Board Monitor Singapore 2022

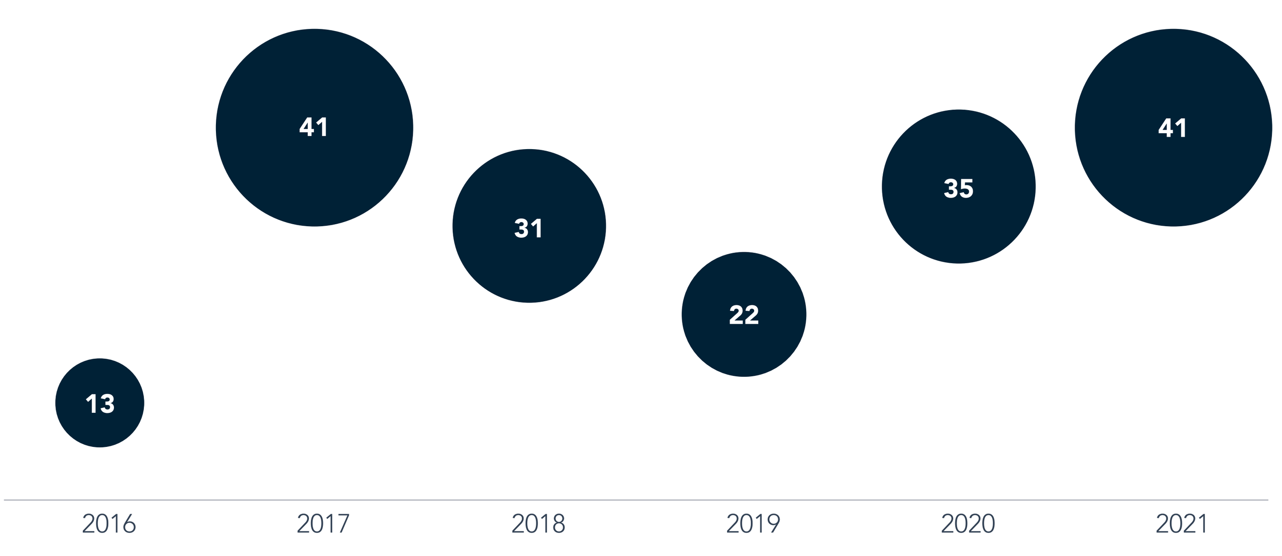
As society and business are reconciling the events of the past two years and a new corporate license to operate is taking shape in many countries, there is a marked need for boards to understand what changes they need to make in order to successfully lead their organizations through both the near- and long-term futures. Sustainability, diversity, equity, and inclusion (DE&I), wellness, and social contributions used to be peripheral issues but have become table stakes thanks to increased pressure from a wide spectrum of stakeholders and increasing regulatory demands.

Companies require a new, bolder type of leadership that is focused on organizational purpose, factors in the new demands from their workforce, and has "doing good while doing well" as a mantra. Boards must consider what new skills and experiences are necessary to future-proof themselves to lead companies in an increasingly uncertain environment.

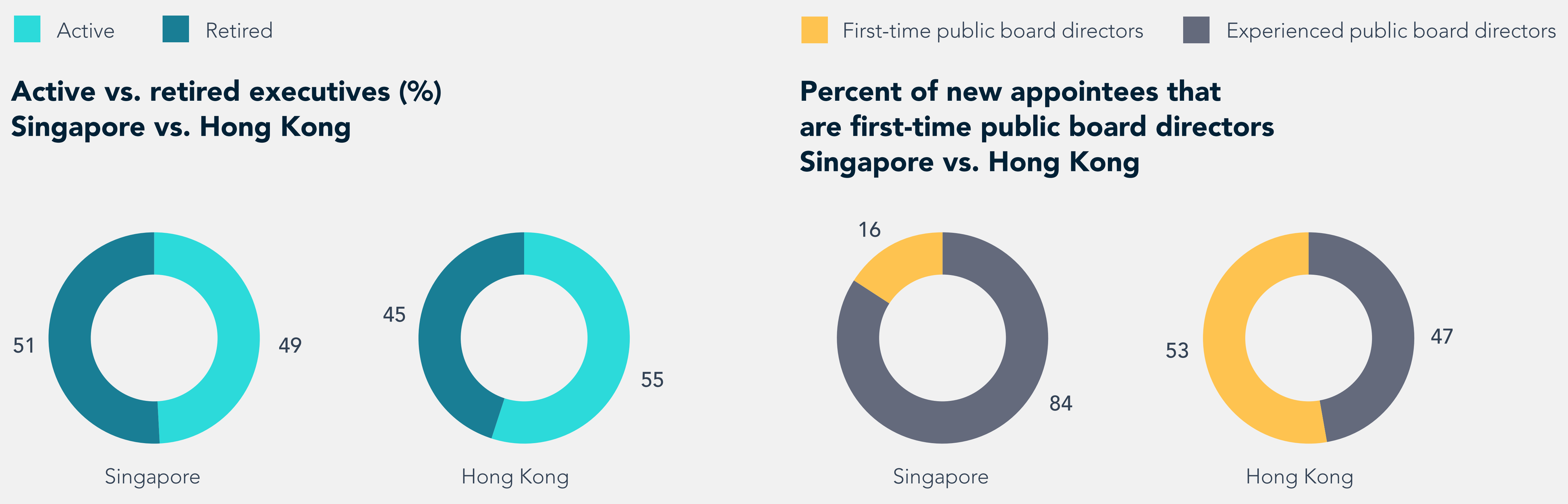
So, what does the cohort of directors added to STI30 boards in 2021 look like?

It's the largest cohort of new directors in five years: STI companies have regained their appetite for board refreshment.

Number of appointments, 2016–2021

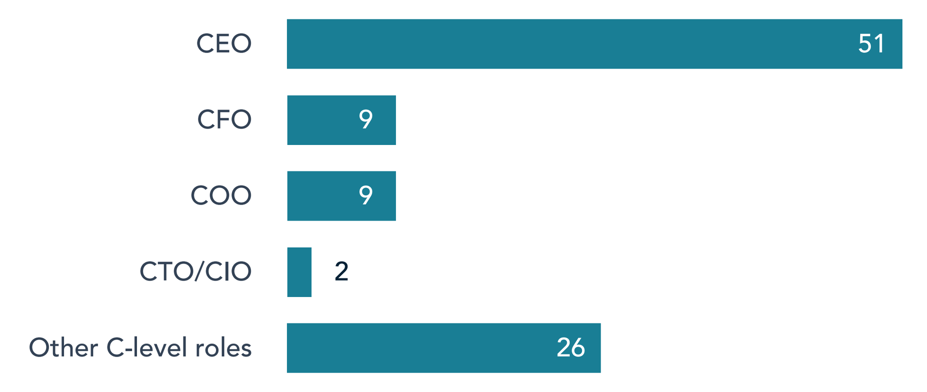


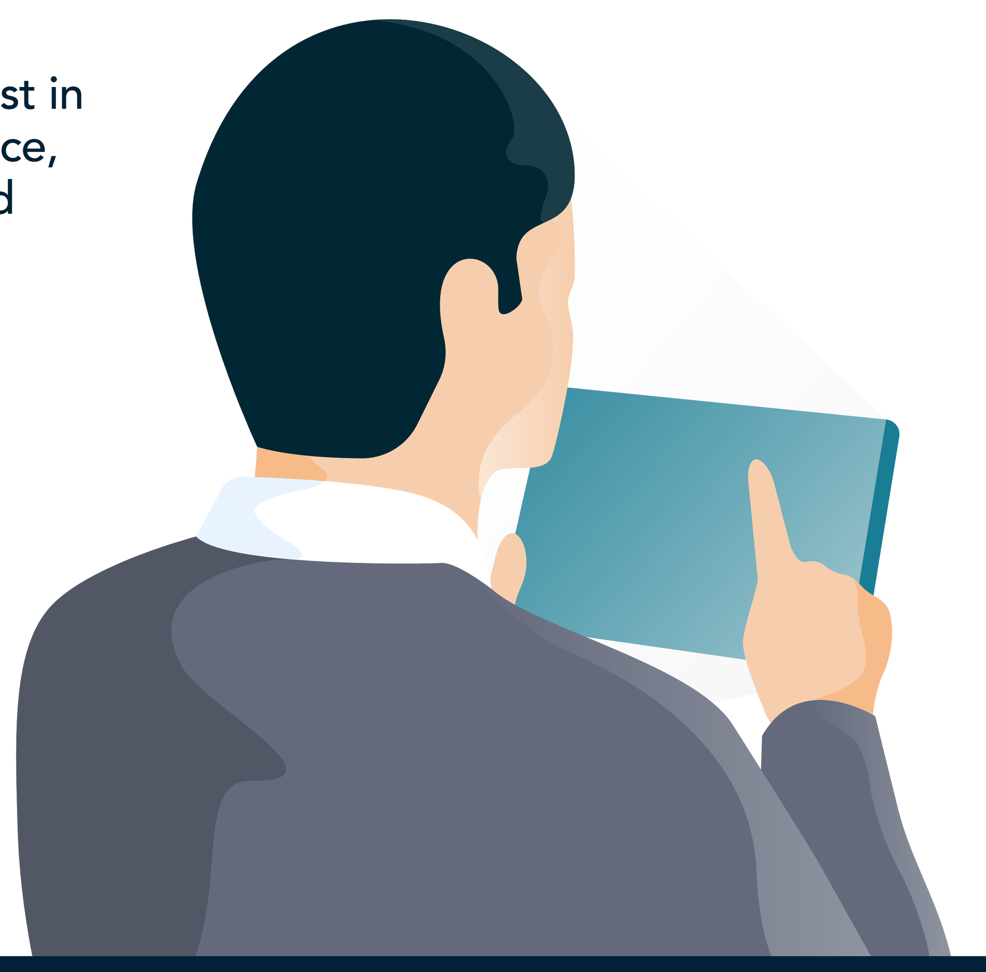
Compared to Hong Kong's Hang Seng companies, Singapore boards opted for higher shares of directors who are retired and have previous public board experience.



Singapore boards showed high levels of interest in directors with CEO and other C-level experience, but, in a break from tradition, less often seated people with CFO or COO experience.

C-level experience of new directors

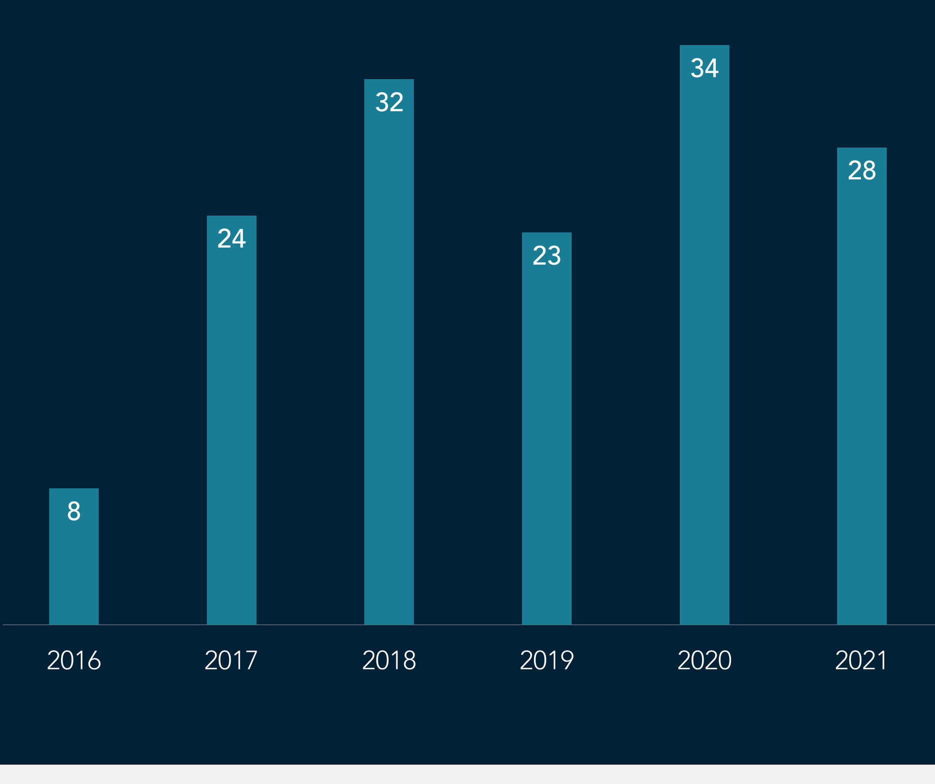




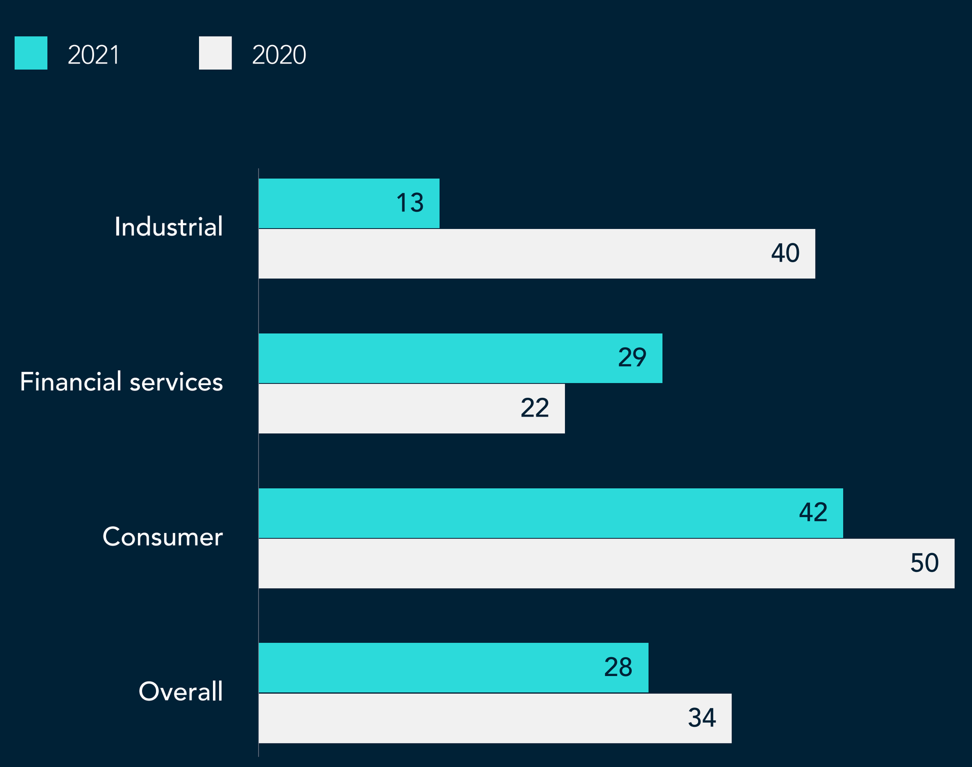
Note: Numbers may not sum to 100% because of rounding.

Gender diversity took a dip compared to the prior year, with a particularly large decrease in the share of seats going to women in industrial companies.

Percent of new women directors, 2016–2021



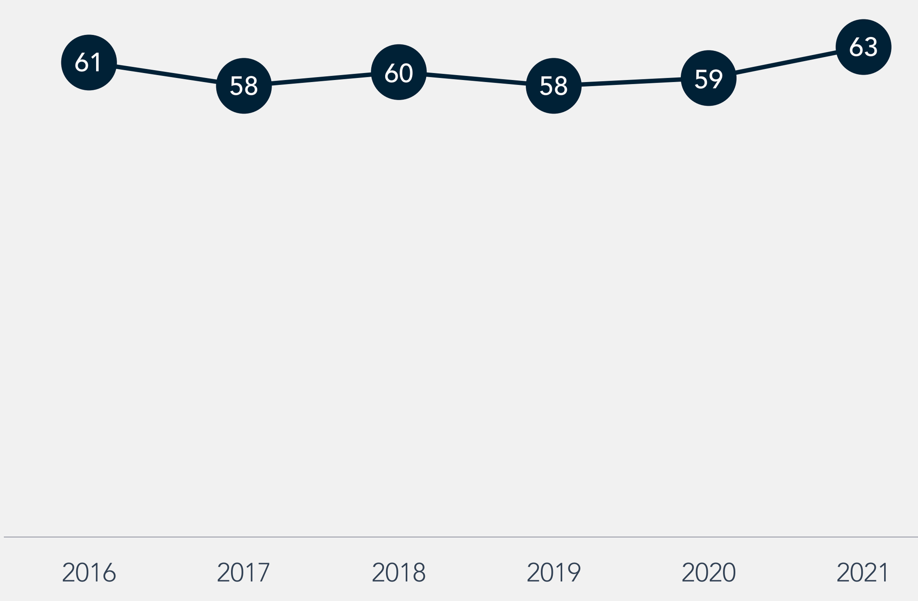
Percent of women, by industry, 2021 vs. 2020



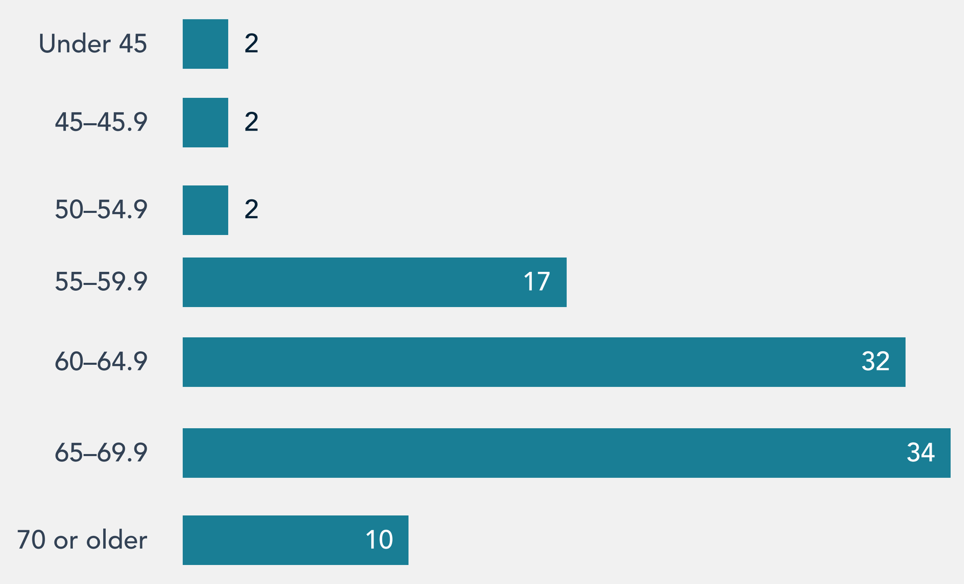
The average age of new directors increased, likely as a consequence of boards opting for more retired directors and those with previous public board experience.

In 2021, 93% of seats went to directors over 55, and only 2% went to those under 45.

Average age of new directors, 2016–2021



Age distribution of new directors, 2021 (%)



Note: Numbers may not sum to 100% because of rounding.

What are best-in-class boards doing?

- Seeking new directors whose backgrounds go beyond CEO, such as CFO and COO
- Being open to first-time board members
- Bolstering ESG capabilities by casting a wider net for new board candidates: people with sustainability backgrounds in policy, capital allocation and resource management, and community and stakeholder engagement might be a good starting point
- Creating a space for temporary seats at the table or bringing in voices from outside
- Thinking of succession planning as an ongoing exercise rather than an exercise undertaken in reaction to an annual deadline
- Incorporating future business strategies and scenarios into succession planning

To learn more, contact us

Jiat-Hui Wu
is the partner in charge of Heidrick & Struggles' Singapore office and a member of the CEO & Board of Directors and Financial Services practices.
jhwu@heidrick.com

Hnn-Hui Hii
is a partner in the Singapore office and a member of the Industrial and Technology practices. He leads the CEO & Board of Directors Practice in Southeast Asia.
hhhii@heidrick.com

Tonny Loh
is a partner in the Singapore office and a member of Heidrick Consulting.
tloh@heidrick.com