

S'pore firms have 'room for improvement' in corporate governance study

Long way to go in board diversity

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Singapore firms have some way to go when it comes to good corporate governance practices, especially in the area of diversity.

A scorecard out yesterday showed that the development of corporate governance practices here has flatlined while the gap in standards between the large firms and the rest keeps widening.

The scorecard, launched in 2011 by the Asean Capital Markets Forum and the Asian Development Bank, assesses the 100 largest listed firms in six Asean nations.

"There is a lot of room for improvement for Singapore companies," said Mr John Lim, a former Singapore Institute of Directors (SID) chairman who worked on the study.

"Yet there are simple things that Singapore companies could actually do, things like (improving) disclosure and attendance at AGMs."

He was not impressed with the diversity practices of local

Asean corporate governance scorecard

The top Singapore companies

2017 ranking	Company name	2015 ranking*
1	Singapore Telecommunications	1
2	CapitaLand	4
3	DBS Group Holdings	2
4	Singapore Exchange	3
5	United Overseas Bank	27
6	City Developments	19
7	Singapore Press Holdings	5
8	Oversea-Chinese Banking Corp	18
9	Sembcorp Industries	15
10	Olam International	45

NOTE: *2016 was a gap year for revision and no assessment was conducted.

Sources: SID, NUS Business School TNP GRAPHICS

firms, saying: "Singapore is third from the bottom, ahead of only Japan and South Korea. What with the education standards we have, the development we have, we should be much, much higher than this."

Six in 10 companies did not have any women directors, while three in 10 have just one.

The Singapore report showed that while firms did mildly better in the areas of shareholder rights, the equitable treatment

of shareholders and the role of stakeholders, they fared worse when it came to disclosure and transparency, and board responsibilities.

Another worrying finding was the "widening gap between better performing large-cap companies from the rest", said Associate Professor Lawrence Loh, director of NUS Business School's Centre for Governance, Institutions and Organisations, which helped compile

the Singapore report.

"There is also a widening gap between the Temasek-linked companies vis-a-vis the other companies."

Minister for Culture, Community and Youth Grace Fu said at a discussion held yesterday after the report was released that "it will take time and collective effort by all corporate leaders to shift mindsets and create change".

The official target of having 20 per cent female board directorship among listed companies has raised the issue of imposing quotas.

Panellist Lim Hwee Hua, a director at United Overseas Bank, said she was not against quotas but felt they should not be the first step.

Mr Lim said quotas favour the end result and not the process.

He said: "(On greater female representation) I think we are just not paying sufficient attention in the selection process, and we are ignoring what is a big part of the talent pool."

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