Women directors a rare breed at top SGX firms

They account for just 18 of 480 board seats of 50 companies in Straits Times Index

By LESLIE YEE

[SINGAPORE] Women occupy just 18 of the 480 board seats at the 50 companies that make up the Straits Times Index, according to a compilation by The Business Times.

Two-thirds of these companies have all-male boards and almost all have boards led by a man, while women make up only 3.8 per cent of directors.

Industry observers say women appear to be making few inroads into the boardrooms of the largest companies in the market.

A 2004 survey showed that 8 per cent of board seats at Singapore-listed companies overall were then held by women and that there was about one woman director for every two boards. Also, about 10 per cent of the members of the Singapore Institute of Directors are women.

But BT’s latest research shows that women play a peripheral role in top corporate boardrooms — in contrast to the strides they are making in the political arena, as demonstrated by the number of female candidates in this year’s general election.

For instance, women make up just over a fifth of the People’s Action Party’s general election candidates and also feature prominently in the ranks of opposition parties.

Mitchell Van der Zahn, of Singapore Management University, says “the low level of women on corporate boards is not a phenomenon unique to Singapore”, and that in Singapore, like many other countries, “the senior corporate business community is a close-knit group that may have a preference to select like minded individuals to fill key positions”.

Mak Yuen Teen, co-director of NUS Business School’s Corporate Governance and Financial Reporting Centre, says the representation of women on corporate boards here “could go up a lot faster if not for the fact that the recruitment of directors to boards is still pretty much based on an old boys’ network”.

Singapore’s biggest company by market capitalisation, Singapore Tele- com, does not have a woman on its board. But it does have three women in the highest echelons of its management — Chua Sock Koong, Chong Yoke Sin and Jeann Low.

Women are also absent from the boards of companies ranging from national carrier Singapore Airlines to property and beverage group Fraser and Neave to automotive group Jardine Cycle & Carriage.

At Singapore’s three banks, there is one female board director — Lee Tsao Yuan at OCBC Bank, DBS Group and United Overseas Bank have 12 men and 10 men on their respective boards.

Among the small minority of STI companies with more than one woman director are Keppel Corporation and SemCorp Industries, with two women each, out of boards with 12 and 10 members respectively.

Oliveia Lum, president and chief executive of Hyflux, is the lone woman leading the board of an STI company. Ms Lum is also the sole woman on the 12-member board of Singapore Exchange, where she is an independent director.

Women on the boards of STI member companies include lawyer Arfat Selvam at CapitalLand, lawyer Lee Suat Fern at SemCorp Industries, civil servant Yong Ying I at SemCorp Industries and former acting cabinet minister Seet Ai Mee at Datacraft Asia.

Prof Mak of NUS believes gender diversity is important on boards. He says that while boards should hire people “based on their character, competence, and commitment, and what the board requires in terms of skills and knowledge”, such characteristics “will be in at least equal abundance between men and women”.

“Women do bring different perspectives on many issues and, given that they do not come from the same network, may be more willing to ask questions without having to feel that their peers will not invite them to golf games any more,” he said.

Prof Mak’s peers with boards that are not just a lack of gender diversity but also “a lack of general diversity on many boards — lack of people who come from sufficiently different backgrounds, who are also qualified, who can offer different viewpoints”.

With Singapore companies growing internationally, one area in which there has been greater diversity on boards is geographic, with foreign nationals well represented at organisations such as SingTel, DBS and CapitalLand.

Industry observers hope that the process of nominating and appointing directors can become more open and transparent, thereby leading to greater diversity in general at board level.

With the strides women are making in the professions, banking and business, industry observers believe that over time there will be more women on boards here, though opinion is divided on how quickly this will happen and how far reaching the change will be.

But Prof Van der Zahn warns: “It would be a grave error on the part of policy makers to mandate the need for gender diversity as ultimately ‘each company should be allowed to develop the board of directors as best fits their specific needs.’”