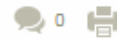


Lack of diversity among directors

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Less than 5 per cent of board members of the biggest listed companies have backgrounds either as politicians, scientists or trade union leaders, according to an analysis that pushes for a widening of the debate on diversity.

Blenheim Partners' analysis of directors of S&P/ASX 100 companies, to be detailed in a paper by Blenheim and the Macquarie Graduate School of Management, finds 36 per cent were former CEOs and 50 per cent had executive industry experience. But few directors had backgrounds that were not traditional on the boardroom circuit.

Former politicians made up 1 per cent of the total directors of the ASX 100. Those with backgrounds as trade union leaders made up 0.1 per cent, scientists 2 per cent, academics 2 per cent; senior public servants 3 per cent and heads of technology 2 per cent.

Gregory Robinson, managing partner of executive search and board advisory firm Blenheim Partners, said the analysis showed "a limited breadth of diversity beyond gender" and raised the question "as to whether a simplistic, demographic notion of board diversity may be limiting the pool of potential talented directors".

He said the growth in the percentage of women directors — at 24 per cent in the survey — was encouraging. So too was the appointment of non-resident directors to boards (at 15 per cent), given the global nature of markets.

"Breaking out from the traditional and conservative list of competencies on Australian boards and viewing diversity and its contribution from a growth perspective will broaden the diversity debate from one of gender centricity alone to growth centricity and this can only be beneficial to Australian companies," Mr Robinson said.

Professor Ian Ramsay, of Melbourne University's Centre for Corporate Law and Securities Regulation, said it was time to think beyond the traditional pool of people.

He said the debate about gender issues had been "entirely appropriate" so far, given "the problem there has been so obvious and so apparent and the solution has been fairly straightforward to that".

"There is still further work to be done there basically," he said. "I do think that we are at a stage where the debate on diversity has to be broadened, but I hasten to add without losing sight of the issue of gender."