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# SINGAPORE BOARD DIVERSITY REPORT

## Gender Diversity in SGX-Listed Companies

By: Dr. Marleen Dieleman and Sherwin Lim

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25 October 2011



board  
agender

**CGIO**  
CENTRE FOR GOVERNANCE,  
INSTITUTIONS AND ORGANIZATIONS

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# CONTENTS

Foreword by CGIO	
Foreword by BoardAgender	
Executive summary	
1 Introduction	1
2 Gender diversity in SGX company boardrooms	3
3 Female representation by industry	7
4 Female representation by company	9
5 Types of directorships held by women	10
6 Female directors and board leadership	12
7 Profile of female directors	14
8 Discussion and conclusion	15
About this report	17

# FIGURES AND TABLES

## FIGURES

Figure 1: Singapore directorships held by women	3
Figure 2: Female participation in boardrooms of other countries	3
Figure 3: Appointments and resignations	4
Figure 4: Quantity of board directorships held (2010)	5
Figure 5: Female directors by industry	7
Figure 6: Female directors by company	9
Figure 7: Female executive & non-executive directors (2010)	10
Figure 8: Female independent & non-independent directors (2010)	10
Figure 9: Women's share of board leadership (2010)	12
Figure 10: Average age of directors	14
Figure 11: Educational qualifications (2010)	14

## TABLES

Table 1: Women with three or more directorships (2010)	5
Table 2: Companies with three or more women on the board (2010)	9

# FOREWORD BY CGIO



Boardroom diversity is an important topic around the world as research indicates that more diverse boards are more effective and responsive; and some studies argue that more diverse boards enjoy better company performance and lead to higher governance standards. Hence, companies are increasingly paying attention to diversity when appointing directors. In several developed countries, corporate governance codes or legislation set minimum requirements for boardroom diversity.

This study takes stock of gender diversity in Singapore's boardrooms. It is a joint initiative of the Centre for Governance, Institutions and Organizations (CGIO), which conducts research on governance practices in Asia, and BoardAgender, an initiative under the umbrella of the Singapore Council of Women's Organizations.

The report covers gender diversity within SGX-listed companies and presents detailed statistics comparing women's and men's roles within the board at the industry, company and individual level, comparing trends for male and female participation on Singapore boards over a period of three years.

I am confident that through reports like this, the CGIO will contribute to public awareness, governance practice and policy-making by providing thorough research on relevant topics.

**Marleen Dieleman**  
Associate Director, CGIO



# FOREWORD BY BOARDAGENDER



Since inception, BoardAgender has prioritised the need to measure female leadership in Singapore by tracking female participation in Singapore's boardrooms.

We are, therefore, very pleased to launch the inaugural Singapore Board Diversity Report: Gender Diversity in SGX-Listed Companies, as a joint initiative with the NUS Business School's Centre for Governance, Institutions and Organizations (CGIO).

BoardAgender was launched on the 100th anniversary of International Women's Day in March 2011 by the former Minister of State, Mrs Yu Foo Yee Shoon, Ministry of Community Development, Youth and Sports. An initiative of the Singapore Council of Women's Organisations, BoardAgender aims to use events, discussions and research to facilitate awareness of the benefits of gender balance within business and the advancement of more women into senior leadership and boardroom positions.

The focus and study of board diversity, including gender diversity, has greatly increased since the recent global financial crisis. Numerous global studies support the merits of gender diversity in the boardroom to increase financial performance, enhance decision-making and create greater corporate governance.

Singapore recognises the need for companies to draw on the best leadership and talent – regardless of gender – to further innovation, productivity, profitability and sustainability in today's global economy. This inaugural study on gender diversity in SGX-listed companies creates publicly available statistics of female leadership in Singapore allowing our progress to be compared with other countries.

A board should reflect a company's key stakeholders: customers, employees, investors and the community. Through this important piece of research and other BoardAgender activities, we endeavor to boost the dialogue in Singapore on the human capital component of business success; ensuring that there is a sufficient pipeline of qualified leaders, and supporting a board nomination process that taps the most experienced and eligible business women and men.

**Juanita Woodward**  
Co-Chair, BoardAgender



# EXECUTIVE SUMMARY

In 2010, 6.9% of all boardroom positions were held by women, higher than in 2009 (5.8%) and at similar levels to those in 2008 (6.6%). Compared to both developed countries and countries in the region, we conclude that female representation in boardrooms of SGX companies is low.

Notably, more than 60% of the SGX-listed firms did not have a single woman represented on their board.

Women held fewer board directorships than their male counterparts, and none held more than five directorships simultaneously in SGX-listed companies.

## 60% of SGX-listed firms did not have a single woman on their board

Interestingly, there was a pointed difference between the percentage of women holding executive directorships and those holding non-executive directorships, 9.1% and 5.6% respectively.

Leadership positions for women in boardrooms remain low, both locally and globally. 2.7% of board

Chairmen and 4.6% of CEOs being women for SGX-listed companies. Women are more likely to lead the nomination committee (4.5%) as compared to other committees in the board (audit committee and remuneration committee).

Company directors are getting younger; female directors in 2010 were 5.3 years younger than their male peers. Board tenure was equitable between both women and men at 8.8 years. The percentage of male directors who had a master's degree and PhD were higher than female directors.

Among the major industries represented on the stock exchange, the finance sector scored the lowest percentage of female director positions with 5.2%, manufacturing scored 6.2% and services scored 6.9%. Interestingly, the two best scoring industries were transport, storage and communications (TSC), along with properties (both at 9.4%).





# 1. INTRODUCTION

Corporate governance is an important theme for Singapore in 2011. Efforts are currently underway to revise Singapore's corporate governance code. Proposals to change the code include stricter rules around disclosure of governance practices and more attention to the composition and appraisal of the board. While this process has rightfully gained much attention, the quality of decision-making in boards rests not only on following the right procedures and appointing the right directors, but also on the quality of their collective decision-making processes.

## **Recognition of diversity**

As such it is surprising that another theme is only recently gaining attention: diversity within the board. In countries, such as Australia and the UK - which Singapore considers as a benchmark for governance standards - gender diversity is generally recognised as having a positive effect on board effectiveness. Through a mixture of increased awareness and regulations, women participation in the boardroom has surpassed 10% in most developed countries, with initiatives underway to further raise this percentage. Therefore, this inaugural study, which takes stock of gender diversity in Singapore's boardrooms, is timely.

## **Scope of the report**

This study on boardroom gender diversity in Singapore is unique as it covers all SGX-listed firms in Singapore, whereas other studies typically base themselves on a limited sample of the largest firms. It is also unique in providing a fine-grained picture of gender diversity in Singapore's boardrooms by combining both company-level data and director profiles.

The report begins by providing a broad overview of the current level of female representation in Singapore boardrooms and subsequently delves deeper into analysis by industry and company. We explore the type of directorships held, leadership positions women assume on the board and finally the profile of female directors in comparison with their male counterparts.





“It is imperative for boards to comprise an appropriate mix of skills and mindsets.

Our listed companies are encouraged to review their Boards’ composition and balance of gender diversity, to meet the increasing demands from investors on good governance and corporate sustainability.

An effective board allows independence and diversity of thought.”

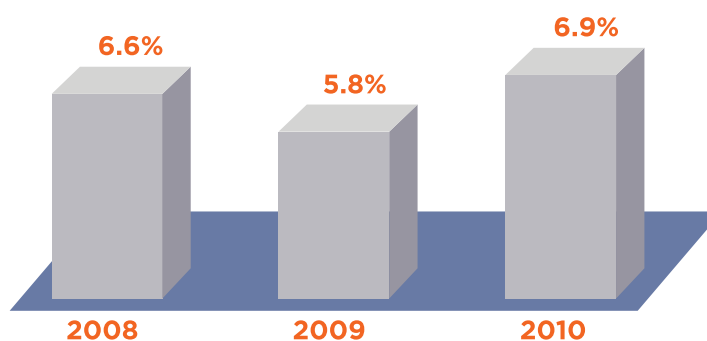
**MR. MAGNUS BÖCKER**  
CEO, Singapore Exchange Ltd (SGX)



## 2. GENDER DIVERSITY IN SGX COMPANY BOARDROOMS

Our study on gender diversity in Singapore shows that, in 2010, 324 female directors held 356 of the 5,138 board directorships. In percentage terms, women's share of directorships on corporate boards of listed companies in Singapore was 6.9% in 2010, a slight increase over the previous two years. In 2009, women held 5.8% of the directorships and in 2008 they occupied 6.6% (see Figure 1).

**Figure 1: Singapore directorships held by women**

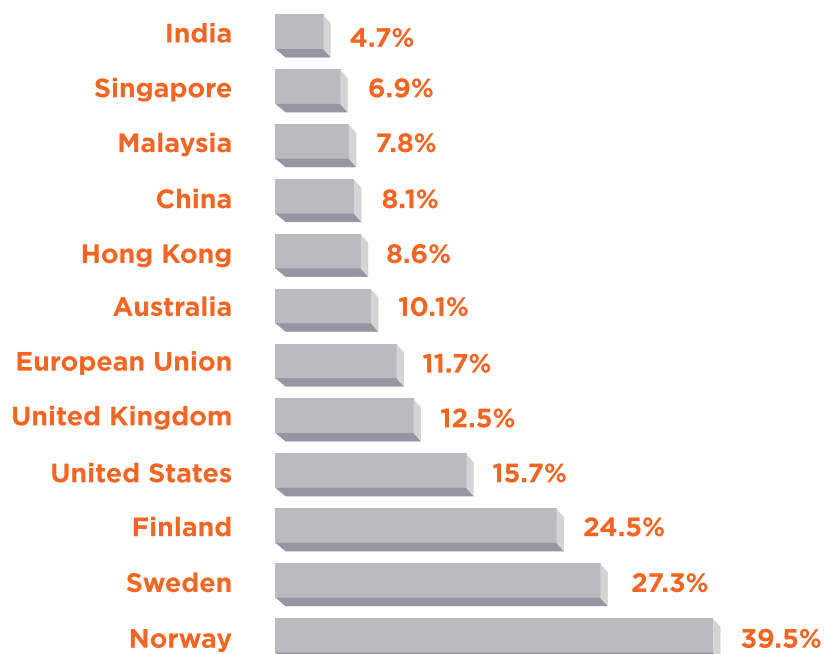


Source: CGIO database

### International perspective

While this study has only focused on SGX-listed firms, it is useful to place the results within an international context (see Figure 2).<sup>1</sup>

**Figure 2: Female participation in boardrooms of other countries**



Sources: CGIO (Singapore); Korn Ferry Institute (India, Malaysia, China and Hong Kong); Women on Boards (Australia); European Professional Women's Network (European Union); Cranfield University School of Management (United Kingdom); Catalyst (United States, Finland, Sweden and Norway)

<sup>1</sup> www.boardgender.org provides a repository of reports and statistics on this topic. It should be noted that due to differences in methodology, gender diversity statistics on Singapore may vary slightly across studies. The CGIO study covers all SGX-listed companies whereas most other reports rely on a smaller sample of the largest listed firms in a particular country.

The European Union, North America and Australia have more than 10% female participation in boardrooms. Cranfield University School of Management's Female FTSE Board Report indicates that the percentage of women on FTSE 100 boards (United Kingdom) was 12.5% in 2010.<sup>2</sup>

Women on Boards in Australia publishes the Board Diversity Index, which shows that female participation was 10.1% on the ASX 200 listed companies in 2010.<sup>3</sup>

The European Professional Women's Network issues a Board Women Monitor showing female participation on European boards to be at 11.7% in 2010.<sup>4</sup>

Research by Catalyst revealed that in Norway, which was the first EU country to implement a quota of having 40% female participation in boardrooms, 39.5% of the board positions were held by women. In that same research, Sweden, Finland and the United States had, respectively, 27.3%, 24.5% and 15.7% of their board seats filled by women whereas the figure for Singapore in that study was 7.3%.<sup>5</sup>

**It will take 158 more board seats held by women to reach 10% female representation on SGX boards**

### Regional comparisons

According to a 2011 report released by the Korn Ferry Institute covering the 100 largest listed firms in Asia-Pacific countries, the percentage of board directorships held by women was 4.7% in India, 6.4% in Singapore, 7.8% in Malaysia, 8.1% in China and 8.6% in Hong Kong.<sup>6</sup>

We can safely conclude that Singapore had relatively few female directors as compared to both developed countries and other countries in the region. Using 2010 figures, it will take 158 more board seats held by women to reach 10% female representation on SGX boards.

### Recent appointments show a change?

While annual statistics provide an indication of the trend in women participation on boards, it is useful to look at the percentage of women amongst the newly appointed directors to get a clearer understanding of the latest trend. In 2010 9.0% of the newly appointed directors were women (see Figure 3), whereas the proportion of females amongst directors that resigned was much lower at 3.2%.<sup>7</sup>



Source: CGIO database

<sup>2</sup> The Female FTSE Board Report 2010, published by Cranfield University School of Management.

<sup>3</sup> 2010 Boardroom Diversity Index (ASX300 2010), published by Women on Boards.

<sup>4</sup> EPWN Board Women Monitor 2010 (4th Edition), published by European Professional Women's Network.

<sup>5</sup> 2010 Global Women on Boards, published by Catalyst.

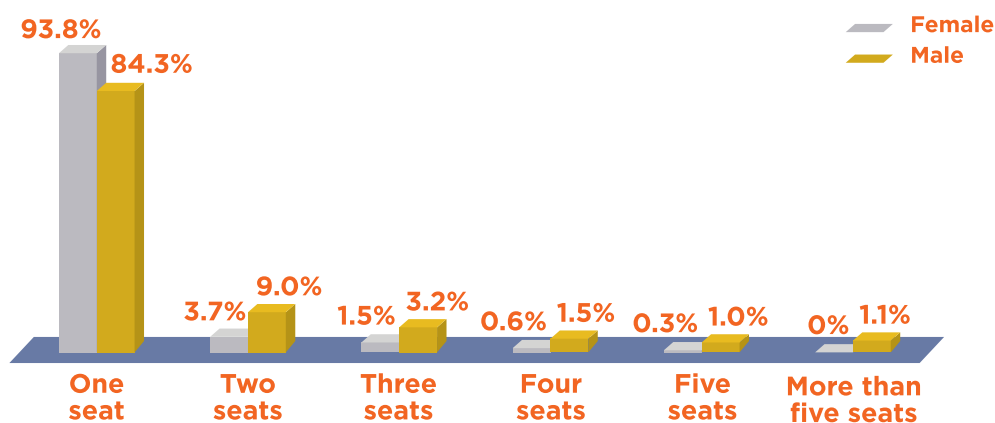
<sup>6</sup> Mind the gap: Half of Asia's boards have no women, a risky position for governance and growth, published by Korn Ferry International in 2011, written by Alicia Yi.

<sup>7</sup> In 2009, however, women's share of appointments was lower than women's share of resignations.

### How many can one person handle?

Women on average held fewer board directorships per person than their male counterparts. The average number of directorships held by women was 1.1 while the number for men was 1.3. In 2010, 93.8% of women directors held one board seat whereas the figure for men was 84.3% (see Figure 4).

**Figure 4: Quantity of board directorships held (2010)**



Source: CGIO database

Table 1 below shows a list of women holding the highest number of board seats in SGX-listed firms. None of the female directors held more than five directorships. For comparison: 41 men held more than five directorships and the highest number of directorships held by a man was 11 directorships.

**Table 1: Women with three or more directorships (2010)**

Fang Ai Lian	5 directorships
Elizabeth Sam	4 directorships
Tan Siok Chin	4 directorships
Chong Siak Ching	3 directorships
Goh Yiu Kiang Euleen	3 directorships
Lee Ai Ming	3 directorships
Li Ling Xiu	3 directorships
Ng Shin Ein	3 directorships

Source: CGIO database



“Many Singapore women are suitably qualified for top positions and are able to contribute significantly to the corporate world but we seem to have lost some of them along the way.

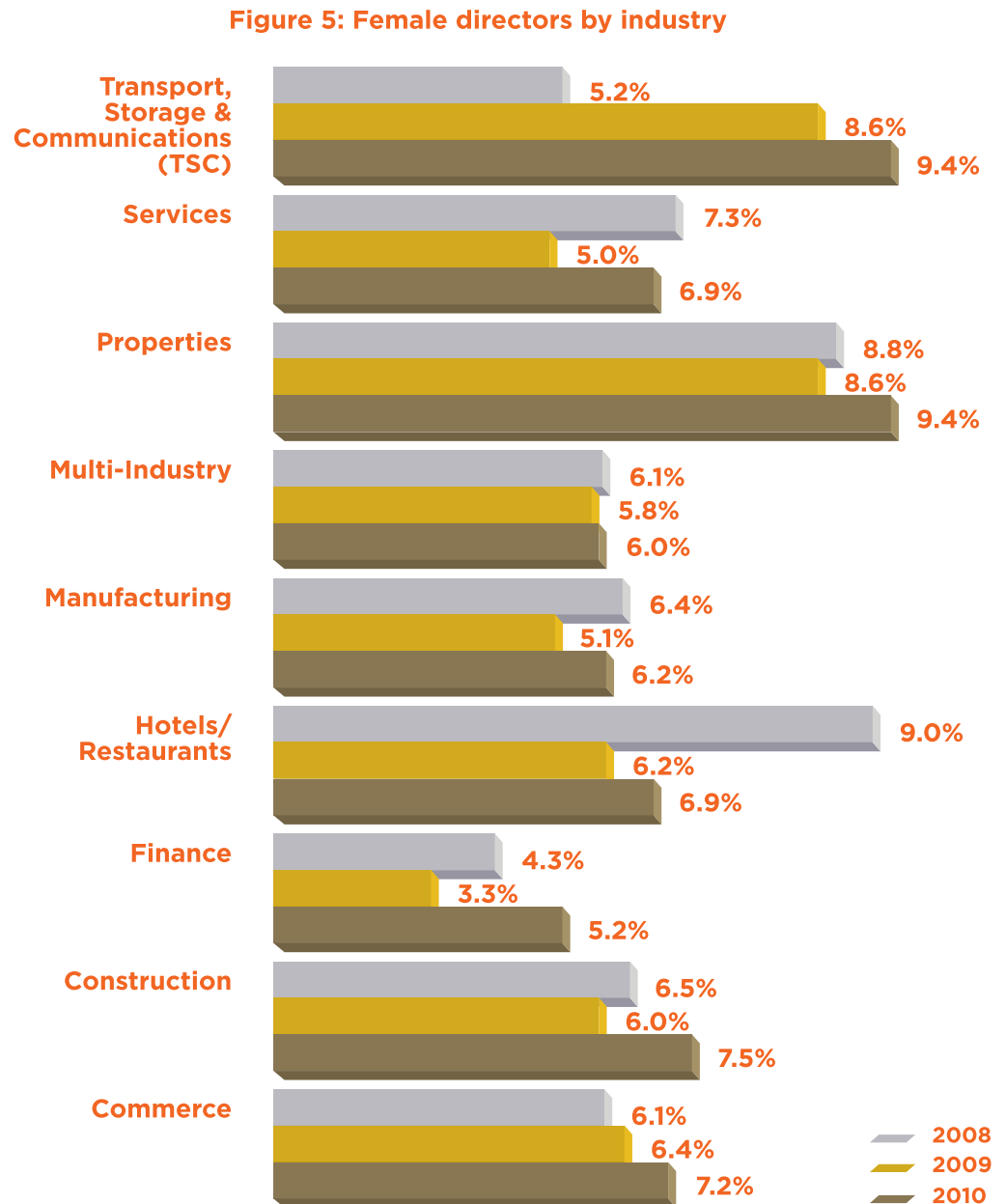
We can certainly build the pool further and harness more of our female talent.”

**MRS. FANG AI LIAN**

Chairman, Great Eastern Holdings Ltd, and director of several Singapore listed companies

### 3. FEMALE REPRESENTATION BY INDUSTRY

Manufacturing firms account for 39.5% of companies listed on the SGX; 17.9% of the companies are in services and 14.3% are in commerce. The largest numbers of female directors are in the three above-mentioned industries. However, when investigating the proportion of women within each industry, the picture looks different (Figure 5).



Source: CGIO database



## SGX-listed companies in the construction sector scored higher than the global average, with 7.5% of its board comprised of women

### Leadership industries a surprise

Among the major industries represented on the stock exchange in 2010, the best scoring industries - both tied at 9.4% - were Transport, Storage & Communications (TSC) and properties.

Within these industries, the companies with the most gender diverse boards are Ace Achieve Infocom Ltd and Golden Ocean Group Ltd (both 40% female directors) in the TSC sector and K-REIT Asia Management Ltd (43% female directors) in properties.

Comparatively, the global percentage for the property industry in 2010 was 9.0%, which suggests that the Singapore properties industry performed slightly better in terms of having female representation on company boards.<sup>8</sup>

The finance sector in Singapore scored the lowest with 5.2% of women represented at boardroom level, compared to the 2010 global percentage of 10.0%.<sup>8</sup>

Despite most female directors coming from the manufacturing and services sector, the percentages of directorships held by women within these two industries were 6.2% and 6.9% respectively.

While the global percentage for the construction sector was 7.0%,<sup>8</sup> SGX-listed companies in the construction sector scored higher, with 7.5% of its board comprised of women. Other industries represented in Figure 4 include multi-industry (6.0%), hotels/restaurants (6/9%), and commerce (7.2%).

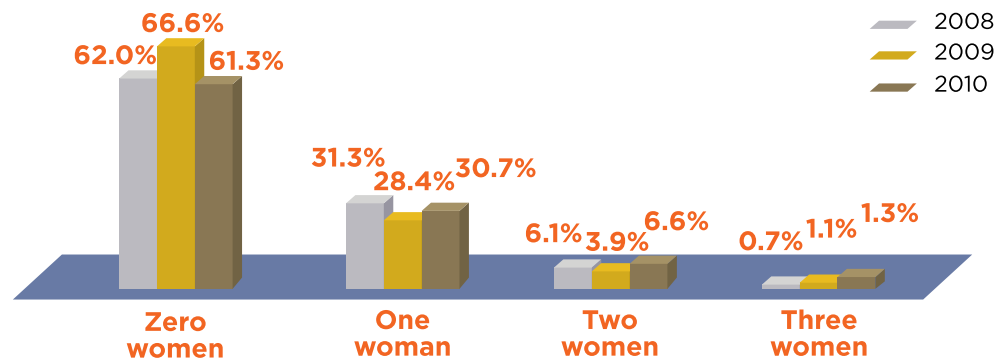
<sup>8</sup> 2011 Women on Boards Report, published by Governance Metrics International.

# 4. FEMALE REPRESENTATION BY COMPANY

Throughout the three years covered by this study (2008 to 2010), more than 60% of the listed companies had no women on their corporate boards. By comparison, amongst the Fortune 500 companies, 12.1% had no women on their boards, while over 50% of the companies had two or more women.<sup>9</sup> Research by the Korn Ferry Institute placed Singapore behind Australia, China, Hong Kong, Malaysia and New Zealand in this respect.<sup>10</sup>

Although there appears to be an upward trend that companies are having three or more women on their corporate boards (0.7% in 2008, 1.1% in 2009 and 1.3% in 2010), the percentage increase and absolute figures are small. (Figure 6)

**Figure 6: Female directors by company**



Source: CGIO database

Table 2 shows the Singapore-listed companies that had three women serving on their boards in 2010. No company had more than three female directors serving on its board in 2010.

**Table 2: Companies with three or more women on the board (2010)**

A-Sonic Aerospace Ltd
Design Studio Furniture Manufacturer Ltd
Fortune Real Estate Investment Trust
Keppel Land Ltd
K-REIT Asia Management Ltd
Prudential PLC
Straits Trading Company Ltd
Super Group Ltd
Top Global Ltd
Wepco Ltd

Source: CGIO database

<sup>9</sup> Fortune 500 Women Board Directors, published by Catalyst, 2010.

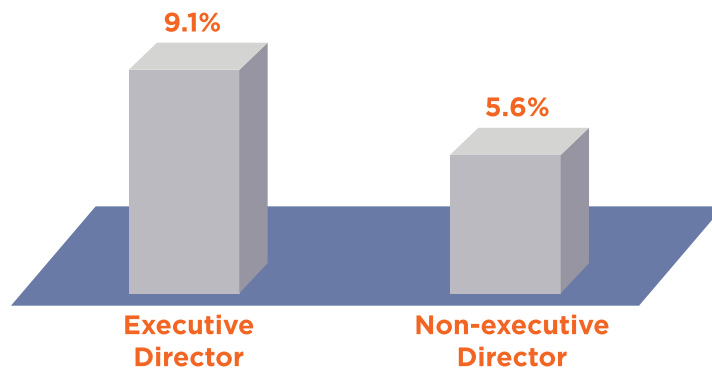
<sup>10</sup> Mind the gap: Half of Asia's boards have no women, a risky position for governance and growth. Published by the Korn Ferry Institute, 2011.

# 5. TYPES OF DIRECTORSHIPS HELD BY WOMEN

Singapore has a one-tier board system and the board consists of executive and non-executive directors, where some of the non-executive directors are independent directors. There are slightly less independent directors than non-independent directors in Singapore.

Figure 7 shows that women were better represented in executive directorships than in non-executive directorships. The level of female representation for executive directorships (9.1%) was higher than the proportion of female directors in general (6.9%), while female representation of non-executive directorships was lower (5.6%).

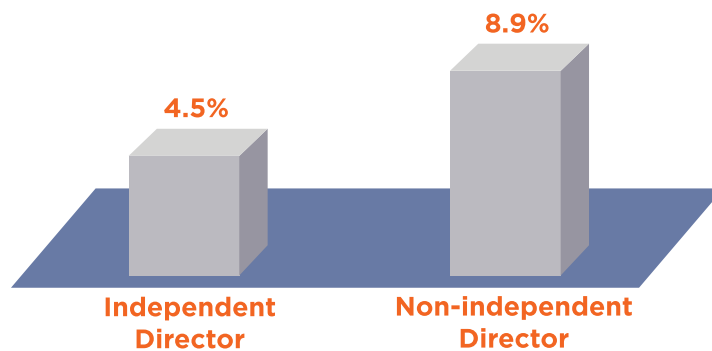
**Figure 7: Female executive & non-executive directors (2010)**



Source: CGIO database

Notably, amongst independent directors (a subset of non-executive directors) the level of female representation (4.5%) was even lower (Figure 8). The percentage of female non-independent directors was 8.9%.

**Figure 8: Female independent & non-independent directors (2010)**



Source: CGIO database

### Positive impact of alternate directorships

Although only a small category of directors, it is interesting to note that the type of directorship which had the highest level of female representation was alternate directors. There were eight female alternate directors, representing 11.6% of alternate directors in SGX-listed companies. Under the proposal to revise the Singapore corporate governance code, companies will not be allowed to appoint alternate directors except for limited periods in exceptional circumstances.



“I am not surprised that women occupy more executive director positions than independent director positions.

Independent directors have less structured roles and have the duty to question a lot more. Women, particularly Asian women, are not always comfortable with that.

Nonetheless, I’ve been very encouraged by my own experiences on boards, mostly comprising men, and much older men at that.

I have never felt the pressure to agree with them, and we are all mutually respectful. The idea is to be independent thinking and straight talking, yet at the same time, thoughtful and professional.”

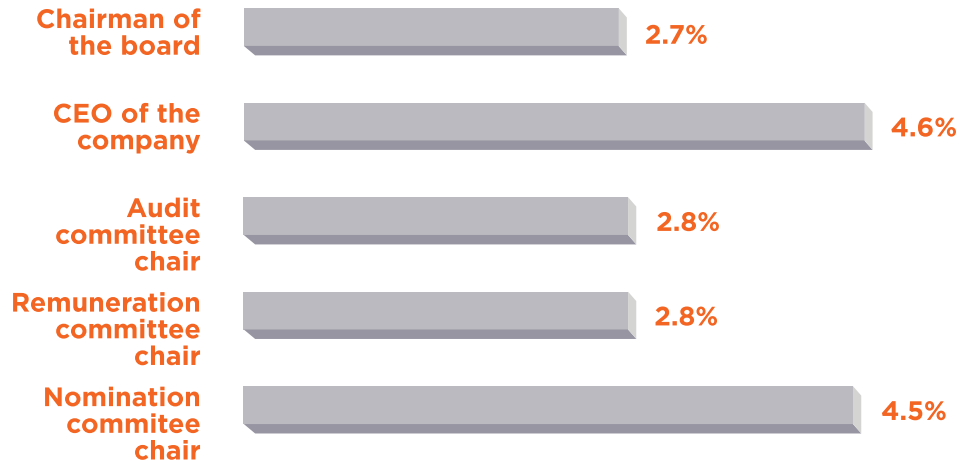
**MS. NG SHIN EIN**

President, Blue Ocean Associates Pte Ltd,  
Director of NTUC Fairprice and several  
Singapore listed companies

## 6. FEMALE DIRECTORS AND BOARD LEADERSHIP

Women's share of key positions like Chairman of the board, CEO and Chairman of the audit, remuneration and nomination committees are shown in Figure 9.

**Figure 9: Women's share of board leadership (2010)**



Source: CGIO database

In terms of leadership positions, women are less likely than men to be Chairman of the board, Chief Executive Officer (CEO), or Chair of one of the committees in the board. 4.6% women held CEO positions and only 2.7% held the position of Chairman of the board. The global average of 2.1% board chairman seats held by women in 2010 is reflective of the globally low level of female representation in this leadership level.

### **Board committee leadership is limited**

Women's share of leadership with regard to board committees remains low both locally and globally. In Singapore, women are more likely to chair the nomination committee than the other two board committees.

In 2010, 4.5% of the nomination committee chair positions were held by women, as compared to 2.8% for the audit committee chair and 2.8% for the remuneration committee chair (see Figure 9). The global percentages of the audit, nomination and remuneration committee chair positions held by women were 6.4%, 6.3% and 6.2% respectively.<sup>11</sup>

<sup>11</sup> 2011 Women on Boards Report, published by Governance Metrics International.





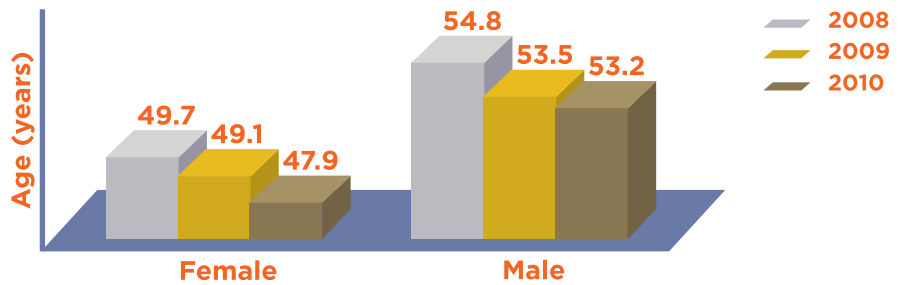
“Board leadership is too concentrated on those who have stature in our markets. We need to widen the gene pool of leaders through more opportunities for the less known but equally skilled. There are many highly capable women waiting to be discovered.”

**MS. EULEEN GOH**

Chairman, Singapore International Foundation, and independent director of listed companies in Singapore and the UK

# 7. PROFILE OF FEMALE DIRECTORS

Figure 10: Average age of directors



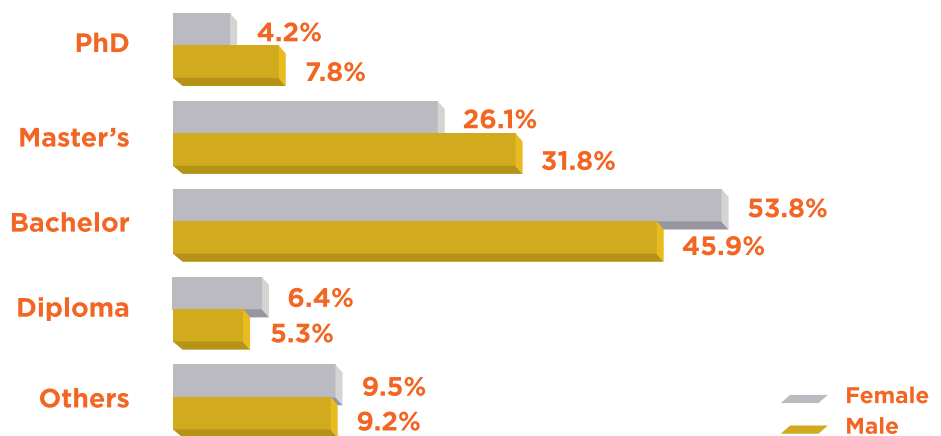
Source: CGIO database

In Figure 10, there is a discernible trend over the past three years that company directors are getting younger. Female directors in Singapore were, on average, younger than their male counterparts. In 2010, the average age for female directors was 47.9 years while the average age for male directors was 53.2 years.

Such findings were also observed in the United Kingdom and Hong Kong. Research by Cranfield University School of Management revealed that the average age for female directors in the United Kingdom was 55 years while the figure for male directors was 58 years.<sup>12</sup> Over in Hong Kong, female directors' average age was 56 years and male directors' average age was 58 years.<sup>13</sup>

While the average board tenure for women was generally shorter than that of men in both the United Kingdom (4.1 years for women; 5.3 years for men) and Hong Kong, (5.4 years for women; 8.1 years for men), the average tenure for both female and male directors in Singapore was the same at 8.8 years.

Figure 11: Educational qualifications (2010)



Source: CGIO database

### Is education a factor?

According to Figure 11 above, more than half (53.8%) of female directors in 2010 were bachelor degree holders, as compared to 45.9% of male directors. However, male directors held a greater percentage of higher degrees. 31.8% of male directors held a master's degree and 7.8% held a PhD, while women held 26.1% and 4.2% respectively.

<sup>12</sup> The Female FTSE Board Report 2010, published by Cranfield University School of Management.

<sup>13</sup> Women on Boards: Hang Seng Index 2009, published by Cranfield University School of Management.

## 8. DISCUSSION AND CONCLUSION

This report is the first study to report on gender diversity using data from all SGX-listed companies. It shows that 6.9% of directors are women. It is a low percentage in comparison with both developed countries and regional peers such as Australia, Hong Kong, China and Malaysia. Our analysis of female board leadership also indicates the relatively limited gender diversity in board committees and in CEO and Chairman positions. The trend data over the past three years do not give us grounds to assume that female representation on boards will improve rapidly, unless companies or policy-makers take action to change the situation.

In Singapore, it appears that women are better represented amongst executive rather than independent directors. More research is necessary to understand why this is the case. It may be that women prefer to work their way up from inside firms; or perhaps that many of the SGX-listed firms are family firms and women directors represent major shareholders on boards; or that there are cultural reasons why Asian women do not choose or are not chosen to assume this role. Whatever may be the case, we feel it may be worthwhile to look into ways to stimulate more gender diversity amongst independent directors.

One concern that nominating committees may have is whether there is a pool of qualified women with board experience. Our study uncovered 356 seats held by 324 females. This indicates a low level of concentration, in other words, we do not find that many of those seats are occupied by a small clique of powerful women. Instead, there is quite a large pool of women directors with board experience in Singapore.



In Singapore, as in other countries, the assumption is that one cannot sit on a large number of boards while dedicating sufficient time to each company. Whether or not a maximum number of directorships per person should be stipulated and what this maximum should be is subject to debate. However, in the case of female directors, it appears that, in comparison to men, women directors have less directorships per person, with a maximum of five. Thus, when it comes to female directors, the argument that one needs to prevent the phenomenon of “busy directors” is less of a concern.

Women directors are younger than their male counterparts. This is in part because we find a much higher female representation amongst the younger directors. Although the absolute numbers are still small, this trend, if sustained, may drive a future increase in female board participation. We also find that women tend to retire earlier, as compared to men.

While there are many lessons to be learnt from other countries that have higher female representation on corporate boards, we have also highlighted a number of Singaporean companies, industries, and individual board members that have taken a leading role in achieving gender diversity on boards.

In conclusion, this study has raised an important issue, namely limited gender diversity in SGX-boardrooms. The analysis by company, industry and director profiles gives further details on women’s roles on SGX-boards. The main objective of this report was to provide relevant data on the status quo in Singapore. By doing this, we hope to generate a broader discussion on gender diversity in Singapore’s boardrooms.



# ABOUT THIS REPORT

The present study is derived from a dataset of all directorships of listed companies in Singapore, compiled by the Centre for Governance, Institutions and Organizations (CGIO) at NUS Business School, and sponsored by CPA Australia. The report is an initiative of both CGIO and BoardAgender.

The dataset has been compiled by reviewing all annual reports and announcements of all companies on the Singapore Exchange (SGX) in the target year, and has been updated until March of the following year in order to present the most actual figures. The study covers over 700 companies and more than 5000 directorships for each single year.

The Centre for Governance, Institutions and Organizations (CGIO) was established by NUS Business School in 2010 and aims at promoting relevant and impactful research on governance issues that are relevant to Asia, including corporate governance, governance of family firms, state-linked companies, business groups, and institutions. CGIO organizes events such as public lectures, industry roundtables and academic conferences on topics related to governance.

BoardAgender is an outreach arm of the Singapore Council of Women's Organisations (SCWO) Women's Register initiative, whose aims are endorsed by the Ministry of Community Development, Youth and Sports in Singapore. BoardAgender aims to provide a forum in Singapore to facilitate a greater awareness and understanding of the benefits of gender balanced business, and the advancement of more women into senior leadership roles and the boardroom.

We are grateful to CPA Australia, which has sponsored the development of a comprehensive directors' database over the past three years, on which some of the statistics were based. We wish to thank NUS Business School student assistants who helped compile these statistics over the years, as well as Dr. Shim Jungwook who provided assistance with data analysis. We also thank Susan Beard for her professional editing work. Any errors remain our responsibility.





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