

Turning privilege into a force for greater board diversity

Singapore's success is built on strong meritocratic principles, and maintaining this requires constant alertness and hard work. **BY MARLEEN DIELEMAN**



Research on Singapore-listed companies has shown that those with greater board diversity – be it age, ethnicity or gender – are up to five times more profitable than those with homogenous boards. PHOTO: PIXABAY

EARLIER this year, I published details of a study showing a 43 per cent average pay gap between pay for male and female directors on the boards of Singapore-listed firms. This figure generated headlines in Singapore and beyond; and as a result, many people reached out to me on the topic of gender pay gaps.

Interestingly, most male correspondents focused on questions about data and interpretation, as they found it hard to believe such a gender pay gap could exist. On the other hand, female contacts said that this study confirmed their suspicions, and narrated personal stories of being short-changed in their careers. Both responses are valid and understandable, yet they are also one-sided.

Nobody said: "I may have contributed to this problem. What can we do to improve?" Indeed, if I ask myself honestly whether I have unwittingly contributed to gender pay gaps, despite being female and aware of such issues, the answer is, probably, yes.

UNCONSCIOUS BIAS

For instance, I was more proactive in supporting the careers of those employees who asked for it, instead of those who deserved it most. I also at times recommended people for roles that I thought were a greater "fit", overlooking female options with greater qualifications.

This is often referred to as "unconscious bias" – in other words, the invisible workings of social systems of privilege that unconsciously shape our judgments.

These underlying processes that exist in every society provide certain groups with subtle advantages. Privileged groups do not ask for these un-

earned advantages, and research suggests that they are typically unaware of them.

Nonetheless, those with privilege – for instance through ethnicity, gender, age or even playing golf – find that doors open more easily for them, even if they do not ask for it. They do not normally see the problem for what it is.

Indeed, it becomes natural to take these automatic doors for granted and as evidence of one's own qualities and competence. At the same time, they perceive those in similar positions as more competent too.

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Without a conscious effort to push back against it, eventually this results in an increasingly homogeneous leadership composition.

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For people with privilege, it is more difficult to see that other qualified individuals who lack these privileges need to work much harder to push open the same doors. Of course, when you are

the one having to push against the door, you would have no trouble seeing the difference in effort required.

So how can we be more mindful of the workings of privilege, particularly when we have achieved positions of influence? And how can we use that awareness to improve our systems and behaviours?

As a European working across Asia, I have had my fair share of privileged treatment, including in my capacity as a board member. I handily explained these away thinking that I was "more educated" and hence better qualified.

Like most people, the incidences I more vividly recall are those where I felt age or other factors worked against me, rather than those where it worked in my favour.

But, had I been more perceptive of unearned advantages when I was in a natural position of influence, I could have used my leverage to change things for the better.

Singapore is one of the most progressive mixed societies I know. Its success is built on strong meritocratic principles. But maintaining this is something that requires constant alertness and hard work.

This is especially true for company boards, which seem to be lagging behind social trends in this respect, both in terms of diversity and balance of pay between male and female directors.

The benefits of diverse boards are well known. Dealing with the complex

challenges posed by an increasingly uncertain world demands greater diversity of opinion, background and perspective in order to respond successfully.

My own research on Singapore-listed companies has shown that those companies with greater board diversity – be it age, ethnicity or gender – are up to five times more profitable than those with homogenous boards. Yet it is the latter form that continues to dominate, with just 10 per cent of board seats on Singapore-listed firms held by women.

So how can we address this issue of privilege in the context of improving board diversity in Singapore?

The first step is at the individual level. Directors can be more conscious of subtle distortions to our judgments. This can be done by practising greater self-reflection, and by systematically checking our judgments against those of others who are not like us, for instance by having diverse nominating committees, or by appointing outside experts to offer alternative views.

SEEK ALTERNATIVE OPINIONS

At present, many director roles tend to be filled by existing board members tapping into their own personal networks of contacts without seeking alternative opinions. This process of using personal networks can, often inevitably, skew boards towards greater homogeneity.

The second step is at the level of the system that we preside over. Directors can correct or prevent distortions and strengthen meritocratic principles, for instance by using structured board selection procedures with relevant selection criteria that cast the net wider. They can also establish procedures that ensure appropriate checks and balances for board selection and evaluation, rather than relying on the judgment of one or a few individuals.

Directors with a different background are often perceived as a "risk" – but with a carefully crafted board profile that calls for diversity, these candidates may be seen as an opportunity.

The last step is at the cultural level. Directors can consciously nurture an open culture where diversity of views is perceived as beneficial to good decision-making.

This may mean taking longer to understand other people's points of view, and changing the way that decisions are taken. But while this may noticeably extend the process and can lead to occasional discomfort, research has shown that diverse teams better understand and are more effective at handling greater complexity.

In March 2017, Minister for Culture, Community and Youth, Grace Fu – along with other groups including the PAP Women's Wing and the Diversity Action Committee – set a target for Singapore boards to have at least 20 per cent female directors by 2020.

For that to be achieved – and for other types of board diversity to be improved – we all need to step out of our unconscious patterns and turn both sides of privilege into a joint force for improvement.

■ The writer is an associate professor in the Department of Strategy & Policy at National University of Singapore (NUS) Business School. The opinions expressed are those of the writer and do not represent the views and opinions of NUS.