

Wide gap in pay between female, male directors: NUS study

Women on boards of SGX-listed companies earn 56.8% of male counterparts' remuneration on average

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FEMALE directors of Singapore Exchange-listed companies are paid substantially less than their male counterparts, with the widest gaps found in large firms.

According to a study by NUS Business School's Centre for Governance, Institutions and Organisations, female directors earned 56.8 per cent of male directors' remuneration on average, indicating a gender pay gap of 43.2 per cent.

The gap is reflected in the annual average director remuneration of S\$209,265 for female directors in all SGX-listed companies and S\$368,589 for male directors.

"The NUS study, published before International Women's Day on March 8, makes use of director remuneration disclosures required under SGX's new corporate governance code," NUS said in a press release on the study on Wednesday.

The largest gaps were among executive directors in board roles (43.9 per cent) and large firms with a market value of more than S\$1 billion (45.5 per cent). In board roles, female executive directors' average annual remuneration was S\$628,024 while male executive directors earned S\$1.1 million. Female directors in large firms were paid an annual salary of S\$319,237 on average while their male counterparts earned S\$585,372.

The gender pay gap in small firms

with a market value below S\$200 million was 44.9 per cent. The gap was 39.9 per cent for medium firms, those with a market capitalisation of between S\$200 million and S\$1 billion.

The study was based on data from 199 SGX-listed firms which disclosed exact director remuneration for the 2015-2016 financial year period.

"However, the vast majority of firms opted to explain rather than comply with the Code of Corporate Governance's requirement to disclose exact director remuneration on a named basis. Overall, the percentage of female directors stood at 9.7 per cent in all listed firms and 8.0 per cent among those firms that disclosed director salaries," said the press release.

Independent directors, who are often paid a fixed fee, had the smallest gender pay gap of 17 per cent. Female

independent directors earned S\$86,474 on average annually, which was 83 per cent of male independent directors' S\$104,237.

Partially explaining this, said NUS, was that women were less likely to serve on board committees, be appointed as committee chairs, or act as lead independent directors, which are "roles that come with greater responsibilities and higher fees".

Dr Marleen Dieleman, associate professor of Strategy and Policy at NUS Business School, said: "These results are disappointing and show that gender inequality in SGX-listed company boards deserves greater attention. The discussion on board diversity in Singapore should move beyond merely increasing the percentage of female directors (and) address deep-seated inequalities including remuneration and women's share of board leadership roles."

Battle of the sexes

TABLE 1:
Average annual director remuneration (S\$) by market cap

AVERAGE DIRECTOR REMUNERATION (S\$)	MALE	FEMALE	GAP (%)
All SGX-listed companies	368,589	209,265	43.2
Small caps (<200m)	220,398	121,514	44.9
Mid-caps (200 – 1b)	439,132	263,939	39.9
Large caps (>1b)	585,372	319,237	45.5

TABLE 2:
Average annual director remuneration (S\$) by board role

AVERAGE DIRECTOR REMUNERATION (S\$)	MALE	FEMALE	GAP (%)
Independent director	104,237	86,474	17.0
Non-executive director	109,692	77,183	29.6
Executive director (all)	1,118,877	628,024	43.9
Executive director (excluding CEO, executive chair)	493,742	425,131	13.9

Source: CGIO Database

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Dr Marleen Dieleman at NUS Business School