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Macquarie chairman Kevin McCann defends boardroom mix



by [Jemima Whyte](#)

Macquarie Group chairman Kevin McCann has challenged a report that suggested recruitment of directors was too narrow and was limiting company growth, saying legal and accounting experience remained relevant.

The Blenheim Partners report, based on responses from 80 chairmen, directors and executives, questioned whether boards were made up of too many "inexperienced" professional directors and were stacked with directors from too similar backgrounds, mainly accounting and legal firms.

"People at the top of their professions are people who have relevant experience and skills. They do have appropriate skills and talent," Mr McCann told The Australian Financial Review, adding he was appointed to his first major board, Pioneer Concrete at 36.

Mr McCann will be among the panelists debating the report, pulled together by recruitment firm Blenheim Partners' Gregory Robinson and Dr Brett Wright, and Macquarie University Graduate School of Management's Professor Charles Areni, on Wednesday morning.

Finance Minister Mathias Cormann, Woolworths and AMP director Holly Kramer, Carnival Australia chief executive Ann Sherry and entrepreneur Mark Carnegie will also be on the panel.

He also disagreed with the report's assertion that less directors with legal and accounting backgrounds should be offered non-executive director roles, noting that Maxine Brenner, who sits on Origin Energy, Qantas Airways and Orica and Nicola Wakefield-Evans, who sits on Macquarie, were examples of two directors with legal backgrounds who were particularly strong non-executive directors.

And he added that plenty of companies – including Macquarie Group – needed lawyers around the boardroom table.

"If you look at banks and insurers they need at least one lawyer on the board because they are heavily regulated," said Mr McCann, also a former lawyer. He also said young people at the top of their profession were a good choice for boardrooms.

In the forward to the report, David Gonski said the report raised some interesting issues but added he couldn't "agree with everything in the publication".

LACK OF GENUINE DIVERSITY

More broadly, the report said there was a lack of genuine diversity on corporate boards and the emergence of "career directors" may be draining listed companies of their appetite for the sort of risks needed to generate growth in their businesses amid increased technological disruption.

Among the areas of concern the study identified are: the failure to consider diversity beyond getting more female executives and board directors; concerns that "professional directors" reliant on directors' fees for their income would not want to risk blotting their career prospects in the small Australian market with failure; excessive scrutiny from investors, proxy advisers, regulators and the media; an excess focus on compliance and box ticking over genuine growth strategies; and too many lawyers and accountants on boards compared with other areas of expertise.

Mr Robinson – who says using unattributed, verbatim responses allowed a rare insight into corporate Australia – also raised concerns about how narrowly boards examined diversity, mainly from a gender perspective.

The report highlighted the lack of internationally-experienced executives, former politicians, trade union leaders, scientists, academics and human resources directors at the board level of the sharemarket's largest 100 companies.

Asked about what skills boards needed less of, participants mostly identified accounting and legal skills. Competencies that respondents wished to see more of at the board level included international experience, executive experience, social media, technology and technology digital skills.