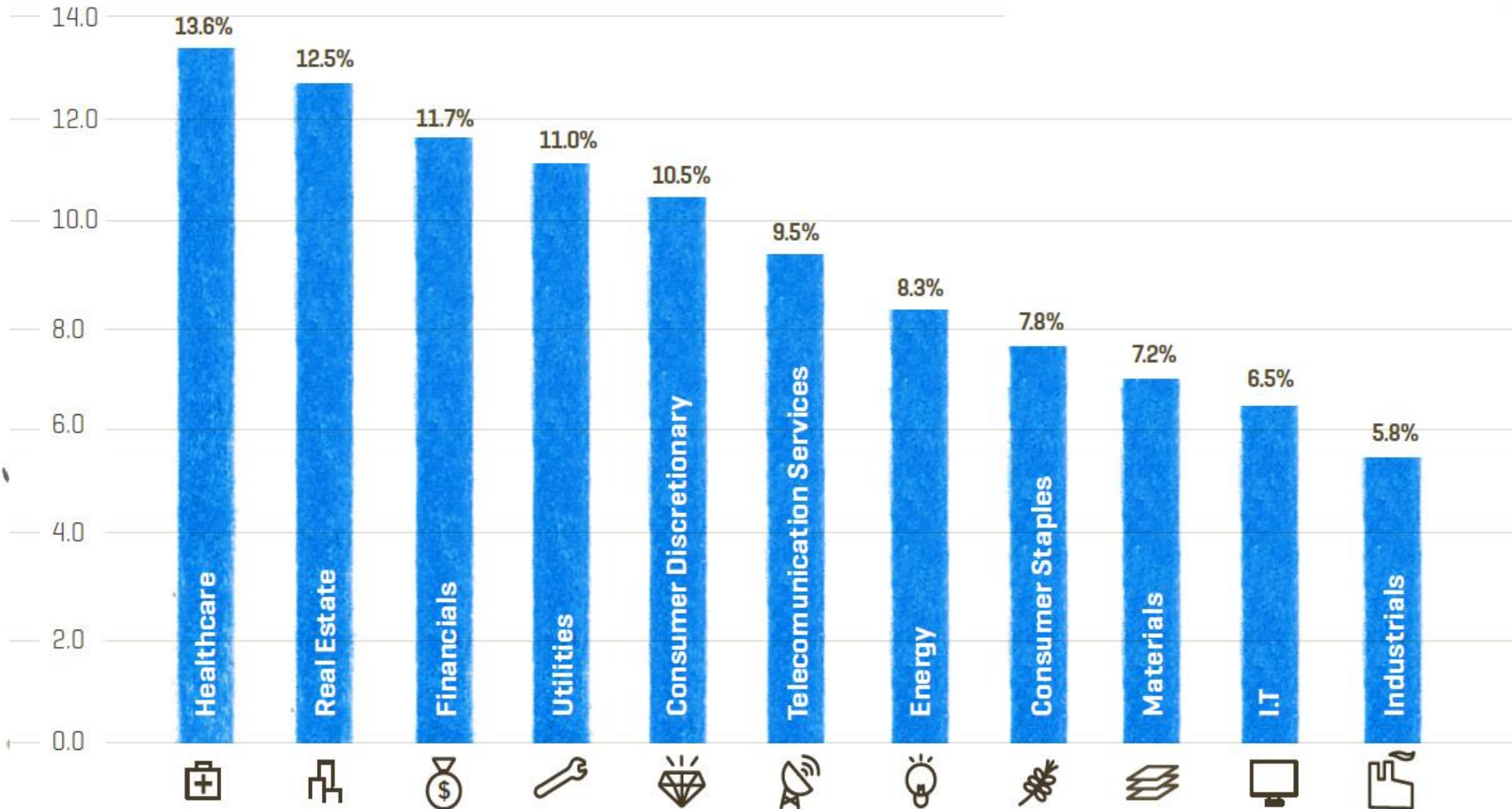
- In **9/10** countries except Malaysia

11.8%

<10% female
≥10% female

Average Return on Equity in Asia Pacific

Gender diversity: Industry

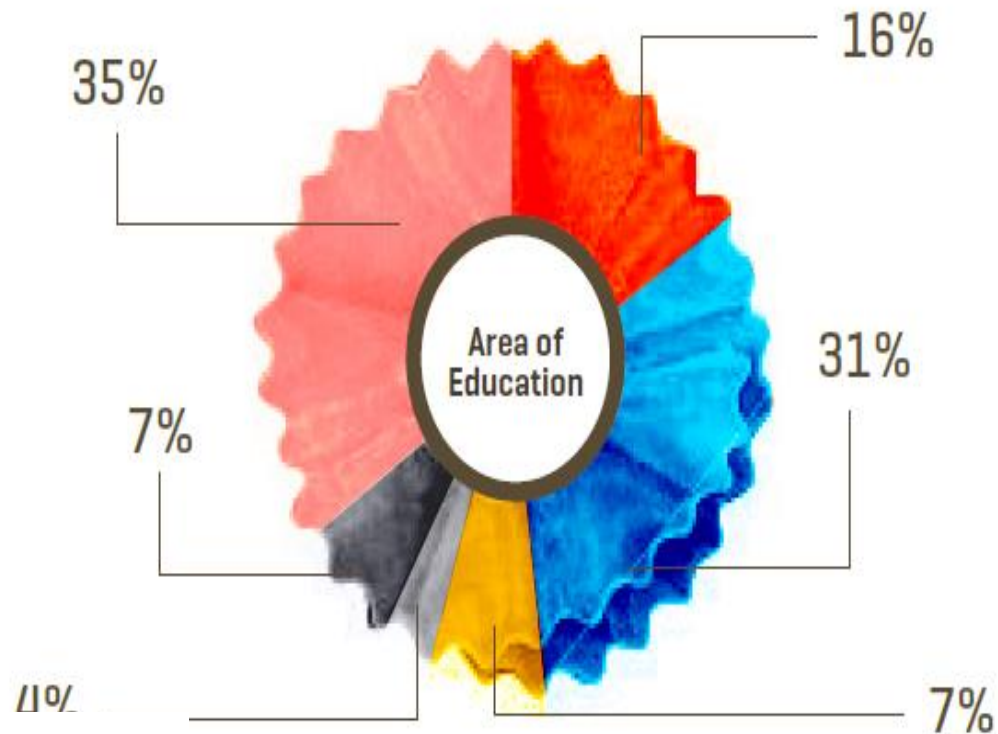




Age diversity

- Hong Kong & Malaysia **most age diverse** [80% with 2 generations]
- Australia, South Korea & Japan **least age diverse** [$\geq 50\%$ with 1 generation only]

Academic Background



Summary of findings

- Gender diversity on APAC boards remains **Low**
- Positive trend: **More** female directors and **fewer** all-male boards
- **Few women** in CEO/Chair roles
- Some improvements **driven by regulation**,
e.g. “*if not – why not*”; targets, quota
- Imperative that companies **act ahead** to avoid lagging behind

What should be done

- Increase awareness of **missed opportunity**
- Change in **mindset**
- Establish corporate governance **best practices**, such as:
 - Set up gender diversity **targets**
 - **Disclose** progress
 - Improve talent **pipeline** to ensure more female candidates are **ready** for board positions
 - Adopt a **transparent** nomination process for directors
- New **government led** policies expected

Australia Stats



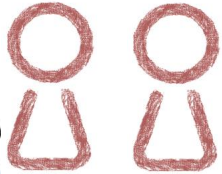
9%

All Male Boards



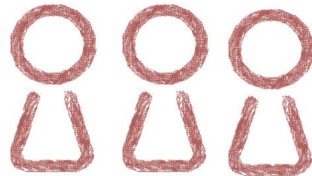
41%

1 Female Director



41%

2 Female Directors

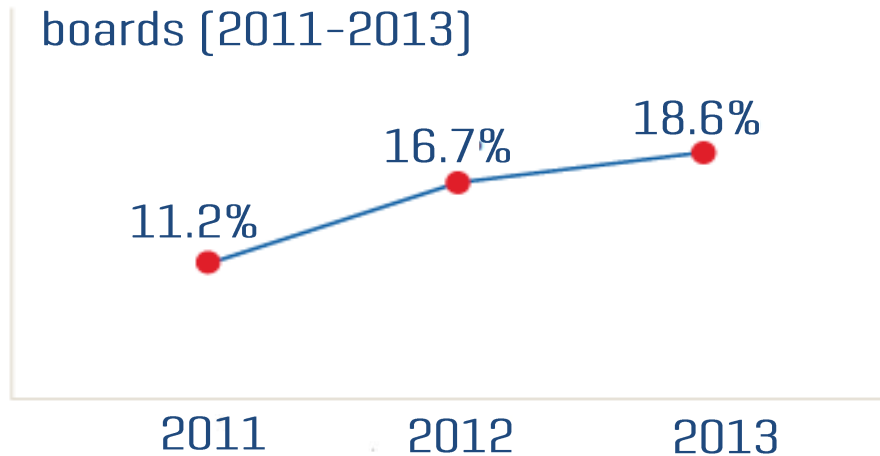


9%

≥3 Female Directors

Female representation on Australia's boards (2011-2013)

Female rep [%]



Gender diversity associated with higher firm performance

14.2%

12.7%



<10% female ≥10% female

Average Return on Equity of firms in Australia

China Stats



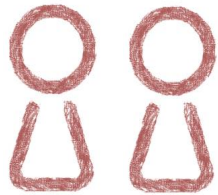
23%

All Male Boards



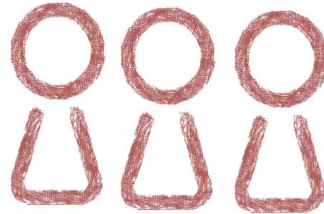
28%

1 Female Director



23%

2 Female Directors



17%

≥3 Female Directors

Gender diversity associated with higher firm performance

18.6%

14.0%



<10% female ≥10% female

Average Return on Equity of firms in China

Female representation on China's boards (2011-2013)



Hong Kong Stats



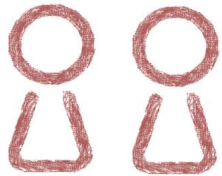
34%

All Male Boards



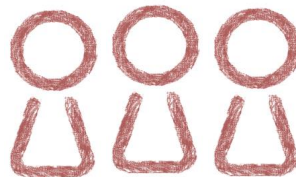
26%

1 Female Director



16%

2 Female Directors



15%

≥3 Female Directors

Gender diversity associated with higher firm performance

Female representation on Hong Kong's boards (2011-2013)



18.8%

15.3%



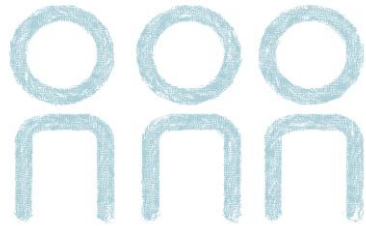
<10% female ≥10% female

Average Return on Equity of firms in Hong Kong



India Stats

Gender diversity associated with higher firm performance



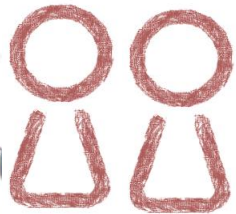
44%

All Male Boards



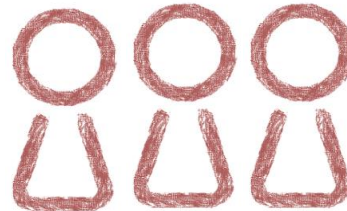
41%

1 Female Director



9%

2 Female Directors



6%

≥3 Female Directors

21.2%

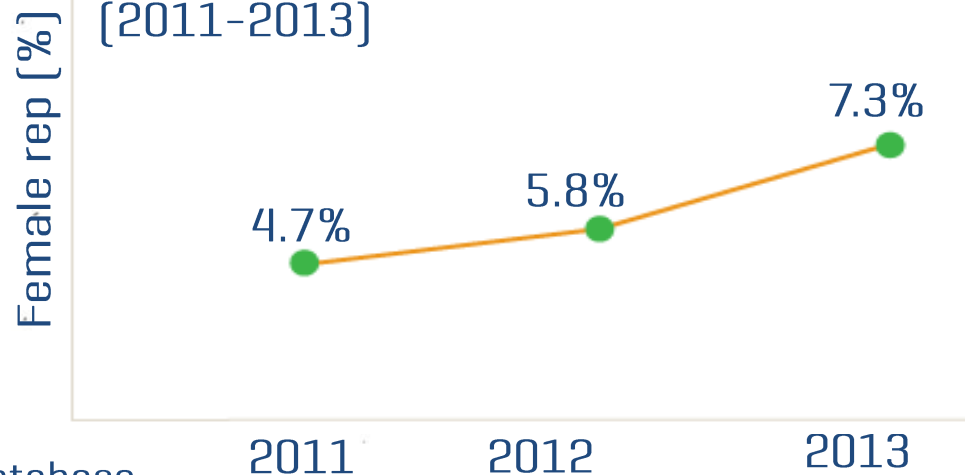
16.1%



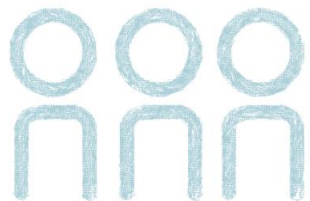
<10% female
≥10% female

Average Return on Equity of firms in India

Female representation on India's boards (2011-2013)



Indonesia Stats



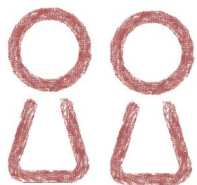
All Male Boards

34%



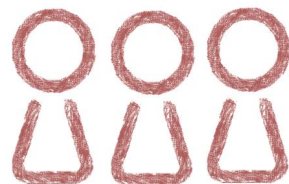
1 Female Director

35%



2 Female Directors

9%



≥3 Female Directors

16%

Gender diversity associated with higher firm performance

16.0%

15.6%



<10% female
≥10% female
Average Return on Equity of firms in Indonesia

Female representation on Indonesia's boards (2011-2013)

Female rep [%]

11.4%

11.0%

2011

2013

Japan Stats



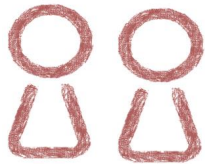
All Male Boards

68%



1 Female Director

28%



2 Female Directors

4%

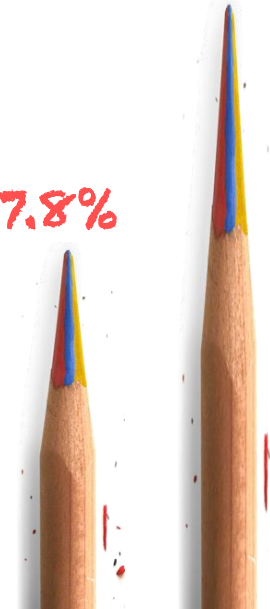
Female representation on Japan's boards (2011-2013)



Gender diversity associated with higher firm performance

13.7%

7.8%



<10% female Average Return on Equity of firms in Japan
≥10% female

Malaysia Stats



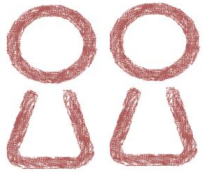
All Male Boards

52%



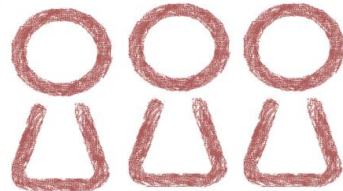
1 Female Director

28%



2 Female Directors

17%



≥3 Female Directors

3%

Gender diversity associated with lower firm performance

17.1%



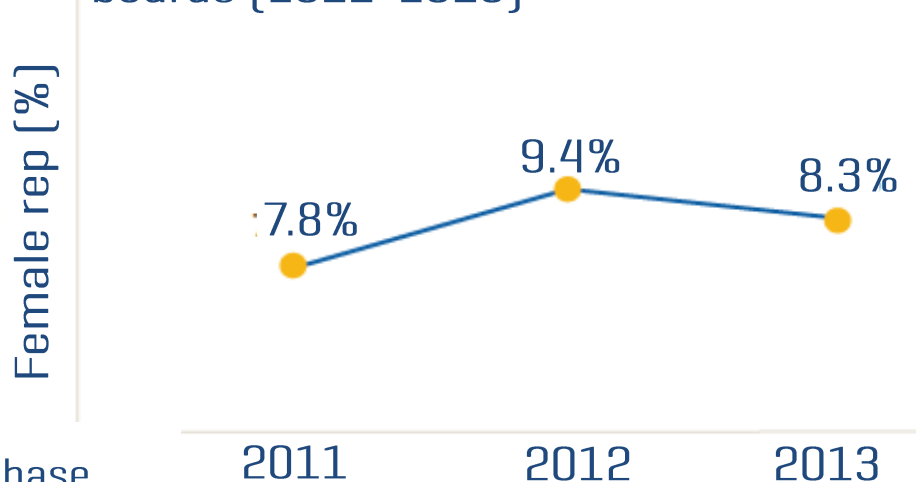
14.8%



<10% female
≥10% female

Average Return on Equity of firms in Malaysia

Female representation on Malaysia's boards (2011-2013)



New Zealand Stats



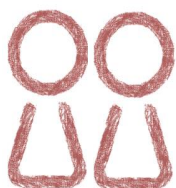
All Male Boards

47%



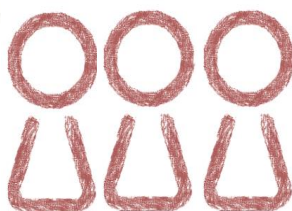
1 Female Director

28%



2 Female Directors

21%



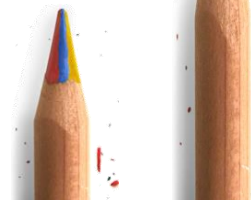
≥3 Female Directors

4%

Gender diversity associated with higher firm performance

9.8%

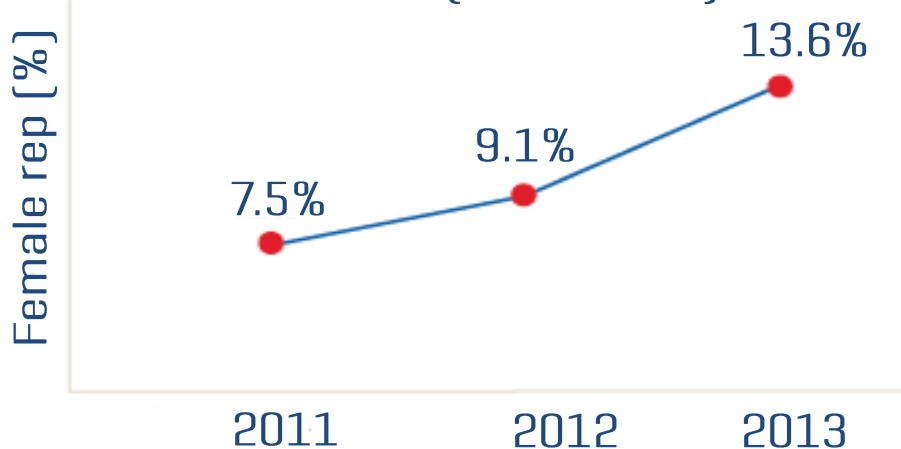
6.4%



<10% female
≥10% female

Average Return on Equity of firms in New Zealand

Female representation on New Zealand's boards (2011-2013)



Singapore Stats



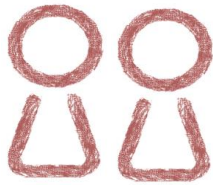
52%

All Male Boards



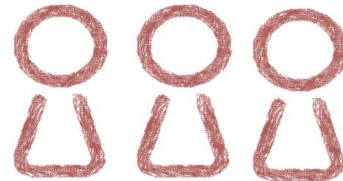
31%

1 Female Director



13%

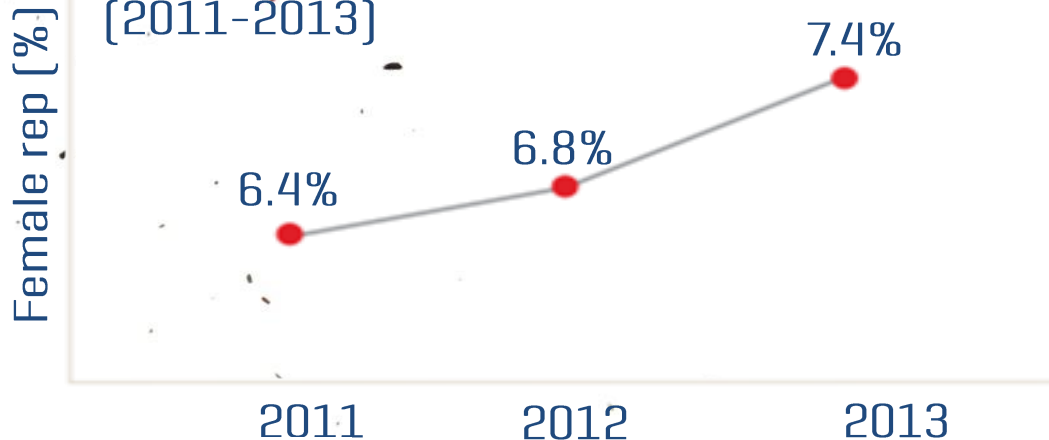
2 Female Directors



4%

≥3 Female Directors

Female representation on Singapore's boards (2011-2013)



Gender diversity associated with higher firm performance

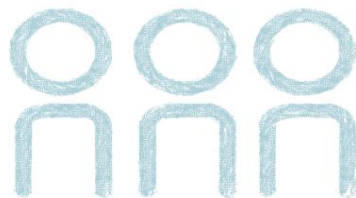
15.5%

13.1%

<10% ≥10%
 female female
 Average Return on Equity of firms in Singapore



South Korea Stats



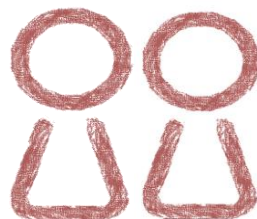
All Male Boards

84%



15%

1 Female Director



1%

≥ 2 Female Directors

Gender diversity associated with higher firm performance

7.4%

5.1%



<10% female



≥10% female
Average Return on Equity of firms in South Korea

Female representation on South Korea's boards (2011-2013)





Diversity matters:

Adding colour to boards in APAC



Centre for Governance, Institutions & Organisations
NUS Business School