

Women on SGX boards earn much less than men

SINGAPORE – Salaries of female directors at listed companies on the Singapore Exchange (SGX) are just over half of what men in similar positions earn, at 56.8 per cent, according to a study by the National University of Singapore. Using data from director remuneration disclosures required under SGX's new corporate governance code, the findings by NUS business school's centre for governance, institutions and organisations (CGIO) show large gender pay gaps across all categories of directors and all firm sizes.

The largest gap was among executive directors (43.9 per cent). Female executive directors earned just 56.1 per cent of their male counterparts' salaries, while female non-executive directors earned 70.4 per cent compared to their male counterparts.

Executive directors also showed the greatest absolute differences with an average annual remuneration of S\$1,118,877 for men and S\$628,024 for women.

Independent directors, who are often paid a fixed fee, had the smallest gender pay gap.

Female independent directors earned 83 per cent of their male counterparts' earnings, equivalent to a 17 per cent gender pay gap.

This, however, may be partially explained by the fact that women are less likely to serve on board committees, be appointed committee chairs, or act as lead independent directors, roles that come with greater responsibilities and higher fees, said NUS in a statement.

Women occupied the top spot of chief executive officer in just 3.6 per cent of all SGX-listed firms, and only 1.6 per cent held chair positions. Even excluding these cases, female executive directors still earn only 86.1 per cent of male directors' fees in the same role.

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 to also address deep-seated inequalities including remuneration and women's share of board leadership roles."

The largest gaps in gender salary

were among large firms with a market capitalisation of over S\$1 billion (45.5 per cent), where women earned just 54.5 per cent of men's salaries in comparable positions. Small listed firms with a market capitalisation of below S\$200 million were not far behind, with female directors earning just 55.1 per cent compared to their male counterparts.

Overall, medium-sized firms with

market capitalisation of between S\$200 million and S\$1 billion paid their female directors 60.1 per cent of their male directors' salaries.

The study was based on data from 199 firms listed on the SGX that disclosed exact director remuneration for Financial Year 2015-16, from a total of 631 SGX-listed companies in the CGIO database. Two out of three 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 per cent among those firms that disclosed director salaries.

On Monday, the Monetary Authority of Singapore announced it had formed a council to review the code of corporate governance.



In Singapore, we have less than 10 per cent female directors on our listed company boards, which is lower than most surrounding countries such as Malaysia, India and Indonesia. We still have a long way to go to reach parity with other Asean countries, let alone approach front-runners such as Norway, Australia, or the UK. If at all the board has a female director, it's mostly just one.

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