



# Poised for change?

**Boardroom Diversity Survey 2021**

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# A premium on thinking differently

Recent progress—and the continued push—toward greater boardroom diversity comes at a pivotal time. The ability to challenge long-held assumptions, understand megatrends and effectively calibrate strategy, risk, and talent in the context of heightened stakeholder expectations puts a premium on thinking differently.

To better understand how directors view the opportunities and challenges of enhancing diversity in the boardroom, the KPMG Board Leadership Center surveyed more than 700 directors around the world.

Based on results gathered from respondents in Singapore, it is clear that:

- Many directors would be willing to make moderate changes to their board's composition if they could start from a clean slate today.
- Directors have concerns about blind spots and missed opportunities due to a lack of diverse views.
- 82 percent of directors said that board diversity in relation to composition and thinking is relevant or very relevant to the company's consideration of its role in society.
- While a majority of directors say board leadership is effective at drawing out the views of all members, achieving better boardroom discussions is a work-in-progress.
- Aspects like racial and ethnic diversity, technology and digital experience continue to be in high demand.

We hope these survey results and questions help you drive robust discussions about diversity in your own boardroom.

—KPMG Board and Governance Institute

# Key takeaways

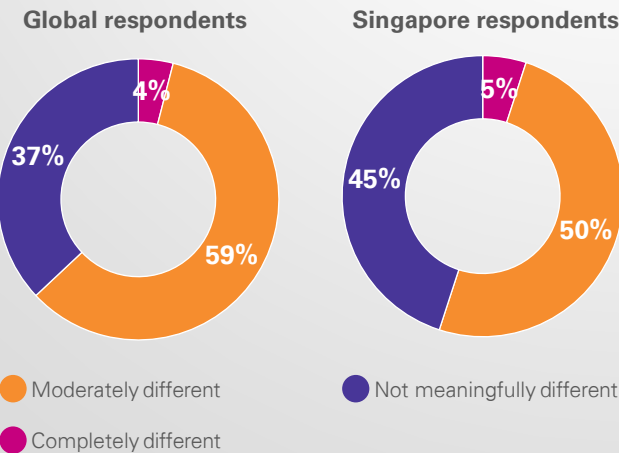
## Many boards are poised for change

Approximately 55 percent of Singapore directors surveyed said their boards would be different if they rebuilt it to meet the needs of today and for the future, with 5 percent saying that their boards would be completely different. Likewise, 59 percent of directors surveyed globally said their boards would be moderately different while 4 percent said it would be completely different.

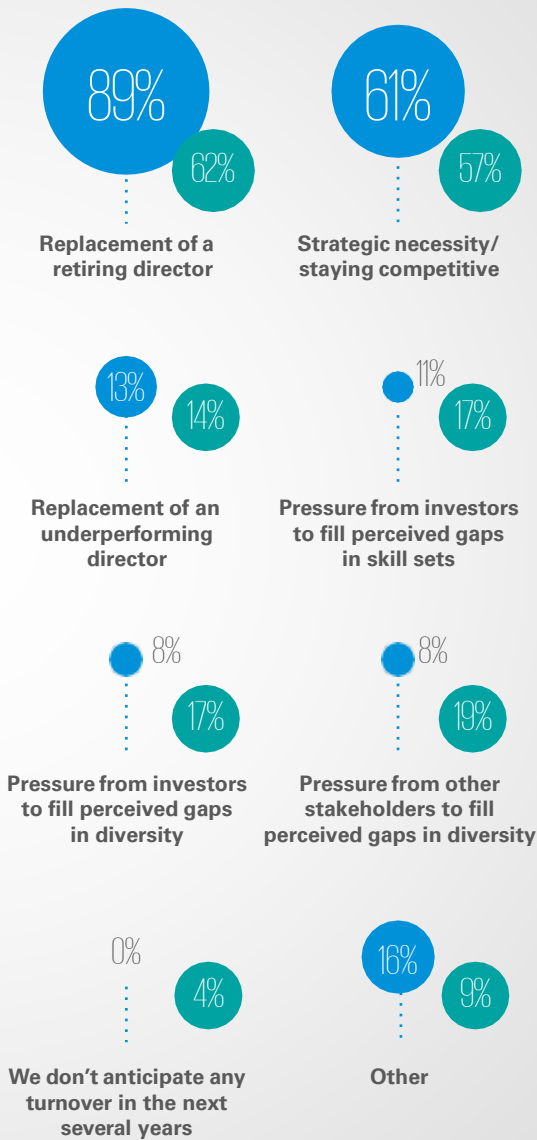
While all respondents anticipate turnover in their boardrooms in the next several years, the most commonly cited reason for the recruitment of new directors is the replacement of a retiring director (89 percent). Another 61 percent indicated that the recruitment of new directors would be out of strategic necessity or to stay competitive. Only 16 percent cited pressure to fill perceived gaps in diversity by either investors or stakeholders.

For respondents in Singapore, industry background is cited as the most important criteria when recruiting new directors, along with prior corporate board and C-Suite experience. Interestingly, elements like CEO experience and technology or cybersecurity experience, are not rated as the most or second-most important criteria by the respondents.

**If you were to rebuild your board to best meet your company’s needs for today and the future, how different would the board’s composition be—including diversity of skills and backgrounds—from its current makeup?**



**In your view, which of the following reasons are most likely to prompt your board to recruit new directors over the next several years? (Select up to 3 options)**

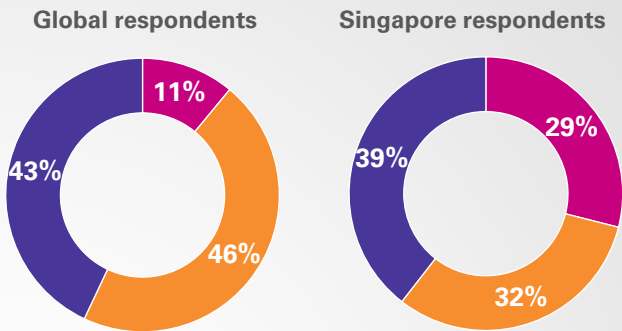


Concerns about blind spots and missed opportunities

Globally, 11 percent of directors polled say they are extremely concerned about the lack of diverse views in their boardroom and how this might hamper insightful discussions or the identification of blind spots or important issues. Meanwhile, nearly 46 percent of respondents remain moderately concerned. In Singapore, more than 60 percent of directors polled said they are concerned or extremely concerned about the lack of diverse views in their boardrooms. More than half (55 percent) of respondents indicated that their board’s diversity – both in terms of composition and thinking – is relevant to the company’s consideration of its role in society going forward.

How concerned are you that a lack of diverse views in your boardroom hampers insightful discussions or the identification of blind spots and issues important to the company's future?

- Moderately concerned
- Extremely concerned
- Not concerned



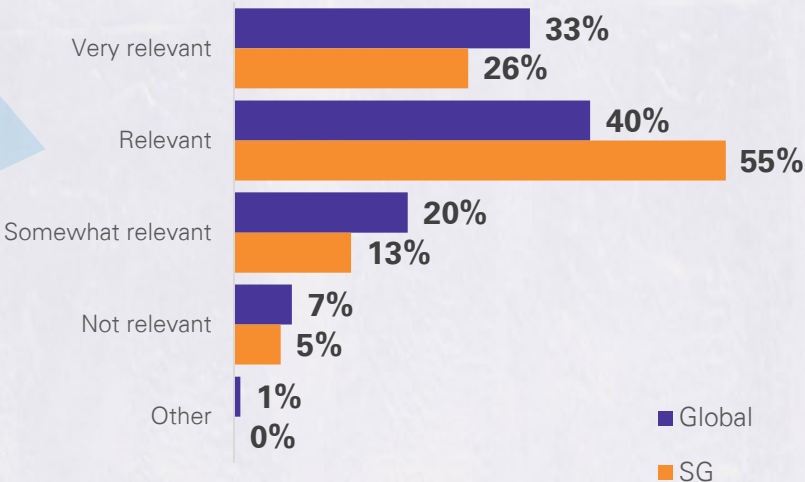
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What additional type(s) of diversity would be most beneficial to your board based on the company's long-term strategy?

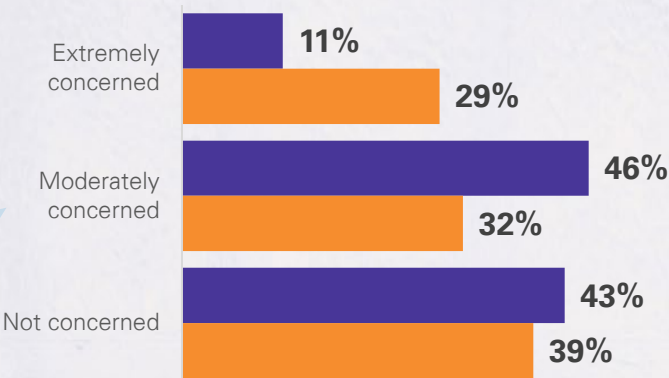
	Lacking – Actively recruiting		Lacking – but not immediately required		Currently represented		Not relevant	
	Global	SG	Global	SG	Global	SG	Global	SG
Race/ethnicity	12%	0%	34%	29%	24%	34%	31%	37%
Expertise in technology/digital strategy	21%	11%	36%	45%	37%	37%	6%	8%
Gender	12%	16%	20%	24%	61%	58%	8%	3%
Industry experience (complementary but different from company)	9%	5%	17%	16%	68%	76%	6%	3%
Industry experience (same as company)	10%	3%	10%	21%	76%	71%	4%	5%
Geographic	5%	3%	21%	37%	44%	34%	30%	26%
Sexual orientation	3%	0%	26%	13%	10%	8%	60%	79%
Age	6%	0%	22%	16%	48%	53%	24%	32%
Expertise in risk management	6%	5%	15%	5%	75%	89%	4%	0%
Socioeconomic	3%	0%	28%	18%	24%	29%	45%	53%
Expertise in human capital management	8%	3%	29%	29%	53%	58%	9%	11%



**How relevant is the board's diversity— with regards to composition and thinking— to the company's consideration of its role in society going forward?**



**How concerned are you that a lack of diverse views in your boardroom hampers insightful discussions or the identification of blind spots and issues important to the company's future?**



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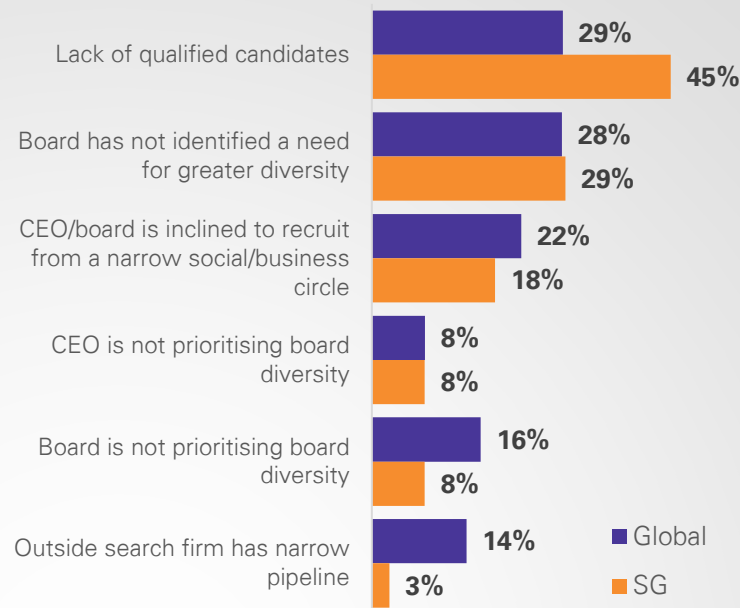


Achieving board diversity:  
Perceived impediments

Close to half of all respondents cited the lack of qualified candidates as a key impediment when it comes to recruiting directors from diverse backgrounds. According to 29 percent of directors, boards not identifying a need for greater diversity is another key impediment to recruiting more diverse candidates. This was followed by the inclination of the CEO or board to recruit from narrow social or business circles.

Globally, these three key impediments are also critical reasons why boards struggle to espouse diversity.

What are the greatest impediments to recruiting diverse board candidates? (Select all that apply.)



Rate the importance of the following criteria when recruiting new board members:

	1 (Most Important)		2		3		4		5 (Least important)	
	Global	SG	Global	SG	Global	SG	Global	SG	Global	SG
CEO experience	18%	11%	27%	37%	29%	29%	16%	8%	11%	16%
C-suite experience	31%	24%	37%	58%	21%	16%	9%	3%	2%	0%
Prior corporate board experience	23%	26%	37%	53%	26%	18%	10%	0%	3%	3%
Industry background	31%	37%	39%	39%	22%	16%	6%	5%	2%	3%
ESG background/experience	8%	5%	32%	39%	36%	29%	16%	21%	8%	5%
Technology or cybersecurity experience	16%	13%	35%	39%	33%	42%	12%	5%	4%	0%
Human resources experience	7%	5%	30%	29%	38%	53%	17%	11%	8%	3%

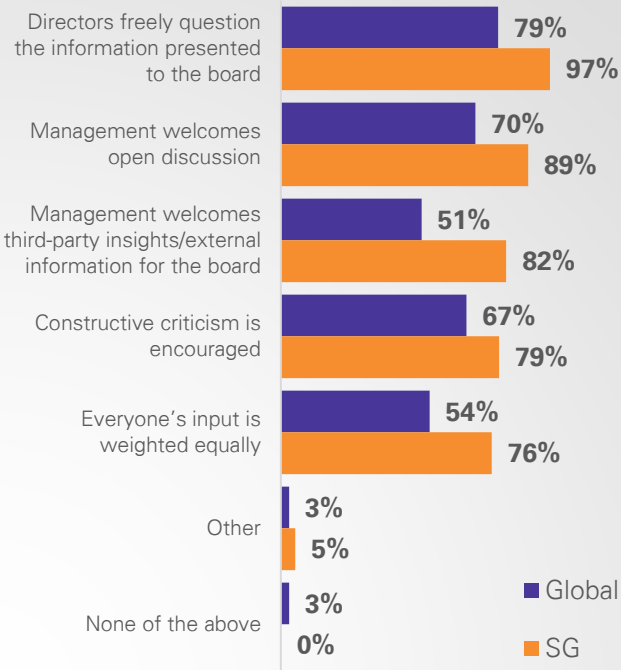
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The endgame: Better boardroom discussions

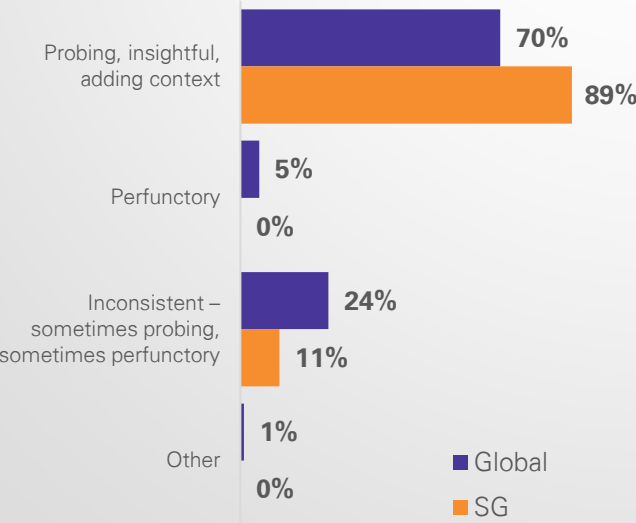
When asked how trust and transparency are demonstrated in their boardroom, a majority of respondents in Singapore indicated that directors freely question the information presented to them (97 percent). Furthermore, they also said that management welcomes an open discussion (89 percent), and are accepting of third-party insights/external information for the board (82 percent).

However, the survey results also suggest some room for improvement with regards to boardroom discussions of strategic issues. While a majority of directors describe those discussions as probing, insightful, and useful for adding context, 1 in 10 directors described them as inconsistent or perfunctory. Some 29 percent of directors said board leadership is only somewhat effective in drawing out the views, ideas, and concerns of all directors. Meanwhile, another 6 percent said their board leadership is ineffective at achieving this—either because they control the discussions too much (3 percent) or due to a lack in leadership in drawing out the opinions of others (3 percent).

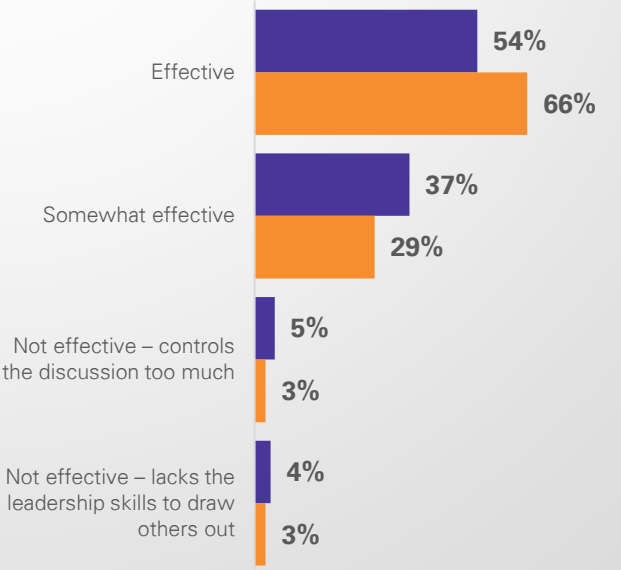
How are trust and transparency demonstrated in your boardroom? (Select all that apply.)



How would you describe the questions and observations offered by the board during discussions of issues that are of strategic importance to the company?



How effective is your board's leadership at drawing out the views, ideas, and concerns of all board members?



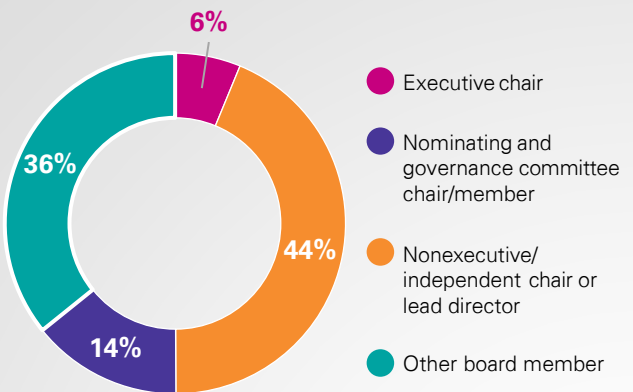
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# Global survey respondents

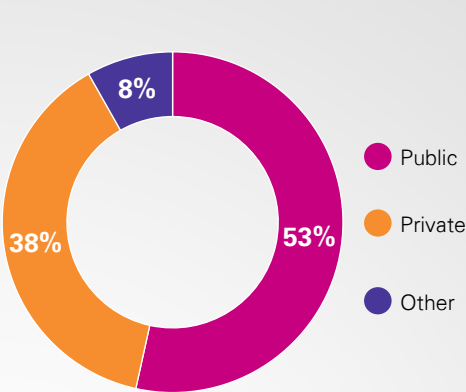
Results are based on a survey of 707 Global directors that was conducted between August to October 2021.

## Role

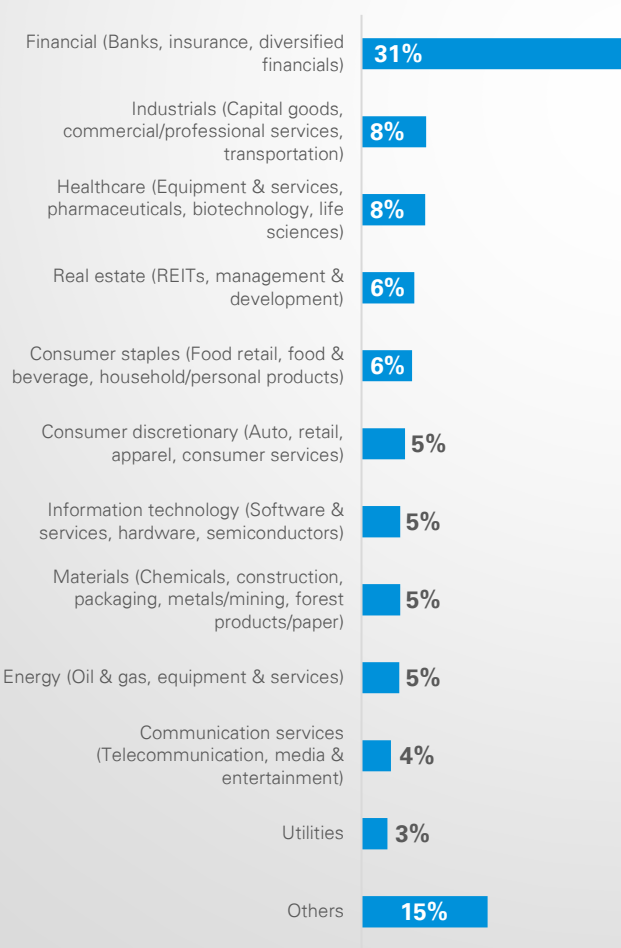


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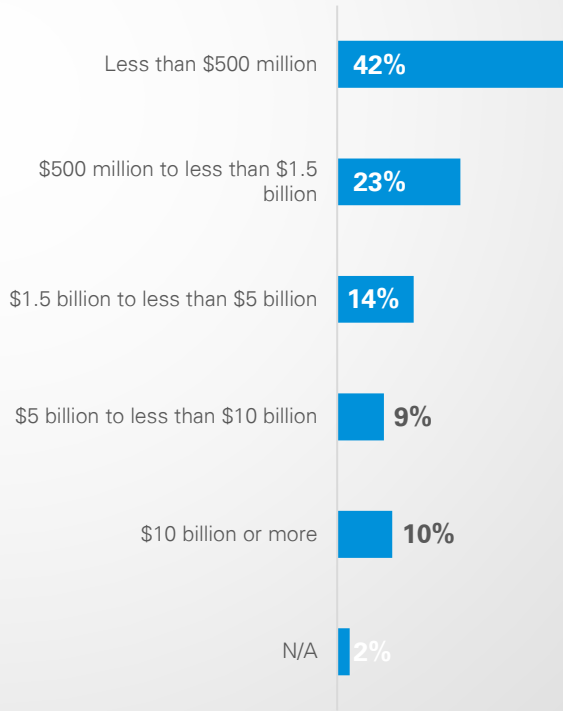
## Company type



## Industry/sector



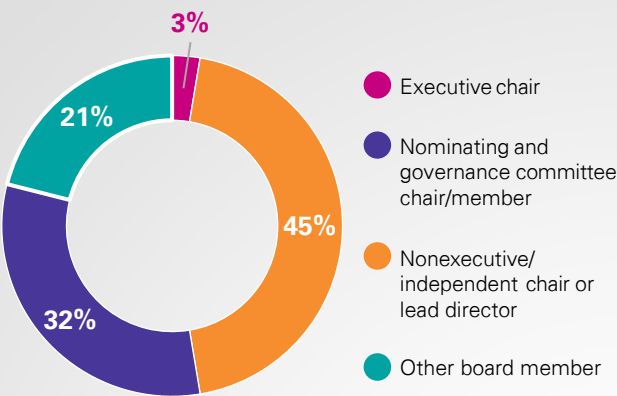
## Annual revenue (USD)



# Singapore survey respondents

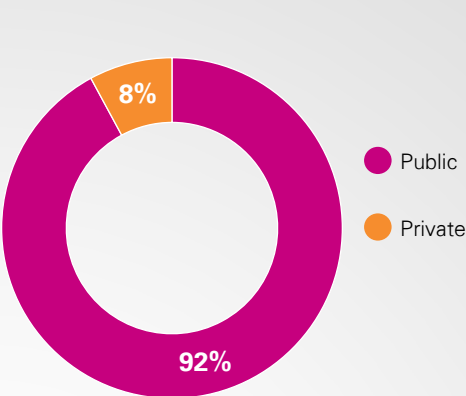
Results are based on a survey of directors in Singapore that was conducted between August to October 2021.

## Role

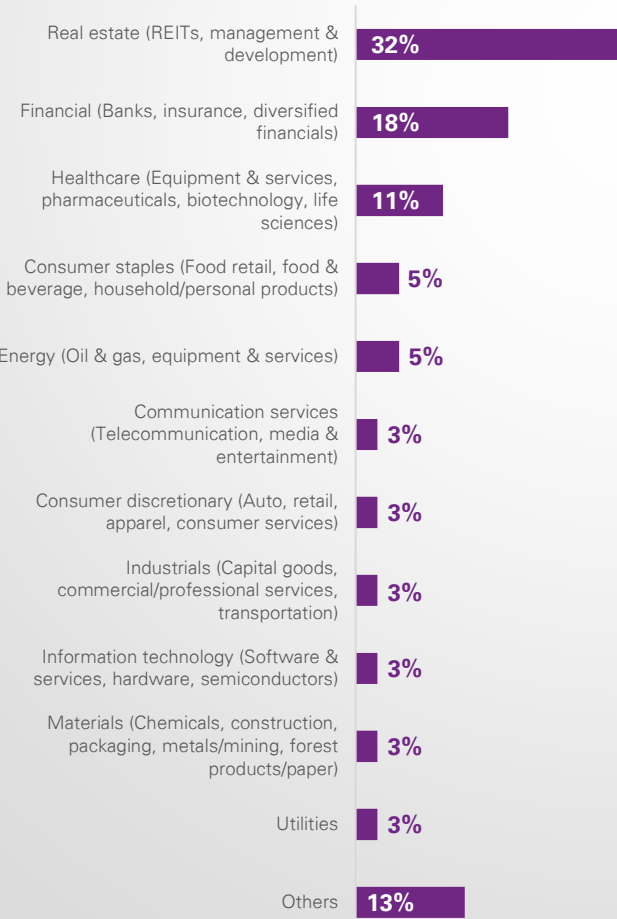


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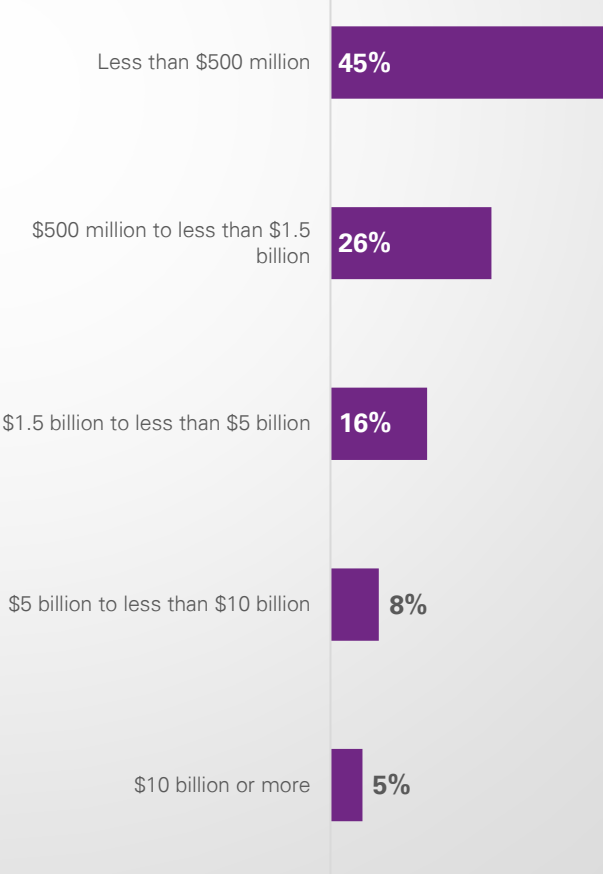
## Company type



## Industry/sector



## Annual revenue (USD)





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## Contact us

**Irving Low**  
**Partner**

**Head of KPMG Board & Governance Institute**  
**KPMG in Singapore**

**T:** +65 6213 2071

**E:** [irvinglow@kpmg.com.sg](mailto:irvinglow@kpmg.com.sg)

**Tea Wei Li**  
**Partner**

**Governance & Risk, Advisory**  
**KPMG in Singapore**

**T:** +65 6411 8114

**E:** [wtea@kpmg.com.sg](mailto:wtea@kpmg.com.sg)

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