

Getting Onboarded!

Six Trends Shaping New Director Appointments in Singapore

Directors can impact organizational performance at a more strategic level than they may be able to in most operating roles — and have impact across multiple companies.

For business leaders in Singapore, becoming an independent non-executive director (INED) at a top Singapore-headquartered company is an attractive opportunity. Directors can impact organizational performance at a more strategic level than they may

be able to in most operating roles — and have impact across multiple companies. Sitting executives have a chance to contribute insights and expertise to a company in another industry. Retired executives can leverage their extensive business and leadership experience to stay active in the business, while securing an income stream.

Yet the path to joining the board at one of these elite companies is typically not straightforward — or clear. There are a finite number of these organizations, and executives in many fields (including professional services) are prohibited from becoming an INED until after they retire. Selection criteria typically aren't formally documented.

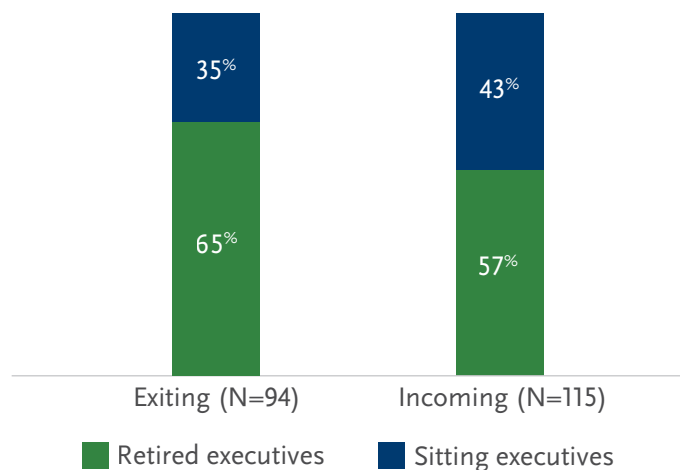
To support senior businesspeople who aspire to board service in the future — and the chairs of boards and nominating/governance committees who lead boards' efforts to determine the skills and expertise their boards need — we analyzed the backgrounds of 115 INEDs who joined and 94 INEDs who left the boards of roughly 30 top Singapore-headquartered companies between October 2019 and September 2024. The companies belong to one of three groups: Singapore-listed (e.g., DBS, Keppel, Singapore Airlines), listed overseas (e.g., SEA, Grab, ASM Pacific Technology) and large but non-listed (e.g., Changi Airport Group, Certis, Singapore Power Group). Drawing on data from public sources such as BoardEx, company annual reports and websites, we compared the backgrounds of incoming versus outgoing INEDs, along with INEDs who are retired versus those who currently hold full-time roles at other organizations.

This analysis revealed several key findings about the experience and attributes boards are looking for today. Here is what we found:

1. The share of sitting executives among INEDs is large and growing.
2. General management is by far the most common functional background.
3. Boards seek cross-industry experience.
4. While the largest industry representation on boards has been and remains financial services, the demand for technology expertise has increased significantly in recent years.
5. Multinational corporate experience is highly valued.
6. The demand for experienced board directors has increased.

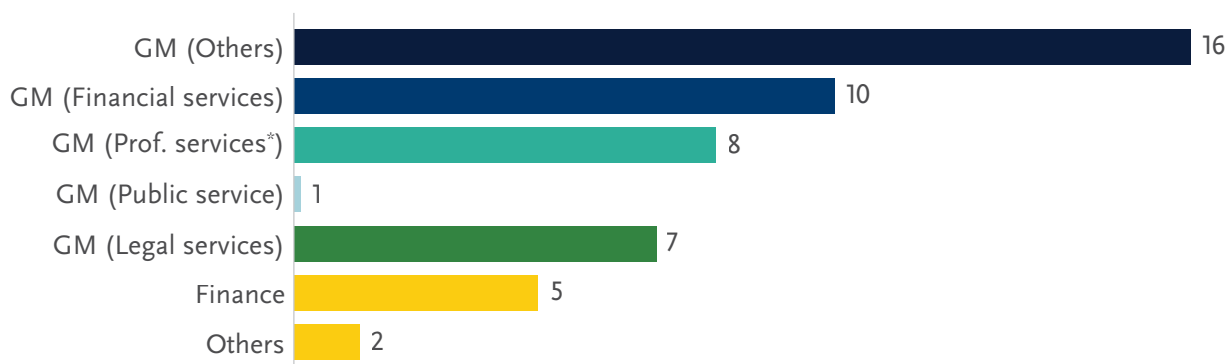
The share of sitting executives among INEDs is large and growing. The conventional wisdom is that boards primarily comprise retired executives. Although retirees make up a majority of INEDs in Singapore, the share of sitting executives is significant and increasing. Among the incoming INEDs over our five-year window, 43% were in full-time roles at other organizations in addition to their board service, compared to 35% of the exiting cohort. This suggests that INEDs currently holding executive roles elsewhere are increasingly valued by top boards, possibly because they offer a complementary perspective of corporate management.

EXECUTIVE STATUS OF INEDS



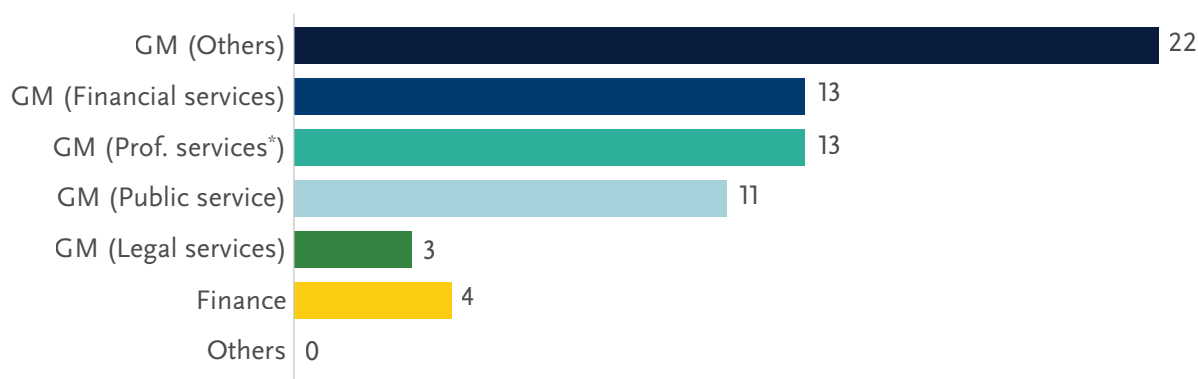
General management is the most common functional background. Among sitting executives joining boards in the period we analyzed, general management (GM) experience is the most common. Eighty-six percent of INEDs currently in full-time roles have a GM background, followed by finance (10%) and all others (4%). Retired executives are even more likely to have a general management background; 94% are former GMs and 6% have finance experience. The two charts below show the breakdown of functional backgrounds for sitting and retired executives, respectively.

FUNCTIONAL BACKGROUNDS OF INCOMING INEDS (SITTING EXECUTIVES) N=49



*Includes strategy consulting and accounting but not legal

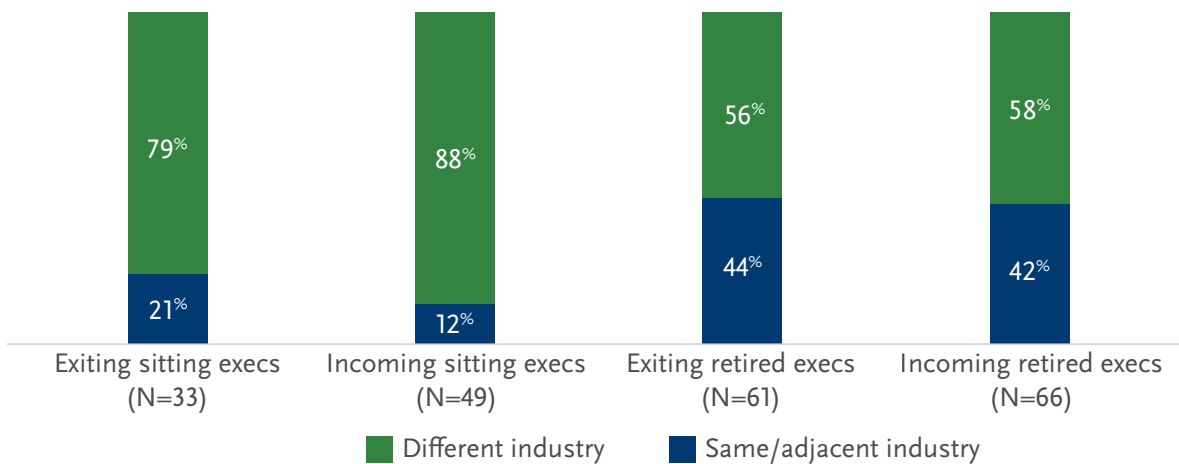
FUNCTIONAL BACKGROUNDS OF INCOMING INEDS (RETIRED EXECUTIVES) N=66



*Includes strategy consulting and accounting but not legal

Boards seek cross-industry experience. Only a small minority (12%) of sitting executives joined a board in an industry similar to theirs. This is due to the need for INEDs to avoid conflicts of interest, but recruiting directors from another sector also enables companies to capitalize on cross-industry expertise. Compared with incoming directors, departing directors were less likely to come from a different industry (79% versus 88%). Incoming retired executives are more likely than sitting executives to join boards of a similar or adjacent industry (42% versus 12%), as conflicts of interest are less of a concern.

INDUSTRY BACKGROUND OF EXITING VS INCOMING INEDS



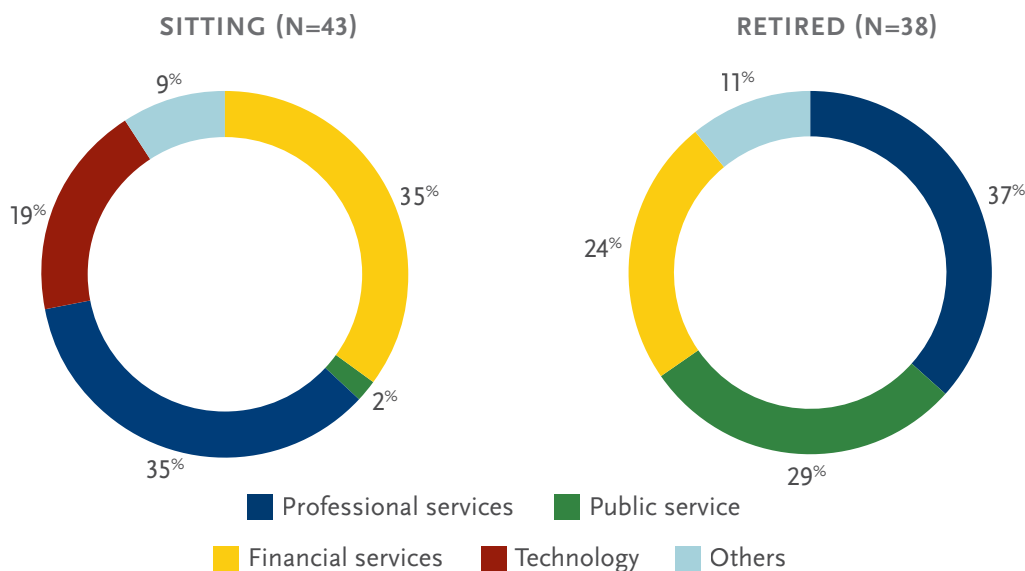
Financial services is the most common industry background among incoming INEDs.

Financial services companies make up just 14% of our sample of companies, but financial services executives represent 31% of incoming INED appointments during the period we analyzed. Moreover, among INEDs who come from a different industry than that of the board where they currently serve, financial services executives make up a similarly large share.

The reason for this dominance is likely two-fold:

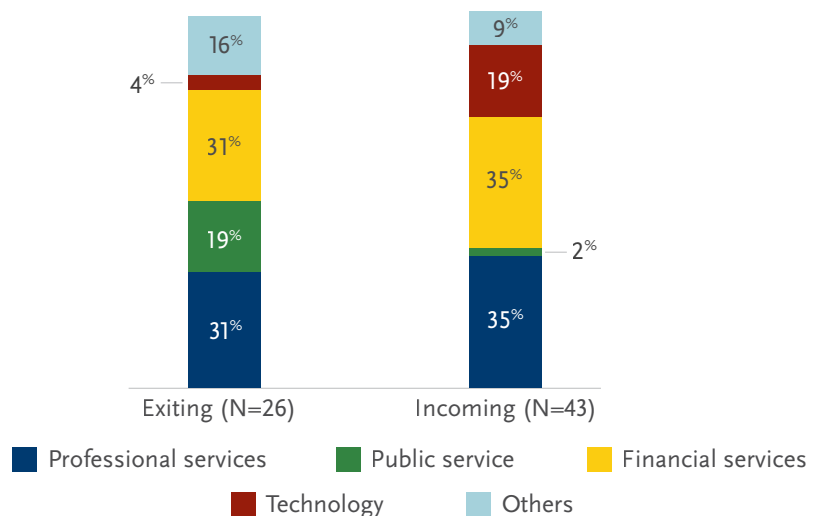
- » Financial services companies are powerful magnets and developers of top talent.
- » Financial services executives bring a strong compliance mindset.

INDUSTRY BREAKDOWN OF INEDS PLACED INTO DIFFERENT INDUSTRIES



The demand for technology expertise is growing. Among sitting executives, we saw the largest increase in demand for INEDs with a background in technology, media or telecommunications when boards hired from outside their industry, from 4% of exiting directors to 19% of incoming directors. This is perhaps not surprising given that technology has become an increasingly important business enabler, differentiator and disruptor. Actively employed executives are more current in their understanding and deployment of tech and can provide insights into the latest technology developments and their implications for the business. Furthermore, current technology expertise is becoming a key requirement across all industries, as technology has become an increasingly core part of the business model and operations of companies across industries.

INDUSTRY BREAKDOWN OF INEDS PLACED INTO DIFFERENT INDUSTRIES (SITTING EXECUTIVES)



Multinational experience and global perspectives are highly valued. Among incoming INEDs, 73% of active executives and 79% of retired executives have worked at a multinational company (either based in Singapore or elsewhere), compared with 61% and 74%, respectively, of the exiting cohort.

Similarly, demand for executives with a regional and global scale of responsibility has increased, suggesting that for a top Singapore-based board, experience leading regionally and beyond is becoming table stakes for an INED candidacy. Incoming INEDs who are active executives oversee a significantly broader geographical footprint than the exiting cohort, with 88% (versus 70%) having a global or pan-Asia remit. Among retired executives, 70% of both incoming and exiting INEDs have had a global or pan-Asia breadth of responsibility.

	Sitting		Retired	
	Exiting (n=33)	Incoming (n=49)	Exiting (n=61)	Incoming (n=66)
MNC (USA)	11	14	10	12
Others	9	12	8	3
MNC (Singapore-based)	6	7	12	15
Public service	4	1	8	11
MNC (Asia ex SG)	2	7	3	3
MNC (Europe)	1	8	20	22

Preparing for board service

In addition to our quantitative analysis, we spoke to numerous successful INEDs to identify specific steps that aspiring directors can take to become more attractive candidates for top Singapore companies.

First, it may seem self-evident, but business leaders in full-time roles should develop a strong reputation by doing great work at their current position. Regardless of how soon they may want to join a board, they should operate as if they are always being scrutinized for potential board service, enabling them to build a reputation of superlative contributions. In addition, they should proactively network, reaching out to current directors to ensure that their name stays top of mind as openings become available.

In addition, our research shows that first-time INEDs at Singapore-headquartered companies often have experience on other types of boards. That could mean serving on the boards of government agencies or private companies (such as private equity portfolio company boards). Prior private company board experience is not a prerequisite for a public company board appointment — as evidenced by the number of first-time INEDs who land roles at top companies — but it can be a useful stepping stone and help aspiring INEDs gain critical experience and visibility.

Sitting executives can also serve on the boards of public companies listed in other markets. Given the importance of international experience in shaping boardroom discussions, this kind of experience can burnish the résumé of potential directors for the boards of Singapore-based companies.



As our analysis shows, board composition at Singapore-based companies is evolving, yet board service remains attractive for business leaders looking to have a more strategic impact. For business leaders that aspire to board service, the time to start preparing is now.



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