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Gender Diversity: Make It Happen
By Junie Foo

March 8 was International Women's Day. A number of events for women and celebrating women were organised here in Singapore and around the world. In fact, the month of March will see a myriad of events celebrating women and their successes.

The awareness of gender equality is becoming ubiquitous. More women's conferences are being organised around the globe. Over the last five years, there has been an explosion of women entrepreneurs and women organisations.

One such organisation is BoardAgender, launched in 2011 in conjunction with the 100th anniversary of International Women's Day. Its objective is to create awareness of the benefits of having more women on boards and the importance of building a senior women leadership pipeline.

A global need

The scarcity of women at senior levels is a global phenomenon.

The global average of women on boards is only 11 per cent. In fact, 5 per cent of Fortune 500 companies do not have a single woman on their boards. Thirty five boards in the ASX 200 do not have any women. Germany, which is Europe's biggest economy, has women occupying only 7 per cent of executive board seats among its 30 largest companies. Recently, it passed a law that required major companies to allocate 30 per cent of seats on non-executive boards to women.

Singapore also performs poorly. According to the SID-ISCA Singapore Directorship Report 2014, women occupy only 8.3 per cent of total listed board seats. More than half of listed boards in Singapore have no women. Singapore lags behind its peers in the region and is at about half of the percentages seen in the EU, US and Australia.

Gender diversity is not just about political correctness. A 2014 Credit Suisse research report showed that net income growth for companies with women on the board averaged 14 per cent over the past six years compared to 10 per cent for those with no female board representation.

More than just numbers and improved profitability, the appointment of more women signals a greater focus on corporate governance.

It is clear then that increasing the proportion of women on boards does more than pay lip service to gender equality; it directly benefits the company's performance and image.

Best practices

The theme for this year's International Women's Day was Make It Happen.

And, to be fair, action is being undertaken from the ground up in Singapore to make gender diversity happen.

The Diversity Action Committee (DAC) was formed in August 2014 following the Diversity Task Force Report on the state of gender imbalance on boards. DAC's mission is to implement the recommendations to build up the representation of women directors. And DAC has rolled out quite a few initiatives.

One of these is a unique programme to define the standard for recruitment of board members. In January 2015, DAC and five leading executive search firms – Egon Zehnder, Heidrick & Struggles, Korn Ferry, Russell Reynolds Associates, and Spencer Stuart – presented a set of best practices for board appointments supportive of gender diversity. They encourage boards to widen candidate pools to include top calibre and diverse candidates, including women.

The search firms pledged to assist their clients in providing diverse slates of candidates with 20-25 per cent of them being women. The headhunters also aim to have clients interview at least one qualified woman candidate. Having concrete numbers as targets makes such actions measurable, and not just an abstract concept.

In the meantime, SID's Diversity Subcommittee is working with BoardAgender to encourage and develop BoardAgender's members to be board-ready.

Leadership focus

However, I believe that to really make diversity happen, focused action needs to start from the top. Corporate leadership needs to take the issue beyond a one-off diversity effort and into mainstream talent management.

Of course, gender diversity is not the only form of board and organisational diversity that is important but, clearly, it is the most obvious opportunity ahead of us.

One approach is to tie gender diversity to talent planning and compensation in order to drive results. We need to be intentional about how to place women when we have succession plans and are looking at current and future openings.

This year, Singapore celebrates 50 years of independence. While our economy has made phenomenal strides during this time, the majority of our listed companies are still first- or second-generation family-owned companies that are run by family members.

CEOs cannot single-handedly change the face of gender diversity; the top team, the HR function and leaders down to the front line have to engage fully in this process. We should have ownership of these actions, and accept responsibility for them. Top-down leadership is crucial, and for sustainable change, bottom-up mobilisation is fundamental.

If we want gender balance to be the norm in our organisations, we must create the conditions and cultures that enable both men and women to thrive. If we can convince a significant number of chairmen and CEOs to better gender balance through voluntary actions, it will create a paradigm shift in the hiring and talent management philosophy in their organisations.

The writer is a member of the governing council of the Singapore Institute of Directors. This article first appeared in BTInvest,
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