Girl power: Women in Singapore boardrooms up from 6.9% to 7.3%

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According to a release, the proportion of women in the boardrooms of Singapore Exchange (SGX) listed companies increased from 6.9% in 2010 to 7.3% in 2011, with family firms, listed trusts and Temasek-linked companies scoring better on gender diversity.

However, Singapore scores lower than its Asian peers such as China and Hong Kong. It has also fallen further behind other developed economies as several countries have seen female representation in boardrooms growing at a faster rate, according to this year’s edition of the Singapore Board Diversity Report: The Female Factor.

The report is a joint initiative of NUS Business School’s Centre for Governance, Institutions and Organisations (CGIO) and BoardAgender, and supported by UBS and SGX. The report is based on four years of research data and is the only annual study that looks at gender diversity in the boardrooms of SGX-listed firms. The first edition was published last year.

The latest study found that firms linked to Temasek Holdings, a Singapore-based investment company which holds and manages investments and assets previously held by the Singapore Government, had higher-than-average female representation of 10.3%.

Other boardrooms with more women included those at family-owned firms and listed trusts, such as REITs. Female directors held 8.2% of the board seats at family firms compared to 6.3% at non-family firms, and 9.7% at REITs and trusts.

The research also found that 7.4% of board seats at local firms were taken by women in 2011, compared to 6.7% at companies founded abroad.

By sector, the construction industry had the highest proportion of female board directors at 10%, an increase from 7.5% in 2010, when the property and transport, storage communications (TSC) sectors were leading the way.

Singapore firms fall behind internationally

Overall, however, the gap has widened between Singapore and other developed economies. Australia saw its proportion of female board directors increasing from 10.3% in 2010 to 13.8% in 2011. France improved from 12.7% to 16.6%, and the United Kingdom went from 12.5% to 15.0% in the same period.

Within Singapore, SGX-listed firms have also fallen far behind those of statutory boards – government entities not listed on the SGX – which had a significantly higher proportion (19.8%) of female directors in 2011.

"The figures show that there is still much room for improvement", said Dr Maree Dzieleman, Associate Director of the CGIO and lead researcher for the report, adding that “the new Code of Corporate Governance presents opportunities to reduce the widening gap, for instance, with the Code’s recommendation to review the independence of directors after they have held their positions for more than nine years.

Some 25% of independent directors have already been in the job for nine years or more. A review may thus create demand for more than 500 new independent directors. Therein lies the opportunity for a quick win.”

In 2011, female board members were predominantly in executive director roles, holding 10.4% of such seats, while the percentage of female independent directors was just 4.2%, slightly lower than the previous year’s figure of 4.5%. Most female directors were ethnic Chinese (89.6%) and continued to hold a single directorship (94.1%).

Meanwhile, the report showed that women continued to be underrepresented in board leadership positions. Only 4.1% of Chief Executive Officer (CEO) and 3.5% of Chair positions were taken by women in 2011.

“The situation in many other countries and at our own statutory boards shows us that having gender-diverse boards is not an insurmountable challenge. Through this report, we hope to continue the dialogue on gender balance in companies and inspire more to make gender diversity a strategic priority.

Human capital is key to corporate success and a board nomination process that taps the most experienced and eligible business women and men would support firms in achieving this objective,” said Ms Junie Foo, Co-Chair of BoardAgender.

Mr Edmund Koh, Country Head of UBS Singapore, said: “The topic of diversity is an increasingly important one, especially in a world that is becoming more globalised and complex. Firms which actively foster an inclusive and diverse corporate culture are better placed to attract the best and compete effectively in an ever-changing world.

Women have made great strides in the corporate world, with some of the top global firms headed by women. UBS is delighted to be the main sponsor of the Singapore Board Diversity Report 2012. It is our hope that the Report will add to the intellectual capital related to the topic and heighten the awareness of the meaningful conversations that need to take place in Singapore boardrooms.”

Mr Magnus BÖcker, Chief Executive, Singapore Exchange, added: “Over the years, SGX-listed companies have made great strides in raising the corporate governance bar and adopting good practices. However, there is more to be done. Good governance includes board diversity and board independence. We will continue to support our SGX-listed companies to pursue a well-balanced board of the best talent from both genders.”