

Korn Ferry Diversity Scorecard 2016

Building Diversity

in Asia Pacific Boardrooms



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NUS
National University
of Singapore

Centre for Governance, Institutions & Organisations
NUS Business School

WHY IS BOARD DIVERSITY IMPORTANT?

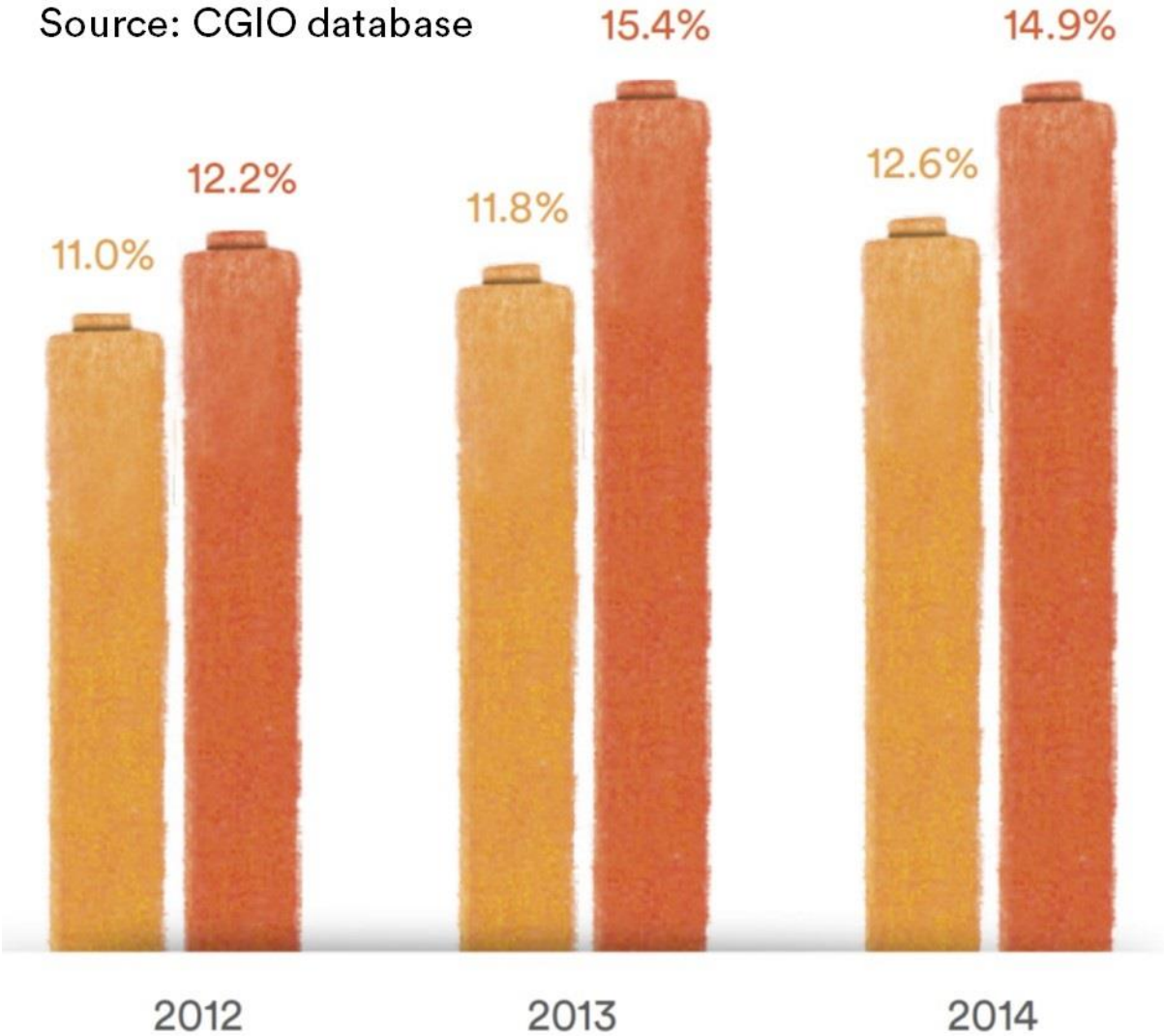
- **Thinking differently** to stay relevant in a VUCA (volatile, uncertain, complex, ambiguous) world
- Associated with better company **profitability**
- Sustainable and **responsible** business
- **Talent** crunch
- Women **power**

DIVERSITY AT A GLANCE

- Companies with more women **more profitable**
- But **minimal improvement** across Asia Pacific
- Needs **a decade to close the gap** with US, UK, EU
- Improvements **in three countries** with regulation
- No government **push** - no gain

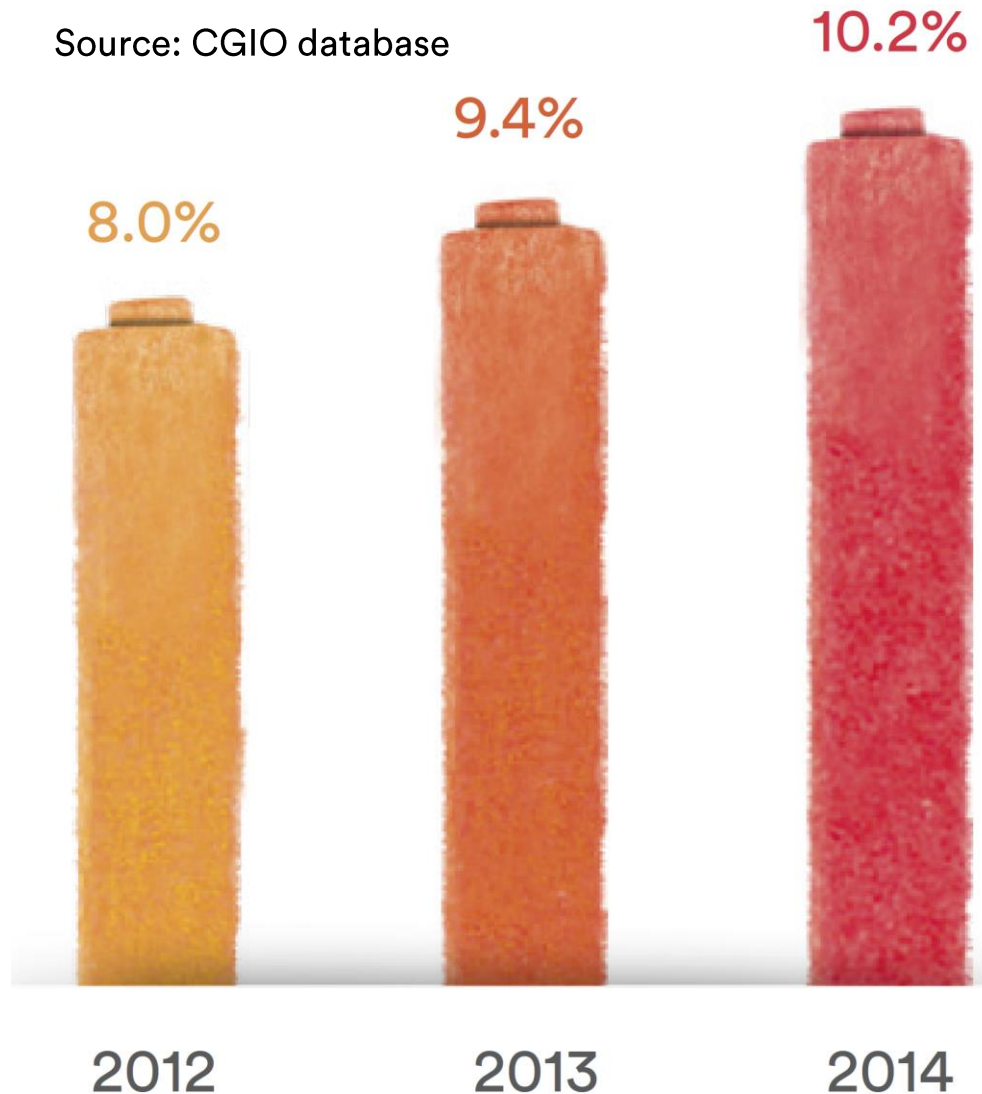
COMPANIES WITH MORE FEMALE DIRECTORS MORE PROFITABLE

Source: CGIO database



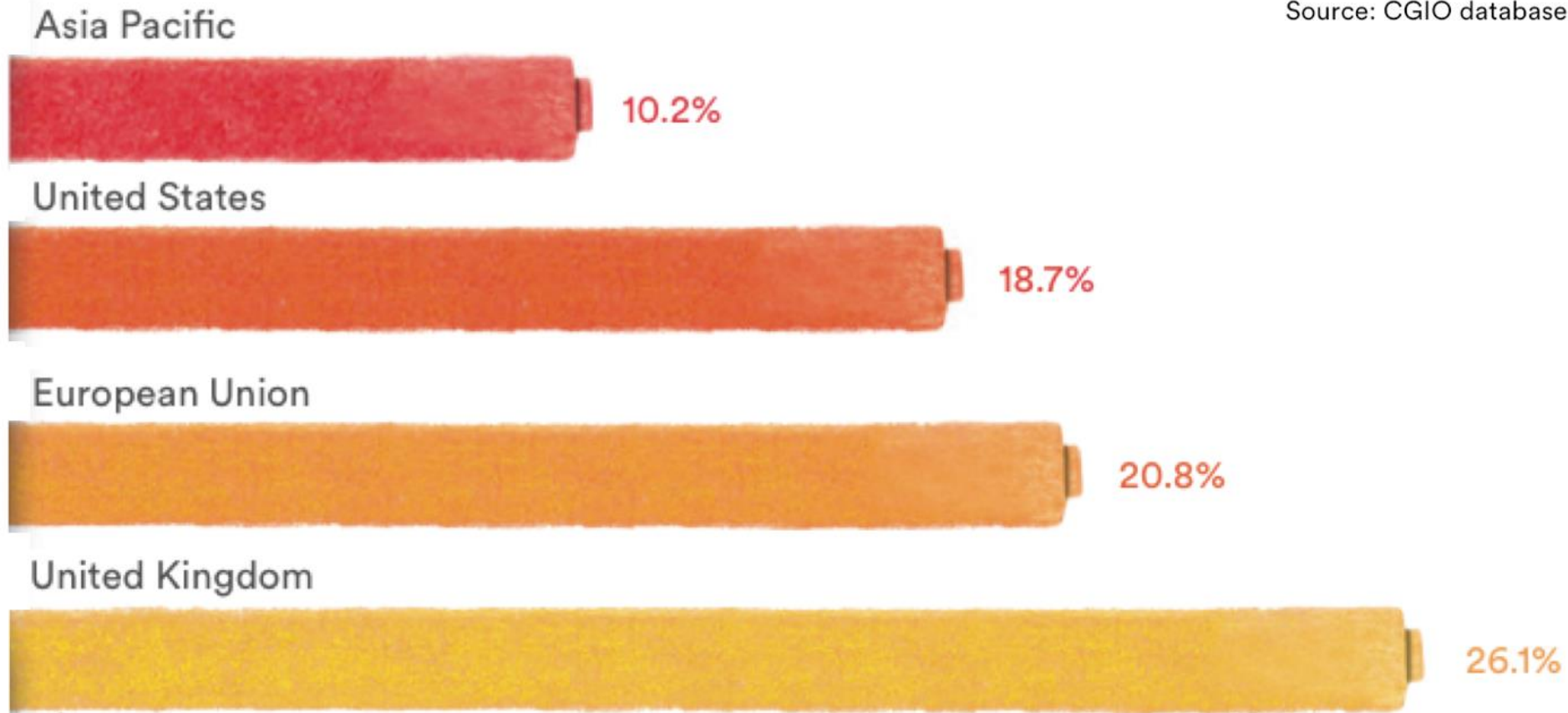
LITTLE INCREASE IN GENDER DIVERSITY ACROSS ASIA PACIFIC

Source: CGIO database

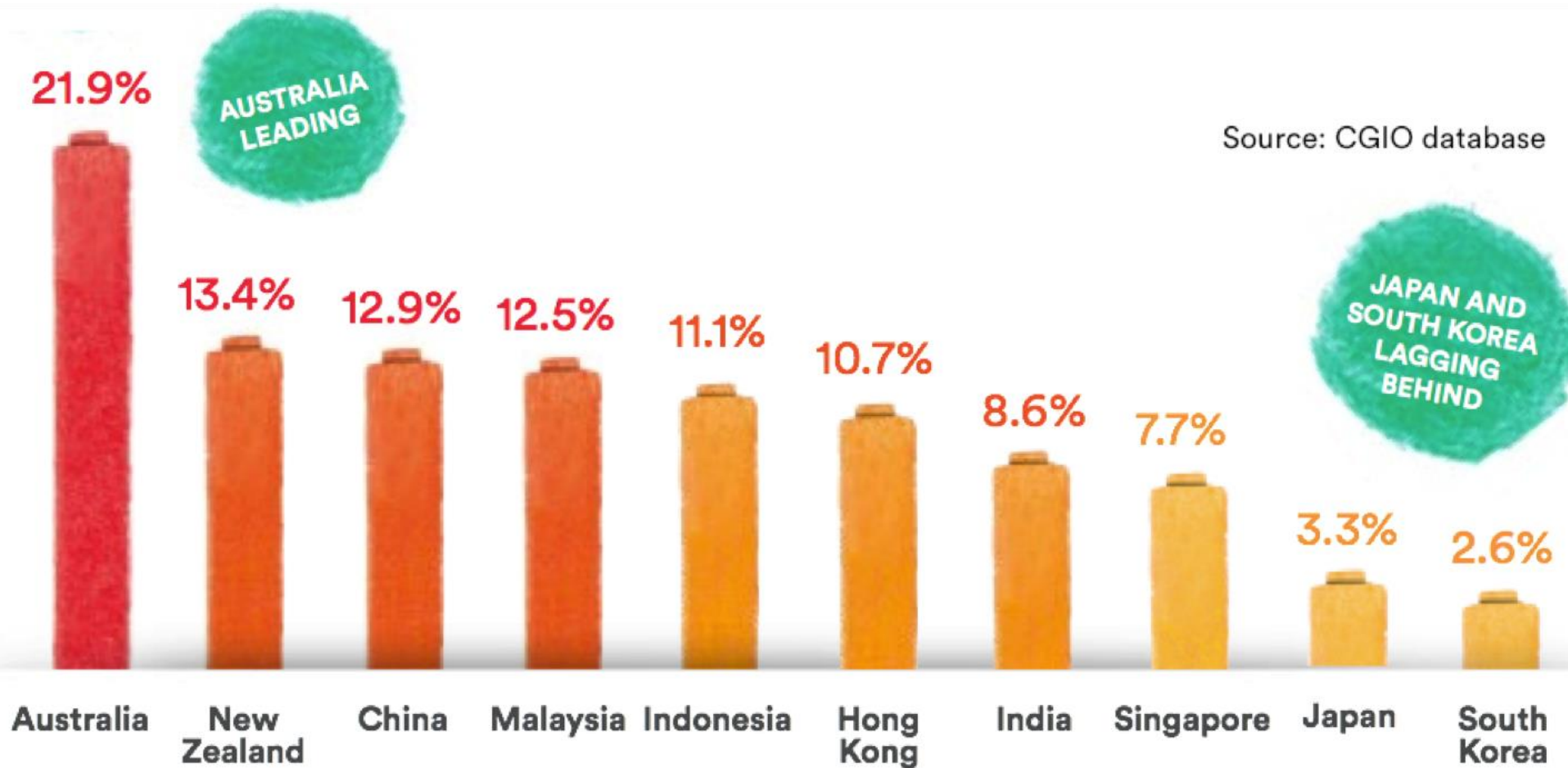


ASIA PACIFIC LAGS FAR BEHIND DEVELOPED ECONOMIES

Source: CGIO database



LARGE DIFFERENCES WITHIN ASIA PACIFIC



PROGRESS IN ONLY A FEW COUNTRIES

- India **+1.3%**: quota of one woman
- Australia **+3.3%**: disclosure rules
- Malaysia **+4.2%**: 30% target



IN CONCLUSION

- Companies with more women **more profitable**
- But **minimal improvement** across Asia Pacific
- Needs **a decade to close the gap** with US, UK, EU at current growth levels
- Improvements **in three countries** with regulation: Australia, India, Malaysia
- No government **push** - no gain



HIGHLIGHTS FROM ASIA PACIFIC MARKETS

AUSTRALIA

Source: CGIO database



Leader in Asia Pacific

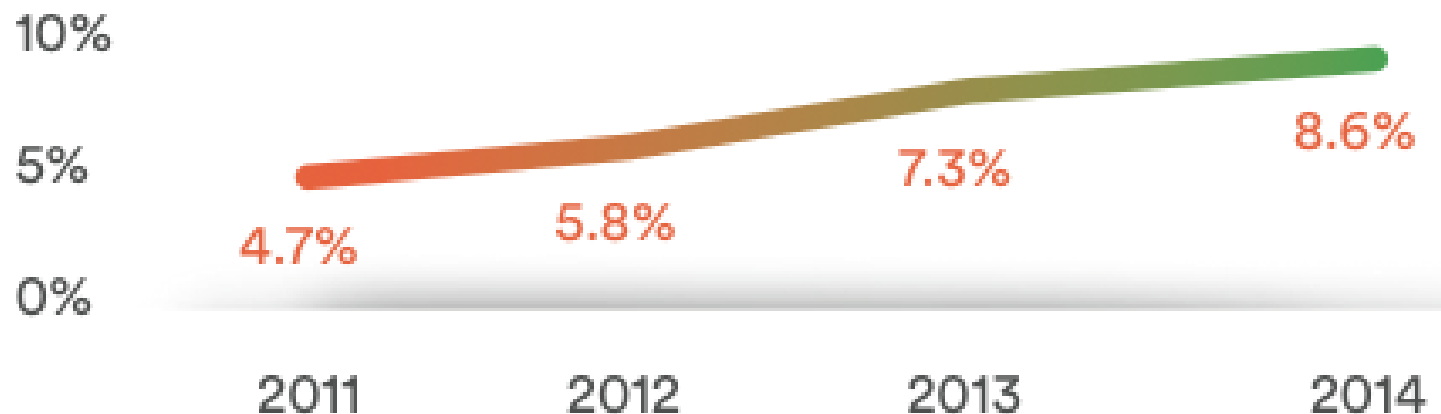
- Push factors: ASX “If not – why not”, 30% club
- Only **seven** all-male boards
- But: just **5%** of chairs and **5%** of CEOs female



INDIA

25% Source: CGIO database

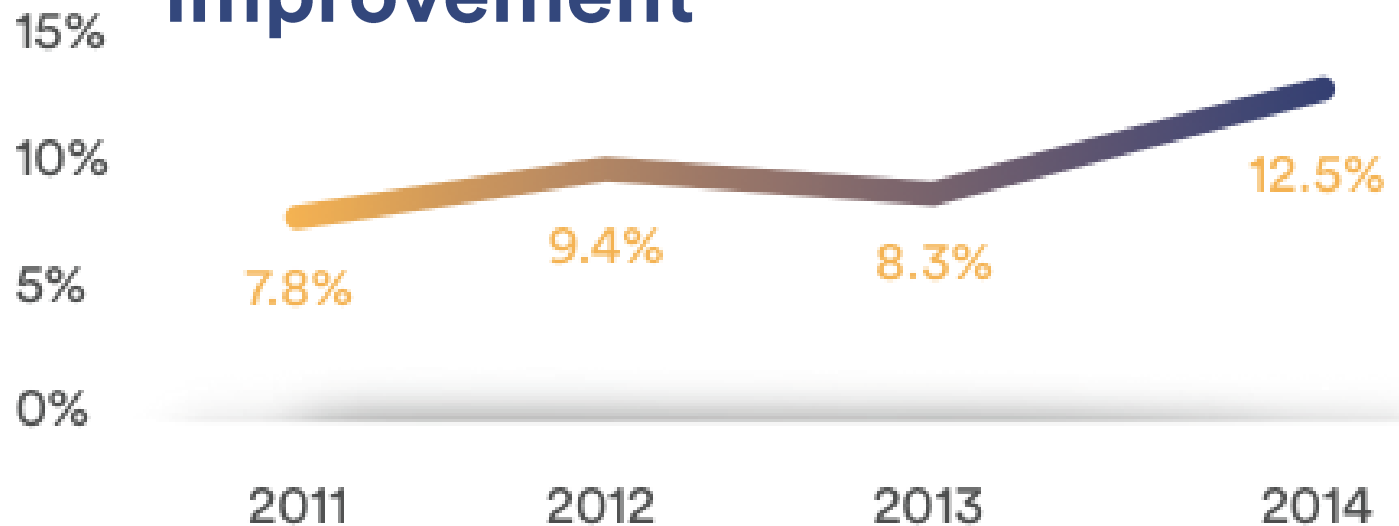
20% **Significant**
15% **improvement**



- Company Act requires **one woman** per board
- All-male boards down from **44%** to **29%**
- **Positive trend** in percentage of independent directors that are women

25% Source: CGIO database

Largest improvement



- Strong government leadership: **Women Directors' Programme** and **30% target**
- Government-linked companies lead the way at **17%**
- Still some way to go to reach the 2016 target of **30%**
- All-male boards dropped from **44%** to **29%**

SINGAPORE

25% Source: CGIO database

20%

15%

10%

5%

0%

**Lagging further behind
regional average**

6.4%

6.8%

7.4%

7.7%

2011

2012

2013

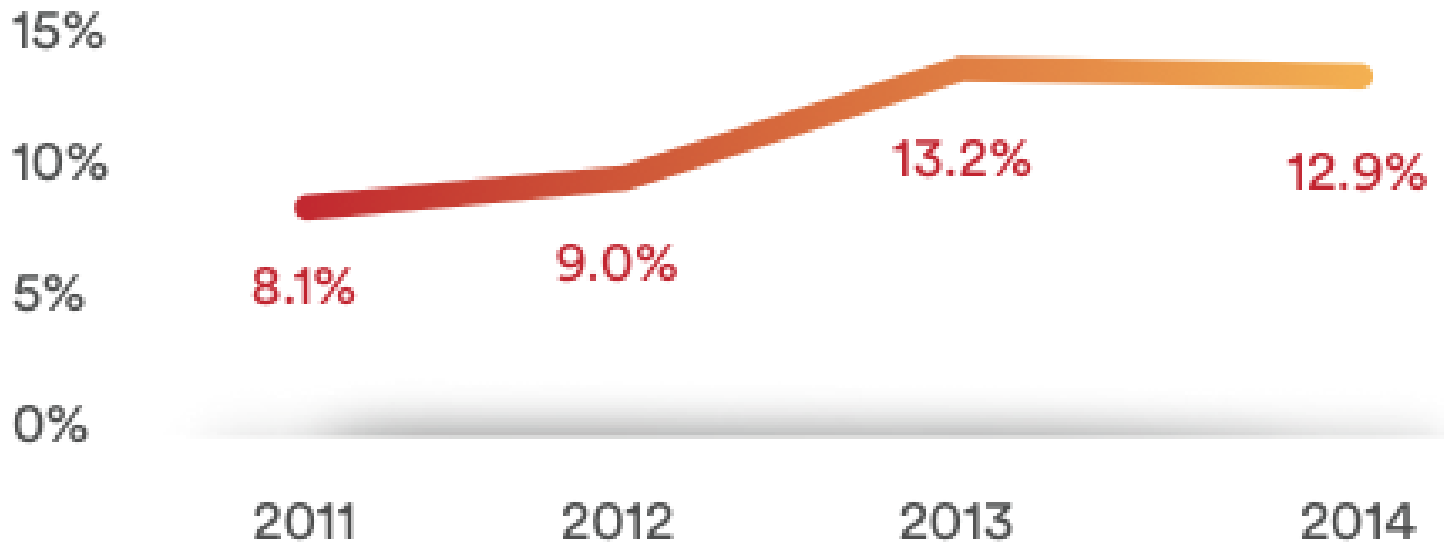
2014

- Ranks **8 out of 10** Asia Pacific countries
- No clear **regulatory push**
- **Longest staying directors** in the region limiting board renewal

CHINA

25% Source: CGIO database

20% **Slight decline**



- **No** regulatory push
- **Above** the regional average
- China has the **youngest directors**



HONG KONG

25%

Source: CGIO database

20%

Growth in diversity leveling off

15%

10%

5%

0%

8.6%

8.2%

10.6%

10.7%

2011

2012

2013

2014

- Board diversity a concern but **no specific** diversity requirements
- **29%** boards all-male, despite large board size

INDONESIA

25% Source: CGIO database

20%

Slight decrease

15%

10%

11.4%

11.0%

11.1%

5%

0%

2012

2013

2014

- No government push and **low awareness**
- Indonesia has the two boards in this study with the **highest number of women**



JAPAN

25% Source: CGIO database

20%

15%

10%

5%

0%

Lagging with little improvement

2.0%

3.1%

3.3%

2012

2013

2014

- A **diversity clause added** to the corporate governance code
- But little **corporate action** yet
- All-male boards still at **65%**
- Most women are **independent directors**

NEW ZEALAND

25% Source: CGIO database

20%

No further improvements

15%

10%

13.6%

13.4%

5%

7.5%

9.1%

0%

2011

2012

2013

2014

- **No** diversity target or government push
- Only **one** female executive director
- **45%** of the boards all-male

SOUTH KOREA

25% Source: CGIO database

20%

15%

10%

5%

0%

Lowest performer

2.4%

2.1%

2.6%

2012

2013

2014

- **No** diversity standards and low awareness
- **82%** of the Korean boards all-male

ABOUT THE REPORT

- **100** companies per country
- **10** Asia Pacific economies
- **2014** Financial Year
- **4th** edition



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The background of the slide is composed of a grid of rectangular blocks in two colors: teal and orange. The blocks are arranged in a pattern that resembles a brick wall or a mosaic. The teal blocks are interspersed with the orange blocks, creating a visually appealing and textured background.

Korn Ferry Diversity Scorecard 2016

**Download the full report at
bschool.nus.edu/CGIO**