LETTERS TO THE EDITOR

Boards must address gender diversity

In a recent article in BT, "Not the business of boards to focus on gender diversity" (BT, April 11), the president of the Securities Investors Association of Singapore, David Gerald was quoted as saying that we needed "to understand the situation before we start crying foul."

In an effort to help the business community understand the situation better, in 2013 the National University of Singapore Business School and BoardAgender, an initiative of the Singapore Council of Women’s Organizations, published the third Singapore Board Diversity Report.

According to the report, while they account for more than 50 per cent of university graduates and entry-level professionals, women comprise less than 8 per cent of directors on the boards of Singapore Stock Exchange (SGX) listed companies. In the 677 Singapore Exchange (SGX)-listed companies studied, 7.9 per cent of board directors were women. Around 60 per cent of SGX-listed companies had no women at all on their boards, while Singapore has one of the highest proportions of all-male boards in the region.

Why should gender diversity matter for boards? Put simply, because the role of boards is to drive corporate performance. From London to Sydney, Malaysia to Hong Kong, there is growing support for ensuring the issue of women on boards is elevated to the national business agenda. In an increasingly competitive global business environment, the issue of women’s participation at senior levels of the corporate world is not just about equality. It is about accessing talent, improving the quality of leadership and decision-making at senior levels of companies, customer responsiveness and driving performance. It is about being competitive.

In an increasingly complex global marketplace, there is now a significant body of research demonstrating that companies which actively seek to promote diversity including by tapping into women’s talent perform more effectively. Global multinationals from Microsoft to Citibank, Deutsche Bank to Deloitte all have targeted programmes for gender diversity and a commitment to women’s leadership in the C-Suite and the board. It is difficult to believe that they do that without taking into account the views of their investors and bottom-line performance.

Having more women on boards is not about women’s rights, it is about ensuring decisions that are made in the boardroom, benefit from a diversity of perspectives and are the best possible decisions. If that is not the business of the board, Mr Gerald, then whose is it?

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