

Golf buddies and board diversity

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The theme for this year's International Women's Day this month is #PressforProgress, an action to press forward and progress gender parity.

And at corporate Asia, there remains much work to be done, according to a diversity study from the National University of Singapore (NUS) Business School. In Asia, women's share of board seats is low and uneven, varying from 2.6 per cent and 3.3 per cent in South Korea and Japan respectively, to 7.7 per cent in Singapore and 8.6 per cent in India; compared with 21.9 per cent in Australia, 26.1 per cent in Britain, and 18.7 per cent in the United States. The same study found that, on average, companies with more than 10 per cent of female board members enjoy higher returns on assets and equities than companies with less female representation.

So how can women overcome the gender glass ceiling in board representation?

At the NUS Business School and Department of Real Estate, we studied the notion of social capital to understand better the mechanisms women can use to overcome impediments to their participation in the executive labour market.

In particular, we studied the role of social capital using data from golf games. Golf being a largely male-dominated sport, we examined whether women who play the game are also more likely to serve on the boards of directors of publicly listed companies.

In corporate Singapore, golf is an important social network tool. But research shows that social networks often operate along gender lines. As such, golf being a male-dominated sport lends itself to reinforce social networks and bonding among men, potentially limiting its usefulness to female golf players.

However, one may argue that playing golf allows women to enter prominent social networks and increase their involvement in the labour market. By engaging in a predominantly male activity, women may gain additional social capital, even beyond that of male golfers. In other words, "playing the boys' game" may render female golfers being accepted by predominantly male corporate boards.

To address this, we studied the directors of 431 Singapore-based firms listed on the Singapore Exchange over a 15-year period. These firms have been actively traded in the previous two years. Firms classified as Reit, trust, venture capital and mutual fund were excluded.

We also gathered data from the



Women who play golf are 74 per cent more likely to serve on corporate boards, say the writers, and this is particularly more evident among firms with larger than smaller market capitalisation. PHOTO: AGENCE FRANCE-PRESSE

same period from golfers' handicap books, allowing us to match directors with their golfing statistics. From these two sources of information, we were able to generate a comprehensive database of 10,584 golfers and 1,646 directors.

Almost nine in 10 of golfers in our sample are male. Among the board of directors, 90.6 per cent are male. Together, the odds ratio by gender and board membership stands at 0.094 for female, suggesting that, on average, females are 90 per cent less likely to serve on the boards of directors.

While this may not be all that surprising, does playing golf help break the gender glass ceiling in board representation? We found that golfers have a higher probability of holding a directorship with an odds ratio of 59.9. However, when comparing the odds ratio by gender, we found that playing golf is associated with a stronger propensity to serve on corporate boards for women than for men by 54 per cent. Women who play golf are 74 per cent more likely to serve on corporate boards.

Interestingly, this is particularly more evident among firms with larger than smaller market capitalisation. For small firms,

golfing did not affect female board membership. Instead, female golfers are 125 per cent more likely to serve on a board relative to male golfers in large firms.

This gives some evidence of social capital at work. Larger firms are presumably more hierarchical. To be able to get on the board despite the hierarchy suggests social capital is at play.

The use of social capital is further reinforced when we study by industry. Industries that have low female representation have prohibitive barriers to networking. But if such industries have a higher female board representation relative to high-female-representation industries, and these female board members are golf players, then it is likely that social capital is present.

Indeed so. We observed that women are more likely to serve on the board of directors in low-female-representation industries (by 117 per cent) if they play golf, relative to their male counterparts. Finally, we noticed that the golf skills between female directors and non-directors, and between male directors and non-directors were no different.

Our study highlights two important issues. First, engaging

in social activities that run counter to social norms or behaviours is an important mechanism used by women to partially mitigate this glass ceiling in corporate boards. "Playing the boys' games", in this case golf, is effective in boosting women's representation on corporate boards.

Second, social capital and networking foster career outcomes in the executive labour market. While this works for both men and women, women's involvement in a male-dominated social activity such as golf appears to enhance their probability of serving on a board in a large listed company.

As society strives towards gender parity in line with the International Women's Day's #PressforProgress, we are heartened that the results of our study demonstrate there are indeed means for women to overcome gender disparity in the board rooms.

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