

Keynote Speech by Tan Chuan-Jin, Acting Minister for Manpower at the Launch of the Third Singapore Diversity Report, 14 November 2013, 9:20 AM, UBS Auditorium

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Distinguished guests

Ladies and gentlemen,

Introduction

1. Thank you for inviting me here for launch of the Singapore Diversity Report.
2. I believe that the issue at hand, isn't really just about diversity in the boardroom. It is quite clear to me that the heart of the issue is really about women and their role in our society. And I would suggest, it is also about our roles as men in our society. I don't think you can talk about one without talking about the other. We all know that women hold up half the sky. And probably more. Why? Women have responsibilities at work as we all do. Women are as capable and dynamic as any man. But women are often also shouldering much of the responsibilities at home. We understand that both parents should play complementary and critical roles, but let us ask ourselves honestly, are we men pulling as much weight as we should?
3. Let me also say this. We should never see the responsibilities at home as a burden. As something that comes second to work. We must never under-estimate the value of women's roles as mothers. It is a very real dilemma for women because it is frightfully difficult to balance wanting to be there for your children and also to establish yourself as an individual, as a professional in your own right. We are all in a better place because women have been actively playing their roles as mothers.
4. And in a society confronting ageing in a big way, we also need to recognise the roles women play as daughters. The question is, whether these responsibilities as mothers and daughters, would be more manageable if fathers be fathers, and sons be sons? Are men holding up their half of the sky?
5. We may also ask if there are still some vestiges of a male-dominated society where we are. I

would suggest not just in Singapore, but across the world. We have progressed significantly. I believe that while there may still be some bias, it is not necessarily chronic and sometimes we are just not paying attention to these issues. But it will continue to improve, I am quite sure of that. Be that as it may, this aspect adds on to the challenges women face at work.

6. In Singapore, we do have a very level playing field for our girls in school. Our girls have ample opportunities. No one is denied the opportunity to a good education. And many of our women do well and embark on their careers. The demands invariably become heavier when they have children and they have to make some serious choices.
7. This is where the impact begins to be felt when we look at representation at the workplace and the boardroom.

Findings of the Singapore Diversity Report

8. Look at the Singapore Diversity Report being launched today. It makes for somewhat dismal reading. Of the 677 companies studied, almost six out of 10 have all-male boards. This is a marginal improvement from last year, but still a relatively large proportion. Further, just 7.9% of all board directors were women. This is only a slight increase from last year's 7.3%. We are moving in the right direction, but the numbers are still significantly low. Other Asian countries such as Hong Kong at 9.4% and Indonesia at 11.6% are ahead of us. Our neighbour Malaysia is at 8.4%.
9. In addition, women also continue to be underrepresented in leadership positions on boards. The report found that 4.6% of the CEOs and just 3.4% of the Chairmen on the boards were women. In addition, women also continued to occupy fewer directorships per person than men did, with 17.2% of the men holding more than one board position, and just 6.3% of the women.

Supporting women in attaining their career aspirations

10. Women make up almost half of our workforce¹ and yet such a small number make it to the top. Concerned that women continue to be under-represented at top-level management positions despite the high percentage of highly educated women, Halimah Yacob initiated the Diversity Taskforce (DTF) when she was Minister of State in the Ministry of Social and Family Development. As part of a study by DTF, the Singapore National Employers Federation (SNEF) has launched a survey to examine the state of gender diversity on boards and in senior management of SGX-listed companies and statutory boards. A report with the findings as well as recommendations to businesses and the Government is expected to be ready by next year.
11. Clearly, it is not for lack of ability or quality on the part of women. Bias will be a factor, but I believe a small one. I believe it is largely about women struggling to find the balance between their work and their care-giving responsibilities.
12. Hence, addressing this concern is really about what we can do to support women on the home-front. A supportive family can make a world of difference. I have earlier talked about men and

the need to fully carry out our responsibilities as fathers and sons. We cannot force this but we can encourage greater shared parental responsibility via the Government's enhancement of the Marriage and Parenthood Package such that fathers of newborns are entitled to one week of paternity leave. They also have the option to share a week of maternity leave with the mother of the newborn. I think that if fathers are encouraged to take on a larger share of parenting responsibilities, women will find it less of a struggle to harmonise work and personal commitments. I would add that for men, it is not about taking up a larger share of responsibility, but it is about fulfilling our share of the responsibility.

13. Another very significant factor is also the availability and provision of childcare facilities. About 20,000 more childcare places will be added over the next four years. And the intent is to also keep fees as affordable as possible, particularly for the average Singaporean family.

Employers play a big role

14. Besides a supportive family environment, what can employers do? Employers too should play a role by providing a progressive workplace so that women can better contribute. Earlier this year, the Tripartite Alliance for Fair Employment Practices (TAFEP), in partnership with BoardAgender and the Center for Creative Leadership, produced a report on a study done to shed light on how Singaporean senior women leaders successfully overcame barriers to reach the position that they are at today². The women identified support from their employer as one of the key factors that helped them rise to the top. Most of the organisations that the women were working in took active steps to identify and cultivate talent, and provided flexibility when the women needed it.
15. Employers need to recognise that family responsibilities are just as important as work commitments for their employees. With that in mind, employers should provide supportive HR policies that can help their employees manage their professional and personal commitments. MOM introduced WorkPro this year to help employers build more progressive workplaces by improving their workplace practices and enhancing work-life harmony. Better workplace practices will lead to more engaged and more productive workers. This will help employers better attract and retain their most valued employees.
16. Commitment from the senior management is also essential. As leaders, the senior management sets the tone. We cannot underestimate the impact this has. Not just what you say, but also what you do is of particular importance. When they visibly support the effort to bring women onto top management, they encourage others in the organisation to follow suit. This where the important aspect of peer pressure comes in. As more progressive companies begin to do this, in a subtle, but in a very clear way, it also begins to exert pressure on other companies around them. Essentially this is a bit of a movement that needs to build up momentum.

Diversity makes good business sense

17. Encouraging gender diversity on boards benefit companies. If all these other loftier goals do not

convince us, let us talk about how diversity benefits us in material terms as well.

18. A McKinsey study in 2012 found a positive correlation between a company's financial performance and the proportion of women on the company's executive committee. Compared to companies with executive committees had no female representation, companies with higher levels of female representation in their executive committees reaped 47% higher return on equity and 56% higher earnings. While the study does not draw a causal link, it notes that board diversity leads to more innovation, more 'out-of-the box' thinking, and increases the resilience of companies.
19. The Diversity Report launched today also conducted an empirical analysis on the relationship between the proportion of female directors and firm performance. The report found that more gender diversity has a positive effect on firm performance measured by return on assets and return on equity. It also found a positive relation between gender diversity and corporate governance quality. The key issue at hand really is not just about how gender diversity enhances performance. Having gender diversity, having women represented on boards, ensuring that we support women at work and at home, and providing them with the right opportunities for them to do as well as they possibly can – this is really about doing the right thing.

Conclusion

20. When we talk about building an inclusive society, it is also about us taking steps to ensure that both men and women are able to play a full and active role in our nation.
21. We understand the challenges that women face but we need to also realise that these challenges can be moderated and the responsibilities shared if men fully carry out their roles as fathers, husbands and sons. I believe it will really matter. On our part as Government, we should support with policies and to help meet childcare needs with more facilities. On the part of employers, it is about flexible work arrangements and support for the other roles that women are responsible for.
22. The diversity in our boardrooms is just an indicator about how far we have enabled women to fulfil their potential at the workplace. As more women do well and excel, we should also expect to see more women playing an active role at the very top.
23. I would like to commend BoardAgender, NUS CGIO and all their partners for their efforts in raising awareness of the state of gender diversity in boardrooms in Singapore. I look forward to hearing the distinguished guests share their views on this topic later during the panel discussions.

Thank you.

¹ [Ministry of Manpower. *Singapore Workforce 2012. Pg 1.* Singapore.](#)

² Tripartite Alliance for Fair Employment Practices. (n.d.). *Journey to the Top - Conversations with Successful Singaporean Women.* Singapore.

Last Updated on 14 November 2013