Just 8.3% of S’pore board directors are women: poll

57% of listed firms here have all-male boards, according to Diversity Task Force

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[SINGAPORE] Only 8.3 per cent of board directors at Singapore-listed companies are women, and 57 per cent of such companies have all-male boards.

The numbers may not be surprising, as this is hardly the first time facts and figures on the appalling lack of female representation on Singapore boards are being bandied about. But what sets this latest set of findings apart is that it builds upon previously released reports on the subject and, for the first time, is a government-backed study.

The study was conducted by the Diversity Task Force (DTF) to examine the state of gender diversity on boards and in senior management in Singapore.

The DTF was initiated in 2012 by then-minister of state for social and family development, Halimah Yacob, who was concerned about the under-representation of women in these positions.

The DTF surveyed 300 companies of all sizes listed on the Singapore Exchange, as well as those not listed, to find about the diversity of companies and the strengths of the diversity experience.

The study found that, not only are women under-represented on boards, but that most companies do not feel the need to increase this representation further.

Of the companies surveyed, one third agreed that gender diversity on boards is important. Some 64 per cent felt that greater gender diversity would improve their company image, while an even smaller proportion (34 per cent) thought it would lead to better decision-making.

Some 34 per cent said that they did nothing at all to improve board diversity, while 12 per cent said that boardroom diversity was part of their board’s agenda, and 6 per cent said that they had formally defined diversity objectives.

Slightly over half (55 per cent) of all companies surveyed, however, did say that they ensured transparency of criteria when it came to recruiting board members.

Still, the study did find that the lack of female representation on boards could not be blamed on the attitudes of listed companies alone: it could also have to do with a smaller pipeline of female candidates for directorships.

It found that fewer women—proportionately—take on senior management positions in strategic roles, such as those that would give them the skills and experience traditionally sought by boards.

For example, if a company found that women were well-represented in senior management positions in areas such as human resources management (61 per cent) and administration (51 per cent), they were poorly represented in senior management positions in the areas of strategy/finance (11 per cent) and risk (10 per cent).”

There are multiple causes for the low gender diversity, and these causes are complex and interconnected,” said DTF’s media release yesterday. “Part of the challenge is to demand factors that range from the lack of awareness of the importance of gender diversity, to over-reliance on personal networks to source candidates for directorships and looking for candidates with past board experience.”

Looking ahead, however, the DTF said that it does see gender diversity on boards improving, albeit at a slow rate.

It found, compared to previous years, that there is actually a gradual upward trend of women being appointed to boards — with a higher proportion of female directors in younger age brackets.

And so, it is predicting that, at the current rate of growth, women will go from holding 8.3 per cent of directorships in 2013, to about 12 per cent in 2020, and about 17 per cent in 2030.

This, however, does not take into account the possibility of younger female directors dropping out as they get older and take on more responsibilities, in terms of family life — one of the challenges to greater diversity listed by the study.

Notably, despite the lack of gender diversity currently, respondents were overwhelmingly against the idea of having quotas for female directors on boards. Seventy-three per cent were against gender quotas, while only 5 per cent were for it, the rest did not select either option.

Sixty per cent were also against compulsory reporting on companies’ efforts to raise gender diversity on boards, with only 8 per cent in favour of it.

The DTF will be releasing its recommendations, in response to these findings, at the end of next month.

The DTF study builds upon the yearly Singapore Board Diversity Report put out by the National University of Singapore and Singapore Business School’s Centre for Governance, Institutions and Organisations (CGIO) and BoardAger, an initiative of the Singapore Council of Women’s Organisations.

The third and latest edition of the Singapore Board Diversity Report, out in November last year, showed that only 7.9 per cent of all board directors here last year were women — compared to 11.6 per cent in Indonesia, followed by 9.4 per cent in Hong Kong, 9 per cent in China and 8.7 per cent in Malaysia.

The CGIO/BoardAger study was based on the annual reports for the 2012 financial year of 627 SGX-listed companies.

DTF said that its study went further to look at annual reports up to the end of April 2013, and that it also looked at companies’ appointment/cessation of director notices filed on SGX.