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Executive Search & Board Advisory

DIVERSITY – WHAT’S CHANGED IN THE LAST 12 MONTHS



“It always seems impossible until it is done.” Nelson Mandela

Blenheim Partners Executive Search and Board Advisory firm have analysed in depth the composition of the ASX100 Boardrooms and reviewed the findings against their research 12 months ago.

In the last 12 months very little has altered in the ASX100 Boardrooms.

Gregory Robinson, Managing Partner said “the challenge for Australian business is growth, and growth starts with the Board and its composition. It is this composition that is critical to creating the diversity of thought and creativity that are essential to achieving growth in what are very dynamic markets. Boards set the tone.”

The Blenheim Partners research team have conducted their annual ASX100 Boardroom analysis and applied a broad lens to diversity and potential skills for consideration as seen in the following tables.

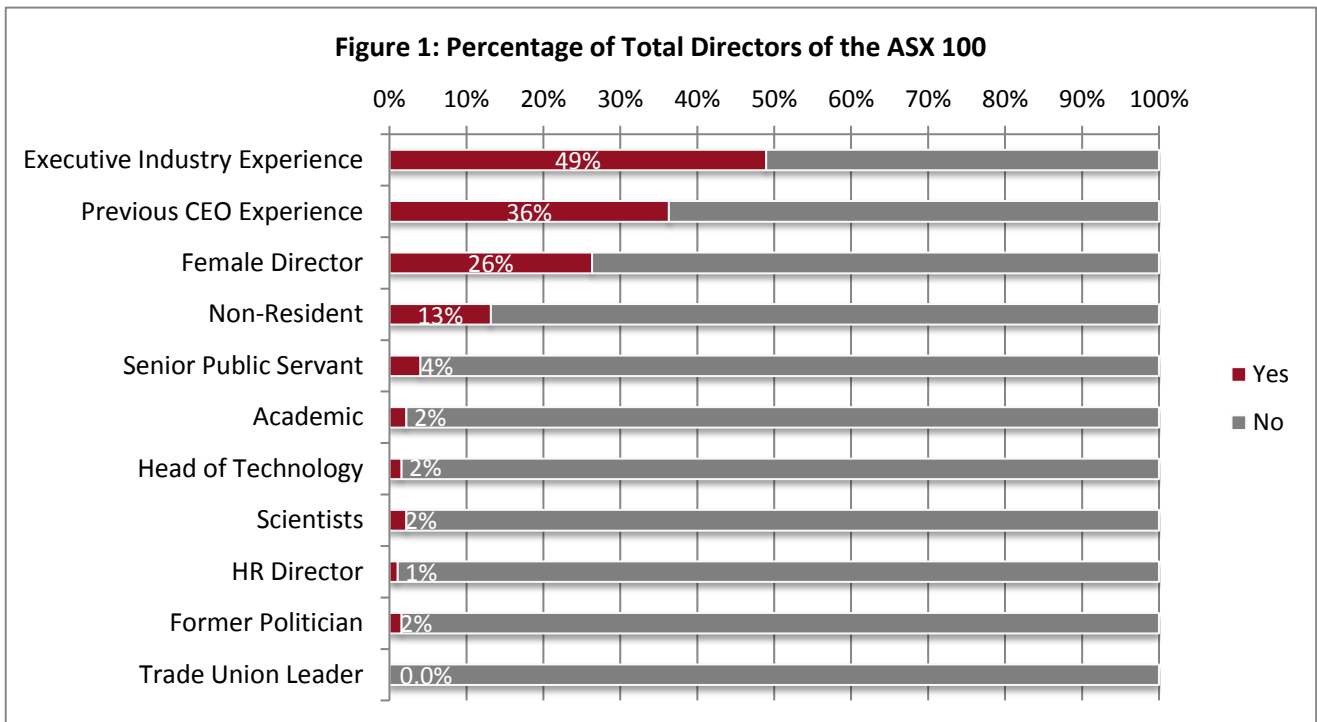
Research was conducted over November 2016 with the Companies included from the ASX100 as per the market cap on 10th October 2016. The below tables show the total

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number of Directors across the ASX100 (figure 1) and by each individual company (figure 2).

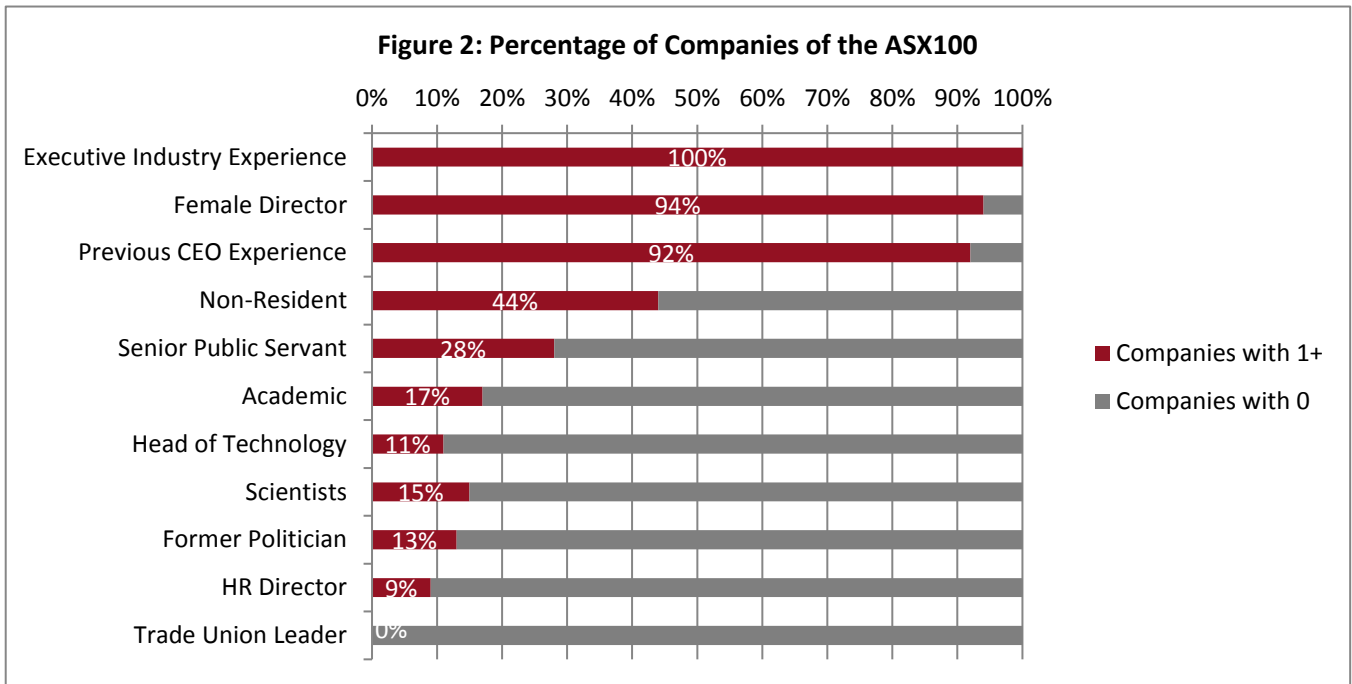
The average number of Directors on each Board was 8 with 22 companies having at least 10 Directors and 3 companies with 5 Directors or less.

Figure 1: Illustrates that 49% of Directors in the ASX100 have Executive Industry Experience. Previous CEO experience is at 36%, with CEO experience decreasing as the market cap decreases. Gender diversity continues to be a focus for Boards, with 26% of the total Directors being female. Functional Diversity on Boards includes only 1% of Directors as HR Directors and 2% with a Head of Technology position experience.



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Figure 2: Reveals that the ASX100 companies have strong coverage in Executive Industry Experience, Female Directors and previous CEO experience. All of the ASX100 companies have Executive Industry experience and 94% have at least one female Director. However, these companies lack Board diversity in relation to the presence of Trade Union Leaders, HR Directors, Former Politicians, Scientists, Head of Technology and Academics. Only 9% of the total companies have HR Director Experience, 11% hold Head of Technology experience and 15% of companies have Scientists on their Board.



Applying the same criteria to the composition of the ASX100 Boardroom 12 months ago the change has been negligible.

Executive Industry experience has fallen by 1%, Female Directors have increased by 2%, Senior Public Servants have increased by 1%, Former Politicians have increased by 1% and Trade Union Leaders have declined in numbers.

In many regards 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.

If we are focusing on achieving growth, which is so crucial for our country there appears to be the need for a far broader concept of Board diversity than anything overtly considered at the time. Things like industry experience, cultural perspectives and styles of interaction as examples are important to company Directors when they think of characteristics of Boards and Board members.

If growth is directly related to the creativity and lateral thought emanating from the

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Boardroom, it certainly raises the question as to whether the Board mix is appropriate to the challenges of driving growth into the future.

“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 to growth centricity and this can only be beneficial to Australian companies” said Gregory Robinson.

Gregory Robinson, Managing Partner said, “our research illustrates the simple fact that very little has changed in the last 12 months, and if growth has been difficult to achieve then the question arises will it be any easier going forward if we stick with the same thinking”.

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ABOUT BLENHEIM PARTNERS

Blenheim Partners is an elite international Executive Search and Board Advisory firm. We specialise in top-level Executive Search, Non-Executive Director Search, and Board Performance Consulting.

Founded in 2012, our team have acted as specialist adviser to many of the world's leading corporations on Board and Executive performance, capability and succession planning.

Our clients come from all sectors and a broad range of geographies. They include over 80 of the ASX 100, 10% of the FTSE 100, Private Equity, Multinational, Private Family and Mutually Owned Companies.

Our work is highly international with over 90% of our assignments global in scope.

Our team consists of senior Search Consultants, Human Resource Directors, Psychologists, Coaches and exceptionally experienced Researchers.

Our philosophy is to develop deep and committed relationships with a small number of clients and help them deliver a superior performance by optimising the composition of their Board and Executive team.

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