

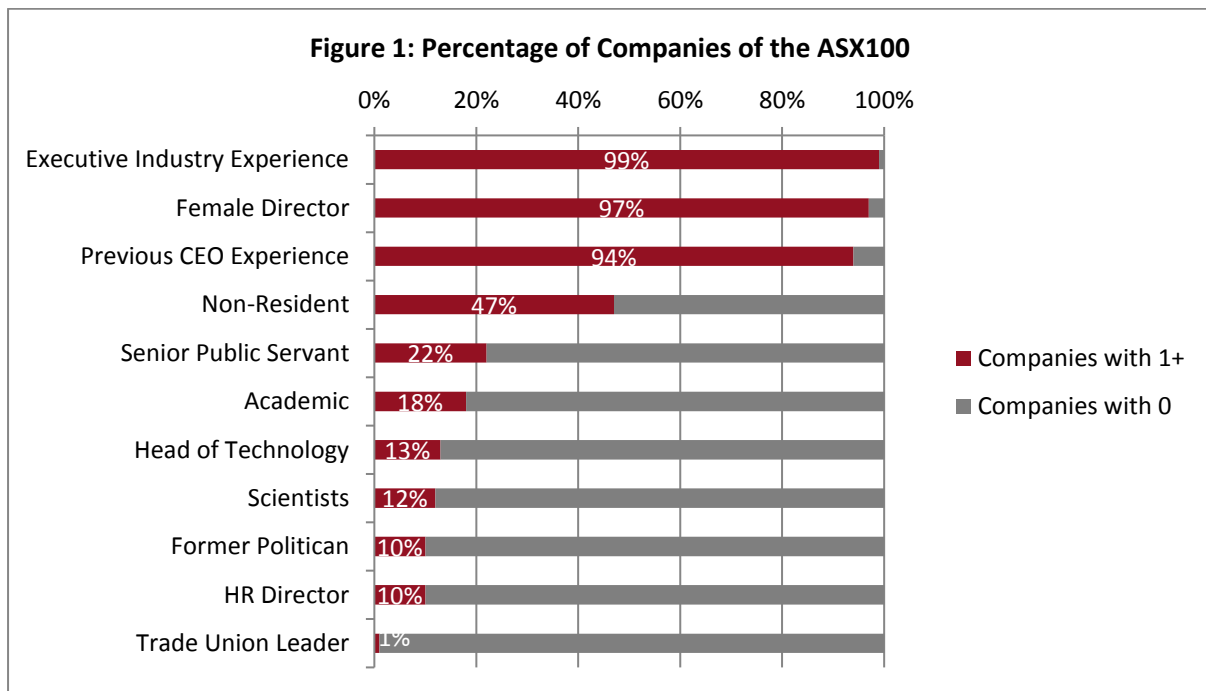
## A BROADER PERSPECTIVE ON DIVERSITY IN THE 2015 ASX 100 BOARDROOMS

The challenge for Australian business is growth, and growth starts with the Board and its composition. It is this composition that is essential to creating the diversity of thought and creativity that are essential to achieve growth in what are very dynamic markets – Boards, therefore, set the “tone” for growth.

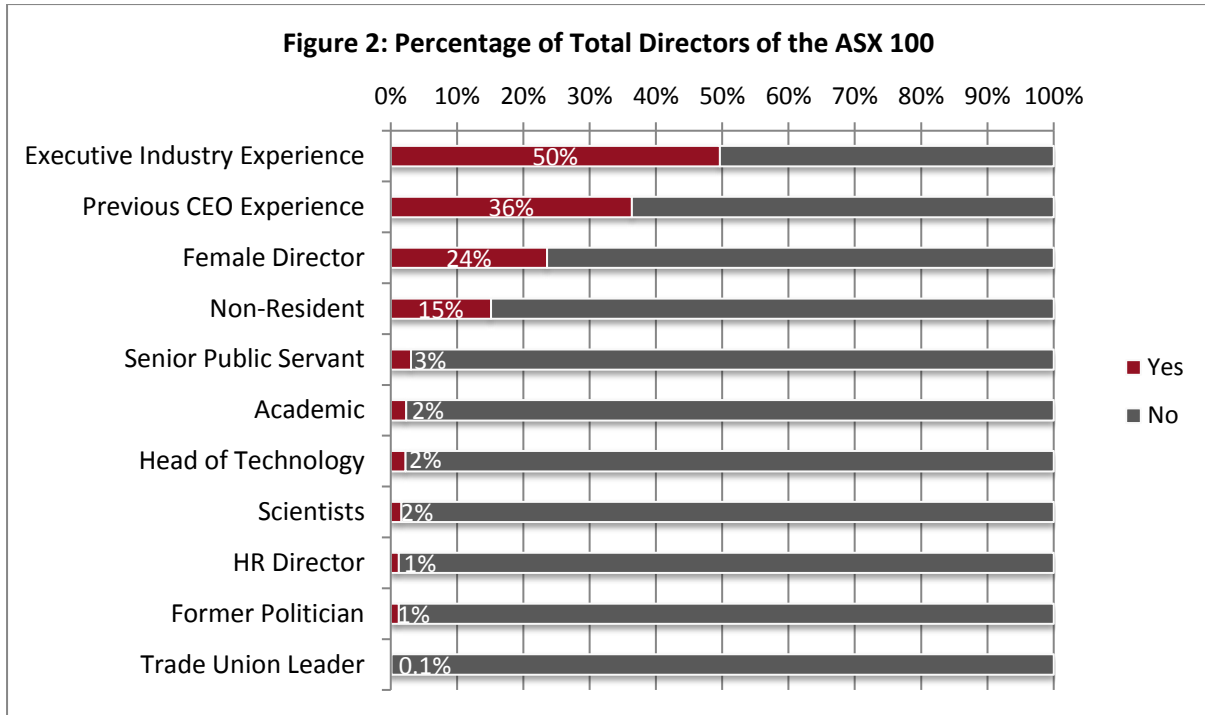
We analysed in depth the composition of the ASX 100 Boardrooms. The analysis in the tables examines diversity in Board membership from a broader perspective including criteria such as skills, experience and non-residents in addition to gender.

Figure 1 illustrates Boards in the ASX 100:

- Have good coverage in their membership in Executive Industry Experience, Female Directors and previous CEO experience;
- Have limited coverage in other areas with only approximately half having a Non-Resident and even less with backgrounds as Senior Public Servants, Academics, Heads of Technology, Scientists, former Politicians, HR Directors or Trade Union Leaders.



Examining the background of individual Directors in Figure 2 again illustrates this trend with 50% having industry experience in the industry in which they are a Director, 36% being former CEOs and 24% being female Directors. The increase in the percentage of female Directors is encouraging, however, the fact that less than 5% of Directors have backgrounds in the other categories measured illustrates this lack of diversity from a broader perspective.



The data shows the limited breadth of diversity beyond gender in the Australian Boardroom. It raises the question as to whether a simplistic, demographic notion of Board diversity may be limiting the pool of potential talented Directors.

However, what is interesting is that 47% of companies have a non-resident Director and 15% of total Directors are Non-Residents. Given the increasingly global nature of markets, this inclusion of non-resident Directors with knowledge of the offshore markets being targeted can potentially enhance the prospects of successful growth offshore. However, some of the ASX 100 head offices are based overseas and this may skew the results.

If growth is directly related to the creativity and lateral thought emanating from the Boardroom, the research certainly raises the question as to whether the Board mix is best place to negotiate the challenges of driving growth into the future. Viewing diversity and its contribution from a growth perspective will broaden the diversity debate from one of gender centrality alone to growth centrality. This can only be beneficial to Australian companies.

Research current at 2015.



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