

Gender diversity gets a boost from search firms

Statement of best practices for recruiting board directors says at least 20-25 per cent of the candidates presented should be women

By **Teh Shi Ning** tshining@sph.com.sg [@TehShiNingBT](https://twitter.com/TehShiNingBT)

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WHEN fielding candidates for board director positions, search firms should ensure that at least 20-25 per cent of the candidates presented are women. And, they should aim to have client interviews with at least one qualified woman candidate.

So says a statement of best practices for recruiting board directors published on Thursday by five leading executive search firms, in partnership with Singapore's Diversity Action Committee (DAC).

The five - Egon Zehnder, Heidrick & Struggles, Korn Ferry, Russell Reynolds Associate and Spencer Stuart - have been in discussions with the DAC over the past four to five months, to come up with a statement describing best practices from the start of the search assignment to appointing the director, and follow-up.

Apart from advocating that search firms help rectify a situation of under-representation of women on boards, the statement encourages boards to widen the candidate pool to include high-calibre candidates from non-traditional sources. These would include candidates with relevant experience in emerging industries, areas of specialisation, and those from abroad.

It also emphasises induction programmes for new directors and follow-up with the board, as this can be challenging for more diverse candidates to be integrated into the board.

This is the first initiative the DAC, chaired by Singapore Exchange CEO Magnus Böcker, has rolled out since its formation in August 2014. It was appointed to build up the representation of women directors, following the recommendations of the Diversity Task Force. That task force had been formed by the Ministry of Social and Family Development to examine the state of gender diversity on boards and in senior management in Singapore, and its impact on corporate performance and governance.

On the decision to take an aspirational rather than punitive approach with DAC's advocacy c

gender diversity on boards, Mr Böcker said that quotas tend to "create number wins but not necessarily genuine wins" in terms of raising board diversity.

And there ought to be sufficient incentive for Singapore's companies - both listed and non-listed - to raise diversity on their boards, given the wealth of research linking board diversity to corporate performance, said representatives from the executive search firms.

Spencer Stuart South-east Asia managing director Malini Vaidya added that Singapore companies need to be aware that the women in senior management positions in corporate Singapore are now sought after by foreign boards seeking diversity too. It is a worldwide race for talented women, and the pool here will shrink, she said.

The statement also won support from Josephine Teo, Senior Minister of State for Finance and Transport. "I support especially the meaningful inclusion of women candidates and search firms from non-traditional sources, and urge businesses to take active steps to do so," she said.

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