Not enough women on board

Gender diversity making gains, but more improvement needed here, report shows

SINGAPORE – The number of women on the boards of Singapore-listed companies increased for the second consecutive year last year, but is still behind the average in developed countries, according to the latest Singapore Board Diversity Report.

Female representation on the boards of companies listed on the Singapore Exchange was 7.3 per cent last year, up from 6.9 per cent in 2010 and 5.8 per cent in 2009.

Despite the uptrend, the figure still lags behind most in the Western world. The United Kingdom, the United States and the European Union all scored between 15 and 17 per cent, while Norway — which has a mandatory quota for female board members — came in tops with 40.1 per cent.

Singapore also falls behind Australia (13.8 per cent), Hong Kong (10.3 per cent) and China (8.5 per cent), but fared better than India (5.2 per cent) and Japan (1.1 per cent).

One of the major barriers keeping Singapore women from having greater roles in boardrooms is family responsibility, SingTel CEO Chua Sock Koong said in an interview for the report. To alleviate this, companies can consider providing more support, such as facilitating smooth transitions before, during and after parental leave.

The report found that statutory boards had a markedly higher-than-average female representation at 19.8 per cent, while firms linked to Temasek Holdings and family businesses also fared better, at 10.3 per cent and 8.2 per cent, respectively.

The report also revealed that Singapore has the region’s highest percentage of all-male boards at 60 per cent.

Experts have expressed concerns, saying greater gender diversity will introduce more talents and perspectives. “Having a greater female representation in boardrooms means having a more diverse set of viewpoints and a wider pool of talents, which you can’t access if you limit yourself to only half the people,” said Ms Marleen Dieleman, lead researcher for the report, which is a joint initiative by NUS Business School and BoardAgender.

Ms Ng Shin Ein, who sits on the board of four listed companies and NTUC FairPrice, agrees. “Gender differences can create stronger dynamics in a boardroom, resulting in greater insights into problems and more thoroughly debated solutions. For certain retail and consumer-based businesses, it also brings better understanding to the female-driven markets,” she told TODAY.

Speaking at the launch of the report yesterday, Minister of State for Community Development, Youth and Sports Madam Halimah Yacob said the report highlighted the need for progress, and expressed hope that female representation in boardrooms would increase to 15 per cent over the next five years.

To improve the situation, Ms Ng suggested promoting voluntary targets, something which the revised Code of Corporate Governance has provided a framework for.

“Gender has been specifically spelt out in the guideline … That will propel companies toward greater female representation in boardrooms, since they will have to comply or explain in their annual report the lack of such diversity.”