

# FACTBase

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## Gender in the Boardroom: Profiling WA's ASX 100 Company Directors

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### Introduction

The *Equal Opportunity Act 1984* approved by the Western Australian Parliament is a key piece of state legislation that seeks to eliminate all forms of discrimination against persons:

“on the grounds of sex, marital status, pregnancy, family responsibility or family status, race, religious or political conviction, impairment, age or, in certain cases, gender history in the areas of work, accommodation, education, the provision of goods, facilities and services, and the activities of clubs...”  
(Government of Western Australia 2017).

In relation to achieving gender equity in the workplace, the Act seeks to ensure all individuals, regardless of gender, which may constitute and intersect with other social factors, have equal opportunities to participate in the workforce, access to work in all occupations, and be eligible for leadership roles. Yet over the 33 years since its enactment, the number of women in senior management and leadership positions in WA's public and private sectors remain relatively low.

### The key findings of this Bulletin are:

- Women account for a mere 8.7 per cent on WA ASX 100 boards.
- WA ASX top 10 records 25 per cent female representation, dropping to 6.7 per cent for WA ASX 11-20, 9.1 per cent for WA ASX 21-49, and 3.7 per cent among WA ASX 50-100.
- Only a fifth of the 19 Perth headquartered companies on the ASX 200 currently meets or exceeds the Australian Institute of Company Directors' 30 per cent gender diversity target.
- Female directors on the WA ASX 100 almost exclusively hold the position of non-executive or independent director, which suggests that they provide leadership and strategic advice as opposed to everyday administrative and managerial responsibilities within the respective companies.
- Despite the low absolute numbers, 26 per cent of the female directors completed their Bachelor degree in WA, 44 per cent were educated elsewhere in Australia and 30 per cent abroad. Over half of the female directors completed a postgraduate degree in other Australian states or overseas, which is indicative of the WA ASX 100 attracting individuals of diverse skills, knowledge and experiences.

This FACTBase Bulletin explores gender equality in Perth as measured by examining the number of CEO positions of WA 100 ASX (Australian Securities Exchange) listed companies as defined by market capitalisation. It has been prepared to provide a quantitative base following on from the Committee for Perth's 2015 report on gender equality – *Filling the Pool*. There is a lack of understanding of the roles of female directors on WA's corporate boards and their influence on firm performance and broader industry culture. Drawing on publicly available data, it is possible to examine

the gender profile of WA's ASX 100 directors, however it was problematic to ascertain the biographies of directors, i.e. age, ethnicity, place of birth and current residence, due to a lack of recorded information. Women's corporate board positions and educational backgrounds are used here instead as proxy indicators to ascertain the nature of female board representation and talent pool among directors.

As WA's economy continues on a downward trajectory following the end of a decade of unparalleled mining,

construction and production, the latest Australian Bureau of Statistics (ABS) monthly survey data suggests a gendered nature to the State's unemployment patterns. Whether in the Greater Perth region or elsewhere in WA, in search of full-time, part-time, or casual work, women seem to be facing more difficulties than men in securing work (ABS 2017). Between November 2016 and January 2017, trend estimates showed the unemployment rate of women increased slightly from 7.0 to 7.4 per cent, whereas the unemployment rate of men was lower and marginally decreased from 6.4 to 6.3 per cent (ABS 2017). Trend estimates are considered more reliable for monthly forecasts as the seasonal patterns, irregular influences and residual noise in the original estimates are removed, enabling data to be directly comparable across the months (ABS 2012). The fact that women may be disproportionately impacted in post-boom times, despite the mining and construction sectors being male-dominated, may be indicative of either ongoing gender inequities in the workforce or that women may be looking towards part-time and casual positions, or leaving the workforce completely to take over primary carer responsibilities in order to offset household income loss in the current recession.

The longer-term figures on gender in WA's workplaces are comparatively more positive but there remains much room for improvement. State level statistics reveal that the proportion of women in senior management roles in the WA public sector rose from 20.5 per cent in 2003 to 31.7 per cent in 2015, but the number of women declines sharply at the top three management tiers (Department of Local

Government and Communities (DLGC) 2015). Whilst women's labour force participation rate has increased from 43 per cent in 1978 to 61 per cent in 2016, the gender pay gap for full-time employees in WA remains high at 25.4 per cent relative to 18.5 per cent nationally in 2014 (DLGC 2015).

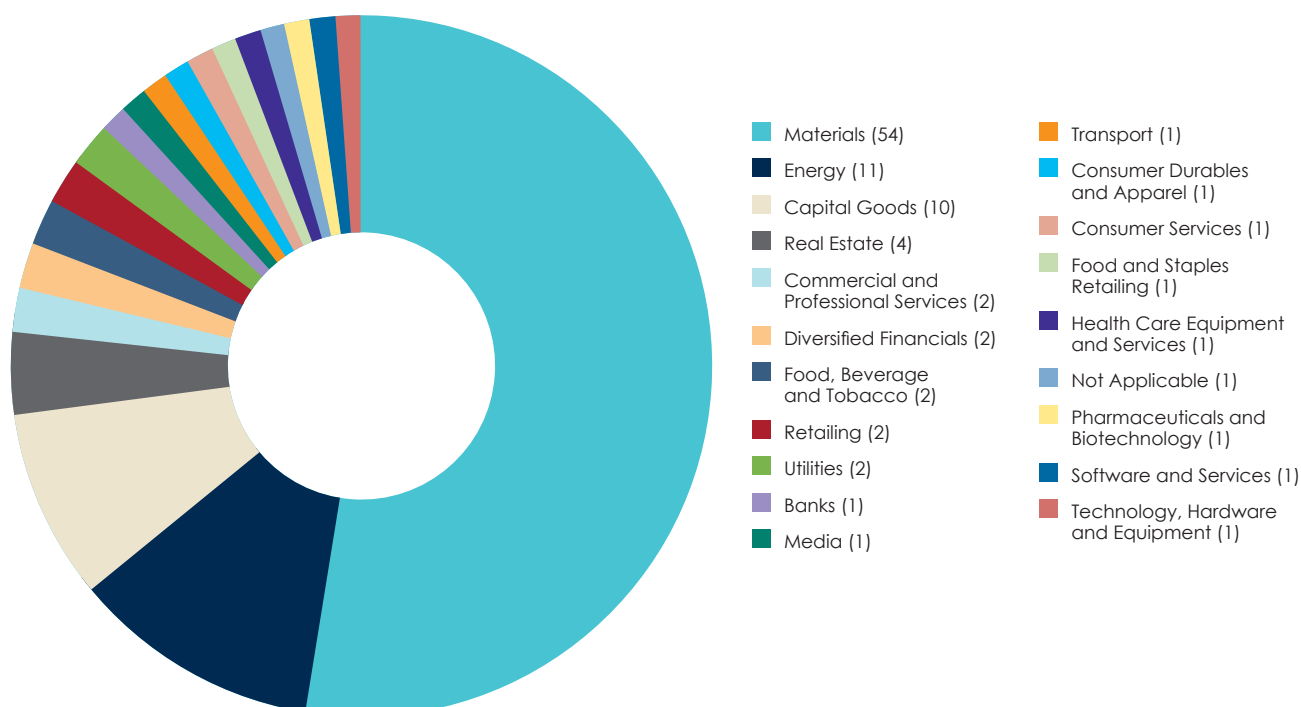
At the local government level, women are under-represented within Perth's metropolitan areas (Hutchinson et al. 2014). A closer examination in FACTBase Bulletin 44 – *Still a Boys Club?* – found that 23 out of 29 local government areas (LGAs) in Perth had between 30 and 50 per cent female councillors (Maginn 2015). Higher female councillor proportions was associated with areas of socio-economic advantage. These findings shed additional light on FACTBase Bulletin 11 – *Breaking Through the Glass Ceiling of Local Government?* – that examined the gender profile of mayors in local councils in Perth, Adelaide, Sydney and Melbourne which revealed the proportion of female mayors fluctuated rather than improved over the past two and a half decades (Maginn 2010). Across the four states, those councils with higher female representation were also linked to better socio-economic status (Maginn 2010).

National statistics on gender diversity in corporate boardrooms similarly show an upward trend, although men continue to outnumber women in executive roles. According to the Australian Institute of Company Directors (AICD), the number of female directors on the ASX 200 corporate boards has increased by more than two-fold from 8.3 per cent to 20 per cent between 2010 and 2015. During this period, the number of ASX

200 boards without any female directors more than halved from 87 to 34 boards (AICD 2016). In December 2016, continued progress towards greater female representation on the ASX 200 boards was recorded at 25 per cent. In recognition that more needs to be done to achieve board diversity and equity, the AICD (2015) has advocated for all boards to reach a 30 per cent female representation target by 2018 and recommended a range of practical strategies, such as leadership and mentoring programs, to empower and retain talented women in the corporate sector.

There is therefore a clear need to better understand what structural and cultural factors are preventing women from climbing to the top of the corporate ladder. Gender equality is a fundamental human right, and existing research suggests that greater diversity, not limited to gender alone, is a key driver of enhanced organisation performance and economic growth. In search for answers to increase women's participation in WA's workplaces, the Committee for Perth's (2015) *Filling the Pool* report details a range of factors that contribute to workplace gender disparity. These include male-centric corporate culture, leadership styles, direct or indirect discriminatory work practices, and limited access to mentoring. Additionally, four pillars were identified that are needed for women with caring responsibilities to successfully balance work and career. These include access to flexible work arrangements, the support of their spouse/partner, family support and the availability of external childcare arrangements. The report found that in Perth all of the four pillars are undermined

**Figure 1:**  
**WA ASX 100 Companies by Sector (as of 31 January 2017)**



which led to women not fully participating and progressing in the workforce. Most importantly the report uncovered that CEO appointments are based on 'depth and breadth of industry experience' which equates to having a demonstrable track record of line management responsibilities including budget and personnel. It also noted that board appointments are usually made from the CEO pool, so if women aren't demonstrating line management responsibilities and filling CEO roles, the pool of female directors will be smaller.

To date, there is a lack of research that has examined the roles of female directors on WA's corporate boards, their influence on firm performance, interlocks and industry culture. This is the first of two FACTBase Bulletins that will investigate the profiles of female directors in WA's ASX 100 companies. This Bulletin examines the gender profile of company directors, female representation

on company boards across sectors, their board roles, and educational backgrounds. It further compares how WA's ASX 100 companies fare in relation to Australia's ASX 200 companies in striving towards greater gender balance in the boardroom. Strikingly, WA's ASX 100 is lagging significantly in female representation at the executive level.

### Inside WA's ASX 100 Imbalanced Boardrooms

WA's ASX top 100 companies were selected from Deloitte's January 2017 WA's *Top 100 Listed Companies* (Deloitte 2017). Companies listed on the WA Index need to have a registered office in WA, be listed and have a physical presence in WA (i.e. operations or head office) (Deloitte 2017). Drawing on this list, company information of WA's ASX 100 companies were compiled and collated from the ASX website, company websites,

as well as drawing on publicly available data from websites such as Bloomberg, LinkedIn and annual reports to further obtain corporate board roles (i.e. CEO, Chair, Executive and Non-Executive/Independent directors) and educational profiles of women directors.

A first look at the WA ASX 100 reinforces that the state, particularly Perth metropolitan region, is a hub for the head offices of mining and energy companies. Unsurprisingly, the WA ASX 100 is dominated by the materials (n=54), energy (n=11), and capital goods (n=10) sectors (Figure 1).

There were a total of 539 directors in the WA ASX 100, of which 492 were male and 47 female (Table 1). Women comprised a mere 8.7 per cent of all WA ASX 100 directors. Even when the calculations took into account the number of men (n= 38) and women (n= 3) who

sat on multiple WA ASX 100 boards, female representation marginally rose to 8.9 per cent. In the dominant three sectors, materials had the highest proportion of female directors (7.1%), followed by energy (6.1%) and capital goods (5.9%). The low number of firms in most other sectors has resulted in skewed percentages which should not be taken at face value. Comparatively, among

the ASX 200, the AICD (2016) found that the highest female representation was in financial, materials and industrials sectors. Lowest female representation was recorded in health care, telecommunications, utilities, and information technology.

Looking at female director representation relative to WA 100 ASX ranking (Table 2), the number and percentage of

female directors is three times higher among the WA ASX 1-49 companies (12.9 per cent) than the WA ASX 50-100 (3.7 per cent). The WA ASX 1-10 averaged 25 per cent female directors, with one materials company recently achieving 50 per cent gender ratio. Female representation declines to 6.7 per cent for the WA ASX 11-20 and 9.1 per cent among WA ASX 21-49.

**Table 1:**  
**WA ASX 100 Companies by Sector: Total Number of Directors, Male Directors, Female Directors, and Female Representation in Per Cent**

Sector	No. of Companies	No. of Directors	No. of Male Directors	No. of Female Directors	Female Representation (%)
Banks	1	8	6	2	25.0
Capital Goods	10	51	48	3	5.9
Commercial and Professional Services	2	11	7	4	36.4
Consumer Durables and Apparel	1	4	4	0	0.0
Consumer Services	1	7	4	3	42.9
Diversified Financials	2	11	10	1	9.1
Energy	11	66	62	4	6.1
Food and Staples Retailing	1	10	7	3	30.0
Food, Beverage and Tobacco	2	7	6	1	14.3
Health Care Equipment and Services	1	4	4	0	0.0
Materials	54	282	262	20	7.1
Media	1	9	8	1	11.1
Not Applicable*	1	5	5	0	0.0
Pharmaceuticals and Biotechnology	1	3	3	0	0.0
Real Estate	4	23	21	2	8.7
Retailing	2	12	11	1	8.3
Software and Services	1	5	4	1	20.0
Technology, Hardware and Equipment	1	4	4	0	0.0
Transport	1	6	5	1	16.7
Utilities	2	11	11	0	0.0
<b>Total</b>	<b>100</b>	<b>539</b>	<b>492</b>	<b>47</b>	<b>8.7</b>

Note: The S&P/ASX official GICS (Global Industry Classification Standard) codes classifications were used to define industry groups.  
\* As per WA ASX Sector Designations.

**Table 2:**  
**Female Representation on the WA ASX 100**

	Total Directors	Male Directors	Female Directors	Female Representation (%)
WA ASX 1-10	80	60	20	25.0
WA ASX 11-20	60	56	4	6.7
WA ASX 21-49	154	140	14	9.1
WA ASX 1-49	294	256	38	12.9
WA ASX 50-100	245	236	9	3.7

Of a total of 19 ASX 200 companies located in WA, only a fifth (n= 4) currently meets or exceeds the "30 per cent by 2018" gender target as advocated by the AICD (2015). (Table 3). Despite the relatively small number of WA firms on the ASX 200, the overall trend is well short of meeting

the AICD's 30 per cent gender target. Of the companies that meet or exceed the 30 per cent target, they are in the consumer services (1 company, 42.9%), food and staples retailing (1 company, 30%) and materials (2 companies, 50% and 33.3%) sectors. Looking closer at the materials sector, out of 12

companies, five have no women on their boards, and five only have between 10 per cent and less than 30 per cent women directors (Table 2). Although these figures are only based on a small sample, it suggests much more progress is needed to reach the AICD's recommended gender target by 2018.

**Table 3:**  
**WA listed Companies on the ASX 200: Number of Companies and Female Directors Representation in Per Cent**

Sector	No. of Companies	No female directors	10% women and above	20% women and above	30% women and above
Capital Goods	1	1	-	-	-
Consumer Services	1	-	-	-	1 (42.9%)
Energy	1	-	-	1 (23.1%)	-
Food and Staples Retailing	1	-	-	-	1 (30.0%)
Materials	12	5	4 (14.3%, 14.3%, 12.5%, 16.7%)	1 (20.0%)	2 (50%, 33.3%)
Media	1	-	1 (11.1%)	-	-
Real Estate	1	-	1 (16.7%)	-	-
Retailing	1	-	1 (14.3%)	-	-
<b>Total</b>	<b>19</b>	<b>6</b>	<b>7</b>	<b>2</b>	<b>4</b>

## Women Directors' Board Roles and Educational Attainment

For women directors currently on the WA ASX 100 boards, they mostly hold non-executive or independent directorships (n= 46). One woman held the role of chair and non-executive, whereas another held the role of both CEO and executive. Non-executive directors do not handle daily administrative

and management tasks within companies. Nevertheless, they provide invaluable inputs through independent strategic advice and entrepreneurial leadership.

In terms of the WA ASX 100 women directors' educational backgrounds (n=46, information unavailable for one individual), the majority of them gained their undergraduate and postgraduate degrees from other Australian states or abroad.

Approximately 26 per cent (n=12) of the women completed their Bachelor degree in WA, 44 per cent (n=20) were educated elsewhere in Australia (e.g. University of New South Wales, Sydney University, University of Queensland, and Melbourne University etc..) and 30 per cent (n=14) overseas (e.g. Manchester University, University of Aberdeen, Nanjing University, University of Cape Town etc..). Research shows that diverse teams

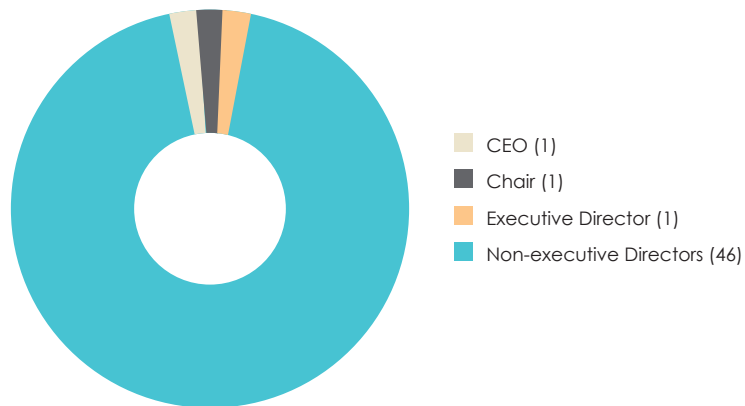
are associated with greater organisational performance and innovation. The high number of female directors educated interstate and abroad therefore suggests that WA ASX 100 companies are able to tap into their varied talents, perspectives and experiences, whether they reside in WA or not.

Interestingly, no individuals completed their postgraduate degrees in WA. Instead, the majority of women (n=27) undertook their higher education in the eastern states (e.g. Monash University, Australian National University, The University of Queensland etc..) or overseas (e.g. IMD Switzerland, Edinburgh Business School, Imperial College London, Stanford University etc..). One female director has been bestowed with an honorary doctorate. That Perth and WA based companies are attracting global talent, or talent that has been educated elsewhere, is encouraging. For those who previously lived, studied and worked in Perth, that they return upon completing their higher degree education may be attributable to existing familial and professional networks, along with place-attachment. Either way, WA ASX 100 has attracted women of diverse educational backgrounds who bring with them a range of skills, knowledge, and experiences.

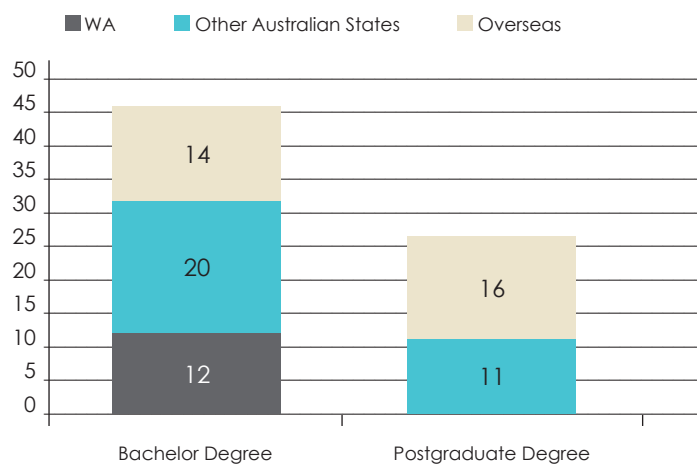
## Discussion and Next Steps

This FACTBase bulletin has sought to examine the gender diversity of WA's ASX 100 by investigating female representation on company boards, female directors' board roles and educational backgrounds. Currently, there are less than nine per cent female directors on the WA ASX 100, which is far from achieving the AICD (2015) recommended

**Figure 2:**  
**WA ASX 100 Female Directors' Board Roles**



**Figure 3:**  
**Educational Backgrounds of WA ASX 100 Female Directors**



30 per cent gender target on company boards. There is around three times higher female representation among the WA ASX 1-49 firms than WA ASX 50-100. Considering mining is the most male-dominated industry in Australia, the low female numbers comes as unsurprising with materials and energy firms comprising the majority of WA's ASX 100. Nineteen ASX 200 companies are located in Perth and only a fifth currently meet or exceed AICD's recommended target. These statistics suggest more work is to be done to raise awareness of the benefits of diverse boards in WA's private sector, and the need to change direct or indirect discriminatory

workplace policies, practices and institutional cultures towards more equitable ends. The few number of WA ASX 100 female directors may be explained by an important finding in the *Filling the Pool* (2015) report, which reveals that in addition to appropriate technical skills and experiences, 'cultural fit' is a key criterion in the recruitment of executives and board hires. That is to say the successful candidates must fit within the existing organisational culture and leadership style. Hence, organisations that favour male-centric leadership styles may 'unconsciously' exclude qualified, talented female candidates.

When there are women on WA ASX 100 corporate boards, they are predominantly non-executive and independent directors, who provide strategic leadership and governance rather than everyday administrative or management responsibilities in the company. The lack of female CEOs, Chairs, and executive directors in these companies however does not necessarily indicate that the voices of those who are on company boards are marginalised or non-influential. It must be stressed that the statistics drawn in this FACTBase are based on a small sample. To more fully understand the opportunities and challenges faced by female directors and the degree of influence and leadership they exert within organisations, further qualitative research would be required. However the data analysed for this Bulletin demonstrates that WA falls behind the rest of Australia.

In the second FACTBase on gender in the C-suite, the various roles and affiliations of women, including their roles on other ASX and non-ASX listed companies, government, arts and sports sectors, will be examined to map the breadth of their organisational influence and networks, which will provide insight to whether there is a larger talent pool from which to select board positions. It remains to be seen if mandating gender quotas or targets will result in more meaningful outcomes. Significantly, interview responses in the *Filling the Pool* (2015) report highlight that gendered norms arise from social and cultural behavioural expectations which are observed and learned from a young age. Therefore, finding a durable approach to achieve gender diverse corporate boards requires both structural and cultural change.

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## About FACTBase

FACTBase is a collaborative research project between the Committee for Perth and The University of Western Australia to benchmark the liveability of Perth and its global connectedness through an examination of Perth's economic, social, demographic and political character.

The FACTBase team of academics and researchers condense a plethora of existing information and databases on the major themes, map what is happening in Perth in pictures as well as words, and examine how Perth compares with, and connects to, other cities around the world.

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