BREAKING DOWN THE BARRIERS: THE NORTHERN TERRITORY EXPERIENCE OF DIVERSITY IN THE BOARDROOM

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**LIST OF ACRONYMS AND ABBREVIATIONS**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>AICD</td>
<td>Australian Institute of Company Directors</td>
</tr>
<tr>
<td>ANZ</td>
<td>Australia and New Zealand Banking Group Ltd</td>
</tr>
<tr>
<td>ASX</td>
<td>Australian Securities Exchange</td>
</tr>
<tr>
<td>BoD</td>
<td>Board of directors</td>
</tr>
<tr>
<td>CMAC</td>
<td>Corporations and Markets Advisory Committee</td>
</tr>
<tr>
<td>CSA</td>
<td>Chartered Secretaries Australia</td>
</tr>
<tr>
<td>DIBP</td>
<td>Department of Immigration and Boarder Protection</td>
</tr>
<tr>
<td>INED</td>
<td>Independent non-executive director</td>
</tr>
<tr>
<td>IPO</td>
<td>Initial public offering</td>
</tr>
<tr>
<td>KPMG</td>
<td>Klynveld Peat Marwick Goerdeler International Cooperative</td>
</tr>
<tr>
<td>LGBTI</td>
<td>Lesbian, gay, bisexual, transgender and intersex</td>
</tr>
<tr>
<td>NFP</td>
<td>Not-for-profit</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for the Social Sciences</td>
</tr>
<tr>
<td>WGEA</td>
<td>Workplace Gender Equity Agency</td>
</tr>
<tr>
<td>WoBs</td>
<td>Women on Boards</td>
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ABSTRACT

This study investigated the internal organisational barriers to individuals from a demographically diverse background being appointed as an independent non-executive director (INED) of a Northern Territory (Australia) organisation. Since the end of World War II in 1945, Australia has evolved into an egalitarian heterogeneous multicultural society. Nevertheless, boards of directors (BoDs) have remained homogeneous and dominated by privileged, white, middle-aged men from the ‘old boy’s network’. As a result of this incongruence, the demographic composition of Australia’s boardrooms has been a much discussed, debated and researched topic. The focus of previous research has, however, been on the gender diversity of large profit-making listed organisations located in the densely populated metropolitan regions of Australia. This study aimed to broaden the discussion by embracing a more inclusive holistic definition of demographic diversity at the board level. The study investigated the internal organisational barriers to diversity in the boardroom among three types of organisations: profit, not-for-profit and government organisations. Collectively, the inclusive definition of demographic diversity in the boardroom among these three organisational types in regional and remote parts of Australia more often than not is ignored when discussing the diversity of the country’s INEDs.

For that reason, the question of what are the internal organisational barriers to people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations has remained unanswered. Thus, based on the foundation of a research paradigm of pragmatism, this study employed a sequential exploratory mixed methods research design to answer this question. In Phase One of the study,
qualitative data were collected from two data sources to uncover the salient internal organisational barriers to diversity in the boardroom. The first data source was INEDs from demographically diverse backgrounds and the second was spokespeople from peak industry bodies representing organisations with BoDs. Phase Two of the study collected quantitative data to further explore the observations from the qualitative phase. In Phase Two, an online survey was sent to independent and non-independent directors of Northern Territory organisations.

The qualitative data analysis revealed six organisational barriers that either prevented or inhibited people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. However, the results of the quantitative analysis did not support this position, determining that the internal organisational barriers identified in Phase One were not sufficiently significant to preclude people from demographically diverse backgrounds being appointed as INEDs. However, the study also found that the participants from both phases considered that having a formal board diversity policy would promote and encourage demographic diversity in the boardroom. As a result, for Northern Territory boards to be more inclusive of people from a variety of demographic backgrounds, BoDs may need to consider creating formal diversity in the boardroom policies. Another important finding from the study was that contrary to the literature’s assertions about boardrooms being dominated by men, Northern Territory boardrooms had an equal representation of female and male directors. The study determined that geographical factors may also inhibit individuals from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.
ORIGINALITY OF DISSERTATION

I hereby certify that except where otherwise acknowledged, this dissertation described original research carried out by the author. This work has not previously been submitted for a degree or diploma in any university. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the dissertation itself.

I give consent to this copy of my thesis, when deposited in the University Library, being made available for loan and photocopying online via the University’s Open Access repository eSpace.

D. T. Houguet-Pincham

June 2017
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CHAPTER 1

INTRODUCTION

1.1 Introduction

The purpose of this chapter is to provide an orientation and contextual background to this study. The study sought to explore organisational barriers to demographic diversity in the boardroom of Northern Territory organisations. The research question the study sought to address was:

What are the internal organisational barriers to people from demographically diverse backgrounds being appointed as independent non-executive directors of Northern Territory organisations?

The chapter begins by providing a background to the research before presenting the statement of the problem. As the geographical scope of this study is restricted to the Northern Territory, a general overview of the region is provided. This is followed by a description of the study’s specific aim and objectives. The chapter then presents the research question in terms of the null hypothesis that was addressed by this study. Next, the chapter details definitions for the key terms used throughout the thesis. The chapter concludes with an outline of the structure of the remaining chapters.

1.2 Background to the study

An outcome of the changing shape of Australian society since the end of World War II in 1945 is that part of the national ethos of the country includes equality of opportunity and ‘a fair go’ without any barriers. Historically, Australia had a strong emphasis on immigration from Anglo–Celtic countries. Nevertheless, since 1945, consecutive governments have increasingly relaxed this policy, signalling the
country’s willingness to embrace growth, change and a new way of being (Burnett 1998; Walsh 2001). As a result, people have migrated to Australia from many parts of the world, expanding both the population and its demographic composition (Mann 2012; Pakulski 2014). This influx of immigrants also transformed the nation’s workforce to the point where diversity in the workplace evolved into a strategic business imperative (Kramar 2012; Olsen & Martins 2012).

According to Andrews and Curtis (1998), Braithwaite and Bush (1998), Salter (2013) and Thompson (1994), these immigrants and other socially under-valued groups often experienced social and workplace discrimination, prejudice and isolation. These authors maintained that to concretise Australia’s newly evolving egalitarian tradition, successive governments implemented social and workplace laws to prevent and inhibit these inequitable practices. These legislative initiatives signalled that everybody in Australia deserves equality of opportunity and ‘a fair go’. The demographic, legislative and social changes that have occurred in the country since the end of World War II have all contributed to making Australia the egalitarian heterogeneous society it is today (Andrews & Curtis 1998; Phillips et al. 2010).

The boardrooms of Australian organisations have, however, remained homogeneous and dominated by privileged, white, middle-aged men (Harris 2014; Wang & Clift 2009). Lipman (2008), Perrault (2015) and Van der Walt and Ingley (2003) asserted that these male directors were usually known to each other through their informal ‘old boy’s network’. Moreover, these men generally gained their directorships based on who they knew rather than their qualifications, skills and what they could
contribute to the board. Thus, changes to the demographic composition of Australian boardrooms have moved at a glacial rate of change (Adams 2015; Broderick 2011).

Nevertheless, as a direct result of a number of high-profile corporate collapses that occurred in Australia from the 1980s onwards, governance and diversity researchers have identified that BoDs generally had poor governance practices and lacked both director independence and diversity in the boardroom (Kang et al. 2007; Leung & Cooper 2003). Consequently, improved governance practices, independent non-executive directors (INEDs) and board diversity emerged as strategies to rectify these deficiencies in the boardroom (Van der Walt et al. 2006; Williams et al. 2015). While improved governance practices and INEDs have been assimilated into boards of directors (BoDs), only incremental changes to the composition of boards have been achieved (Westphal & Milton 2000).

The changing demographic make-up of Australia’s heterogeneous society, improved governance practices and directors’ independence have contributed to the growing acknowledgment that demographic diversity at the board level is an important goal for organisations to achieve (Upadhyay & Zeng 2014; Van der Walt et al. 2006). There are many benefits to demographic diversity in the boardroom as director heterogeneity improves and extends a BoD’s range of thoughts and analysis (Dhir 2015; Rhode & Packel 2014). The reality is, however, that BoDs remain dominated by privileged, white, middle-aged men from the ‘old boy’s network’ (Perrault 2015; Randøy et al. 2006; Tremblay et al. 2016). Therefore, this study aimed to investigate internal organisational barriers to demographic diversity in the boardrooms of Northern Territory profit, not-for-profit (NFP) and government organisations.
1.3 Statement of the problem

A review of the domestic and international literature established that globally, BoDs have predominantly been comprised of white middle-aged men (Perrault 2015; Want & Cliff 2009). Only in the last two decades has the demographic composition of the boardroom received focused attention by governance and diversity researchers and been considered out of step with society. Numerous studies have been undertaken examining the efficacy of diversity in the boardroom (Erhardt et al. 2003; Ferreira 2010; Vafaei et al. 2015; Wang & Clift 2009). However, the focus of empirical research to date has been narrow and generally restricted to gender diversity and more recently ethnic and age diversity (Ntim 2015; Upadhyay & Zeng 2014). As a result, there is a gap in the literature. There have been no studies examining a more inclusive holistic approach to demographic diversity in the boardroom.

Further, a review of the literature revealed that there have been no studies examining diversity at the board level with a comparative analysis among large profit-making listed entities, NFP and government organisations. The vast majority of empirical studies investigating diversity in the boardroom have predominantly focussed on large profit-making organisations (Arnegger et al. 2014; Fanto et al. 2011; Rhode & Packel 2014; Vafaei et al. 2015), although several recent studies have investigated the NFP sector (Azmat & Rentschler 2015; Bradshaw & Fredette 2013; Harris 2014; Stone & Ostrower 2007). This study fills this gap by investigating simultaneously the three different types of organisation, thereby making a contribution to the literature on demographic diversity in the boardroom.
An extensive review of multiple studies on diversity in the boardroom revealed an absence of research investigating internal organisational barriers to individuals from demographically diverse backgrounds being appointed as INEDs (Adams & Kirchmaier 2015; Adams & Ragunathan 2013; Azmat & Rentschler 2015; Broome & Krawiec 2008). Further, these studies have singularly focussed on organisations in metropolitan areas; there were no identified studies that investigated diversity in the boardroom in regional and remote communities, such as those in the Northern Territory. Consequently, this study investigated the internal organisational barriers that either prevented or inhibited people from demographically diverse backgrounds being appointed as INEDs of profit, NFP and government organisations in regional and remote communities of the Northern Territory.

1.4 The Northern Territory in context

The Northern Territory is one of two territories in Australia, the other being the Australian Capital Territory. As shown in Figure 1.1, the Northern Territory accounts for a large proportion (one-sixth) of the total area of the Australian continent and covers a vast geographical area of 1,349,129 square kilometres (Charles Darwin University 2016). The Northern Territory extends from the dry terrain of the ‘red centre’, with the major township being Alice Springs, to the wetlands in the ‘top end’, with the main township being Darwin (Northern Territory Government 2014).
The capital of the Northern Territory is Darwin. In contrast to the other capital cities and inner regional areas of the country, the Australian Bureau of Statistics (ABS) has classified Darwin as an ‘outer regional area’ of Australia (ABS 2008). The Alice Springs region has been classified as a ‘remote area’ and the remaining geographical area of the Northern Territory has been classified as a ‘very remote area’ (ABS 2008). Of the Northern Territory’s population, 51.3 per cent lives in the outer regional area of Darwin, 21.7 per cent live in the remote area of Alice Springs and the remaining 23.5 per cent of the population lives in very remote areas of the Northern Territory (ABS 2011). In December 2016, the population of the Northern Territory was 244,300, which makes it the least populous of Australia’s eight states and territories (ABS 2016a; Charles Darwin University 2016).
The 2011 census identified that 48.3 per cent of the Northern Territory’s population was female and 51.7 per cent, male (ABS 2011). However, nationally the population consisted of more women than men. As of 2011, 50.2 per cent of Australia’s population was female and 49.8 per cent was male (ABS 2011). According to the ABS (2011), as of 2011, the median age of the Northern Territory’s population was 31.5 years old—the lowest in the country and notably lower than Tasmania, which had an average age of 40.2 years, the highest in Australia. The Indigenous population of the Northern Territory was 72,250 people, representing 30 per cent of the population, which is significantly higher than the national average of 3 per cent (Healthinfonet 2014).

Further, 74.6 per cent of the people residing in the Northern Territory were born in Australia while 25.4 per cent of the population were born in other countries (ABS 2011). Some of the overseas countries included the United Kingdom, the United States of America, India, New Zealand, the Philippines, Indonesia, Greece, Germany and China (ABS 2011). It was also estimated that 3.4 per cent of the Northern Territory’s population identified as lesbian, gay, bisexual, transgender or intersex and 2.9 per cent of the populace had a disability (.id 2011; Roy Morgan Research 2015).

1.5 Aim and objectives of the study
The aim of this study was to identify and examine the internal organisational barriers that prevent or inhibit people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. This aim was achieved by undertaking considered work towards the following objectives:
a) investigating the experiences of individuals from demographically diverse backgrounds who have been appointed as INEDs
b) examining the opinion of peak bodies about the internal organisational barriers to individuals from demographically diverse backgrounds being appointed as INEDs
c) exploring the concepts and themes identified by individuals from diverse backgrounds and peak bodies associated with internal organisational barriers to demographic diversity in the boardroom
d) comparing the internal organisational barriers to demographic diversity in the boardroom identified by the two groups of participants with a larger number of independent and non-independent directors
e) exploring the perceived strategic and operational benefits of demographic diversity in the boardroom
f) presenting a full account of the internal organisational barriers to demographic diversity in the boardroom of Northern Territory organisations and making recommendations based on the research findings of this study.

1.6 Research question to be addressed and hypothesis testing

To meet the study’s aim and objectives, the research design involved investigation of the internal organisational barriers that either prevented or inhibited people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. The research question this study sought to address was:

What are the internal organisational barriers to people from demographically diverse backgrounds being appointed as independent non-executive directors of Northern Territory organisations?
To address this question, the study employed a sequential exploratory mixed method research design. Participants were allocated to one of two study phases and methodologies: Phase One was qualitative and Phase Two was quantitative. Phase One comprised two sources from which data relating to the research question were obtained. The first data source was responsive in-depth interviews with INEDs from demographically diverse backgrounds and the second data source was in-depth interviews with spokespersons from peak bodies representing BoDs from Northern Territory profit, NFP and government organisations. Phase Two comprised the third data source, which was an online survey that was sent to Northern Territory BoDs with independent and non-independent directors.

The dependent variable in this research was demographic diversity and the independent variables were the organisational barriers experienced by INEDs from demographically diverse backgrounds. To determine whether there were internal organisational barriers for people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations, the following null hypothesis was tested:

There are internal organisational barriers to people from demographically diverse backgrounds being appointed as independent non-executive directors of Northern Territory organisations.

A review of the Australian and international literature was undertaken to investigate the signals being transmitted from egalitarian heterogeneous societies regarding the homogeneous composition of boardrooms and the difficulties faced by people from demographically diverse backgrounds being appointed as INEDs. This was followed
by a more specific review of the empirical literature at a governance level. The review also examined the current trends in research on demographic diversity at the board level in Australia and internationally.

1.7 Definition of key terms

To avoid confusion, a number of key terms used commonly throughout this thesis have been defined in advance. The study deals with the question of ‘barriers’ to people from ‘demographically diverse backgrounds’ being appointed as ‘independent non-executive directors’ of Northern Territory ‘organisations’. Accordingly, the variables relevant to this topic have been given an operational definition.

**Internal organisational barriers:** Internal organisational barriers are any factors in an organisation’s internal environment that prevent or inhibit progress or access to new ways of doing things (Adams & Kirchmaier 2015; McShane et al. 2013; Naff 1995). Therefore, the internal organisational barriers to diversity in the boardroom for this study included anything within organisations that might obstruct people from demographically diverse backgrounds being appointed as INEDs.

**Demographically diverse backgrounds:** McShane et al. (2013) and Thatcher and Patel (2011) asserted that diversity refers to the way in which people are similar or different to each other. Generally, there are four types of diversity: demographic, educational, functional and geographical diversity. Even though diversity may occur in any or all of these diversity characteristics, the focus of this research is on demographic diversity. Demographic diversity can be “categorised as falling into one of two key dimensions: observable differences and underlying differences” (Härtel &
Fujimoto 2015, p. 122). For the purposes of this study, the observable characteristics of demographic diversity include Indigenous Australians, gender, age, physical capabilities, sensory and mental impairment and race/ethnic background. The underlying characteristics of demographic diversity include, gender identity, sexual orientation, marital or family status and cultural or religious background (Härtel & Fujimoto 2015; Muchiri & Ayoko 2013).

**Director:** The vast majority of profit, NFP and government organisations have a governing body. Nevertheless, there are many different designations given to the members of these governing bodies; some examples of these include committee member; commissioner; board member; and director. Therefore, for consistency, the terminology ‘director’ has been employed in this study to collectively represent all designations for the members of an organisation’s governing body.

**Independent non-executive director:** The Australian Securities Exchange’s (ASX’s) Corporate Governance Principles and Recommendations characterise independent directors as non-executive directors who are free from any interest, position, association or relationship that could impair their actual or perceived impartiality and objectivity (ASX 2014a).

**Organisations:** The focus of this research was organisations whose governing bodies had INEDs. While there are different types of organisations, the three types examined in this study were profit (listed, unlisted and privately owned), NFP and government (statutory and government-owned corporations) organisations. The
primary difference between these three types of organisations is the reason for their existence (Hubbard & Beamish 2011).

Profit organisations are established to produce goods and/or services and are owned by shareholders; NFP organisations are created to be either community serving or member serving and are owned by the members of the organisation (Cornforth 2003; Sarros et al. 2011). Government organisations are created for different reasons. Government-owned corporations are created to operate in commercial affairs and are either partially or fully owned by the government and statutory organisations with regulatory powers prescribed by law (Queensland Government 2016). Although the purpose and expected outcomes for these organisational types may differ, the governing body for all three is their BoDs (Viader & Espina 2014), hence their eligibility for the study. Moreover, the role of a BoD is to manage the business of the organisation and this role remains unchanged irrespective of whether or not the organisation is small or large, profit or NFP, public serving or member serving (Considine et al. 2014; Petrovic 2008).

Corporate governance: Over recent decades “there has been considerable focus across the world on corporate governance practices” (ASX 2014a, p. 2). Much of the debate has focussed on the role and responsibilities of BoDs and how they direct and monitor an organisation’s performance (Dent 2014; Lessing et al. 2012). However, there is no conclusive definition for corporate governance; therefore, for the purpose of this study the Governance Institute of Australia’s (2015) definition was selected: “governance encompasses the systems by which an organisation is controlled and
operated, and the mechanisms by which it, and its people, are held to account. Ethics, risk management, compliance and administration are all elements of governance”.

1.8 Outline of the thesis

The remainder of this thesis is structured in five chapters. Chapter 2 begins by presenting the theoretical framework for the study, which is followed by a review of the literature to establish the foundation for the arguments in the subsequent chapters. Next, Chapter 3 discusses the methodological approach used in the study. Since the study employed a sequential mixed methods research design, the discussion includes qualitative and quantitative approaches. The results and data analysis are provided in Chapter 4. Chapter 5 discusses the issues raised by this research and compares the results of the analysis of data with the findings in the literature review. Chapter 6 then presents the conclusion, implications for theory, policy and practice, the limitations of the study and suggestions for further areas of research. Each of these five chapters is briefly described below.

Chapter 2 commences by grounding the study in the foundations of signalling theory, which is the theory being employed to provide directionality for the remainder of this study. Next, the chapter moves on to the literature review, which presents background information on the evolution of Australian society since the end of World War II. In this regard, the chapter examines Australia’s transformation from a predominantly Anglo–Celtic male-dominated homogeneous society to the egalitarian heterogeneous multicultural society it is today. This is followed by an investigation of the incongruence between Australia’s heterogeneous society and the homogeneous composition of Australian boardrooms. Finally, the chapter discusses the incremental
changes to the demographic composition of BoDs and how the boardroom needs to be inclusive of people from demographically diverse backgrounds as all Australians deserve equality of opportunity and ‘a fair go’.

Chapter 3 commences by describing the philosophical assumptions underpinning the study. The chapter provides an explanation for the appropriateness of employing a sequential exploratory mixed methods research design, which has two distinct phases. In Phase One, qualitative data were collected and in Phase Two, quantitative data were collected. Next, the chapter provides an explanation for how the participants in Phase One were selected, their criteria for inclusion and the data collection and analysis methods used in Phase One. This is followed by a description of how the participants in Phase Two were selected, their criteria for inclusion and the data collection and analysis methods used in Phase Two. Chapter 3 concludes by detailing ethical considerations relating to this study.

Chapter 4 communicates the empirical findings of the thesis. The chapter begins by providing a profile of the participants that contributed to Phase One. Next, the chapter proceeds through the various processes for the qualitative data analysis. The emerging concepts and themes are identified and explained through the use of template qualitative analysis of data immersion, and open and axial coding, followed by an intense analysis of each of the probable organisational barriers to demographic diversity in the boardroom. The intense analysis uses narratives and documentary evidence from the interviews to demonstrate the qualitative research findings.
This is followed by a description of the profiles of the participants that contributed to Phase Two of the study. The chapter then presents the results of the overall reliability tests conducted on the sets of questions that related to the organisational barriers to demographic diversity in the boardroom. This is followed by presentation of the frequency distributions of the participants’ demographic data and general questions about diversity in the boardroom. Next, summary statistics are utilised to explain the primary characteristics of the questions relating to the barriers to demographic diversity in the boardroom. Finally, Chapter 4 presents the results of statistical tests used to draw conclusions about the organisational barriers to demographic diversity in the boardroom identified in Phase One.

Chapter 5 discusses the result of the findings in relation to the research question and then compares the findings against the background of the theory used to drive the study and the literature reviewed in Chapter 2. The chapter commences by discussing Phase One’s dominant internal organisational barrier to demographic diversity in the boardroom. This is followed by a discussion on five other less dominant barriers to board diversity found in Phase One. Next, the findings from the quantitative data analysis for Phase Two are explored. The findings from the inferential statistics that determined the significance of the relationship between director homogeneity and the organisational barriers identified in Phase One are discussed. Chapter 5 concludes with a comparison of the results of the qualitative and quantitative phases.

Chapter 6 brings the thesis to conclusion. The chapter commences by examining how the study’s aim and objectives were achieved. This is followed by a discussion of the research findings. Next, the chapter investigates the implications of the study’s
findings for theory, policy and practice. The chapter then discusses some limitations of the study. It concludes by presenting several recommendations for diversity researchers looking to provide equality of opportunity and ‘a fair go’ for people from demographically diverse backgrounds wishing to be appointed as INEDs.

1.9 Chapter summary

This chapter has laid the foundations for the study by providing an introduction to, and an overview of this study. To contextualise the research, the chapter began by providing background information as to why there is a lack of demographic diversity at the board level of Australian organisations. Next, the chapter presented its statement of the problem, which defined what this study would investigate as well as grounding the research to its geographical region by providing general information on the Northern Territory. The chapter then outlined the study’s aim and objectives before presenting the research question being addressed by this study and hypothesis being tested. Next, the chapter defined several key terms that will be used throughout the thesis. Finally, an outline of the study was presented to provide a roadmap for the remainder of the thesis. In Chapter 2, the theory driving the study and relevant literature are reviewed.
CHAPTER 2
THEORETICAL FRAMEWORK AND LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter is to provide an overview of the evolution of demographic diversity in the boardroom. Although there is a considerable body of empirical research on the topic of board diversity, the vast majority of the research has focussed on gender diversity. In more recent times, however, there has been a growing concern about the need for an inclusive holistic approach to demographic diversity in the boardroom (Adams 2015; Hillman 2015). The intention of this chapter is to further contribute to this debate. The chapter provides the theoretical basis for the study and demonstrates how the research question emerged from a review of the literature. The chapter also establishes the context for the discussion of results of the primary analysis of data in Chapter 5.

The chapter commences by examining the relationship between theory and research. Due to the social nature of this study the relevance of sociology to the study is discussed. The chapter then outlines the theoretical framework for the study. The focus of the chapter then shifts to the literature review, which draws on substantive bodies of research from multiple disciplines. The literature review commences by examining the changing shape of Australian society before moving on to analyse the effect of these changes on the nation’s workforce. Next, the chapter explores the conservative nature of change in the composition of boardrooms in Australia, prior to exploring the efficacy of boardroom gender diversity. The chapter also examines the contemporary trend of using voluntary targets or binding quotas for reducing the
gender imbalance in the boardroom. The chapter concludes by exploring the growing concern for a holistic inclusive approach to demographic diversity in the boardroom.

2.2 **The theoretical framework**

This section begins by exploring the correlation between theory and research. First, it links the central constructs related to sociology and their relationship to this study. As “the theoretical framework for all academic research is contained in the literature review” (Quinlan 2011, p. 109), the next section grounds the research approach used in this study in a theoretical framework comprised of the central concepts related to the research question.

2.2.1 **The relationship between theory and research**

In academic settings, research and theory exist in a symbiotic developmental relationship where research relies on theory and the evolution of theory relies on research (Haugh 2012; Ridley 2012; Van de Ven 1989). Theories attempt to explain phenomena under investigation and inter-relationships found in the real world. The results and findings of research contribute to the body of knowledge on the phenomena under investigation as well as strengthening and challenging the accepted theory (Ertmer & Glazewski 2014). Further, theories in academic research help the researcher in many functional ways. First, researchers employ theories to provide intentionality and directionality by assisting them with refining and narrowing their research field and providing focus for, and an intimate understanding of, the topic and key concepts under investigation (Babbie 2011). Second, theories inform and assist the researcher in the study’s design in addition to presenting them with the investigative tools and analytic techniques needed to fully explore the phenomena
under investigation (Quinlan 2011). Therefore, theories help the researcher to gain an in-depth understanding of what is occurring and contribute to the body of knowledge on the phenomena being investigated (Machi & McEvoy 2012; Ridley 2012).

2.2.2 Sociology and its relevance to this study

According to Alexander et al. (2012), Haralambos et al. (2013) and Holmes et al. (2012), sociology falls within the field of social science. It is the scientific study of human society, social relationships, human behaviour and inequality in society (Sargent et al. 1997). It also includes investigating social relationships and human behaviour within institutions and organisations (Van Krieken 2006). These relationships have relevance to the key concepts grounded in the research question for this study. The subject matter within sociology is expansive, diverse and eclectic. It ranges from the divisions of race and social class within society; to the causality of crime; inequality in the boardroom; and social stability and radical transformational change in whole societies (Babbie 2011; Van Krieken 2006).

Braunstein et al. (2014), Koall (2011), Psaltis (2012) and Riehl (2000) maintained that all human beings have needs, wants and desires. The form these take relates to the attachment humans have to social groupings and their participation in social institutions, all of which has relevance to Australia’s heterogeneous society and organisations with homogeneous boardrooms regarding the societal norms and values prescribing egalitarianism, equality of opportunity, inclusion and diversity. To better understand the multiplicity and complexity of these broad-ranging human issues, sociology provides a critical perspective of the social world. It does this by employing scientific theories and concepts to investigate human behaviours in a
systematic way. Sociology builds empirical evidence and helps researchers to gain a better understanding of how human actions and consciousness both shape and are shaped by the surrounding cultural and social structures, hence its relevance to this study (Babbie 2011).

2.2.3 Signalling theory

Signalling theory postulates ‘a’ congruency of information between two parties. The ‘parties’ are the signaller and the receiver. The theory has two principal criteria: “the signal is both observable and costly to imitate” (Certo 2003, p. 434). Signalling theory is essentially concerned with identifying, processing and either reducing or resolving the information asymmetry between these two parties (Bergh et al. 2014; Miller & del Carmen Triana 2009; Spence 2002).

The creation of signalling theory can be traced to Spence’s (1973) work on labour market economics. In his seminal article, Spence examined how job applicants seek to promote their services to prospective employers and how employers are generally willing to pay higher salaries to prospective employees who are potentially superior workers. He identified that while the job applicant may know their own level of ability, the potential employer is not able to observe this intangible attribute. Thus, there is information asymmetry between the job applicant and the prospective employer. In ascertaining the root cause of the information asymmetry between the two parties, Spence’s (1973) work identified that time-consuming and costly educational credentials can be used by applicants as a tangible observable signal to prospective employers. This information indicates their level of skill, competency and abilities; thereby reducing the information asymmetry between the two parties.
and creating congruency of information as well as distinguishing job applicants without educational credentials (Connelly et al. 2011).

An analysis of the literature (Broome & Krawiec 2008; Celani & Singh 2011; Roberson & Park 2007; Tsui 2012) suggested that as a result of Spence’s (1973) work, signalling theory has evolved and been operationalised in multiple disciplines. The disciplines of anthropology, economics, sociology, linguistics, psychology and biology have all used signalling theory (Basoglu & Hess 2014; Bergh et al. 2014; Connelly et al. 2011). To illustrate, Bliege Bird and Smith (2005) examined the explanatory value of signalling theory for an assortment of anthropological topics. They focussed on three social arenas: unconditional generosity, wasteful subsistence behaviour and artistic or craft traditions. Bliege Bird and Smith (2005) found that signalling theory has considerable promise for generating novel and powerful insights in the discipline of anthropology. Further, Connelly et al. (2011) asserted that signalling theory is a valuable and influential theory for any discipline, including business management, where there are two parties, information transmission and information asymmetry.

The central tenet of signalling theory is that there is a signaller, a signal and a receiver in the information transmission. While Spence’s (1973) research focussed on the signals job applicants were sending to prospective employers, management scholars have commonly investigated organisations, management and BoDs as the signallers (Certo 2003; Dharmadasa et al. 2014; Lester et al. 2006; Roberson & Park 2007). Generally, the signals being transmitted by these parties to their stakeholders are related to particular aspects of their organisations’ efficiency or effectiveness. To
illustrate, in a study of young entrepreneurial organisations, Deutsch and Ross (2003) argued that the appointment of reputable INEDs acted as a signalling mechanism to potential investors. These two authors identified that this important non-financial information provided the legitimacy that young entrepreneurial organisations often lacked to attract investors. They argued this reduced the information asymmetry between the organisation and its potential investors.

Nevertheless, “the signaling environment on the whole is an under researched aspect of signaling theory” (Connelly et al. 2011, p. 62). This study aims to extends the scope of the signalling ‘environment’ by examining the signals transmitted from Australia’s heterogeneous society, which is the signaler, to organisations with homogeneous BoDs, who are the receivers. The signal, in this instance, is the societal norms and values prescribing equality of opportunity, inclusion and diversity. This approach was employed to identify the internal organisational barriers that either prevent or inhibit a BoD receiving these signals and to establish the root cause of the information asymmetry existing between these two parties.

Akerlof (1970) contended that the premise of information asymmetry, or deviation from perfect information, is the situation in which at least one party in a contract relationship, such as lender–borrower or seller–buyer, is unaware of pertinent information relating to the contractual transaction, providing a commercial advantage to the lender or seller and disadvantaging either the borrower or buyer. Nevertheless, numerous authors have further investigated information asymmetry and expanded it beyond the contractual context and the moral hazards that result from this information asymmetry (Brent & Addo 2012; Leland & Pyle 1977; Tilles et al.
2011). These authors maintained that information asymmetry occurs in any situation when one party in the information transaction has more, or better, information than the other party. Rothschild and Stiglitz (1976) stated “[if organisations or] individuals were willing or able to reveal their information, everybody could be made better off” (p. 648).

Scholars in the disciplines of business management, human resource management and behavioural economics have all investigated information transactions and information asymmetry (Brent & Addo 2012; Connelly et al. 2011; Shapiro & Stiglitz 1984). In a study of information asymmetry and investor valuation of initial public offerings (IPOs) Cohen and Dean (2005) asserted that IPOs are characterised by conditions of uncertainty and information asymmetry between current security holders and potential investors. These researchers determined that credible top management teams reduced information asymmetry between these two parties. In the same way, the current research investigated the information asymmetry between Australia’s heterogeneous society and organisation’s with homogeneous boards regarding the societal norms and values prescribing equality, inclusion and diversity. This approach was used to identify the internal organisational barriers that prevent or inhibit BoDs from receiving these signals and established the root cause of the information asymmetry existing between the two parties.

‘Signalling’ theory is a relatively new theory and it has been operationalised by scholars in the management discipline to investigate the influence of information transmission and information asymmetry in a variety of research contexts (Bergh et al. 2014; Certo 2003; Deutsch & Ross 2003; Miller & del Carmen Triana 2009).
These diverse contexts include corporate governance, entrepreneurship and human resource management. Signalling theory in diversity research has generally focussed on investigating the signals transmitted from BoDs to their key stakeholders and society (Dharmadasa et al. 2014; Fanto et al. 2011; Rhode & Packel 2014; Roberson & Park 2007). It has also scrutinised the information asymmetry between the value of diversity in the boardroom and the linkages to organisational outcomes as well as compliance to societal norms and the values prescribing equality of opportunity, inclusion and diversity. In a study on the ethnic and gender composition of the boardroom, Broome and Krawiec (2008) contended that organisations are now incorporating ethnic and gender diversity into their BoDs in an effort to meaningfully convey to their key stakeholders their compliance with these societal norms and values. Moreover, within the literature on management and diversity “several studies have extended signaling constructs and integrated the theory with other explanations of organisational phenomena” (Connelly et al. 2011, p. 46).

Accordingly, the strength of signalling theory in this study is its applicability to exploring the incongruence and information asymmetry existing between Australian norms and values and the continued existence of homogeneous BoDs consisting of predominantly middle-aged white males (Hillman 2015; Wang & Clift 2009). Moreover, this study was able to “fulfill signaling theory’s criteria that credible signals must be both observable and costly to imitate” (Certo 2003, p. 437). Within this study there were a number of credible signals, for example, demographic diversity in society and the workplace and legislation prescribing egalitarianism and preventing discrimination. These credible observable signals fulfil Spence’s (1973) first criterion. Further, “signaling costs are to be interpreted broadly to include
psychic and other costs, as well as direct monetary ones. One element of cost, for example is time” (Spence 1973, p. 359). Collectively, the time and financial costs to organisations in establishing demographic diversity at the board level to reduce information asymmetry fulfil Spence’s (1973) second criterion. Signalling theory also provides a “unique, practical and empirically testable perspective on problems of social selection under condition of imperfect information” (Connelly et al. 2011, p. 63). Consequently, this theoretical approach was operationalised to investigate the information asymmetry existing between Australia’s heterogeneous society and organisations with homogeneous boardrooms.

2.3 The changing shape of Australian society

2.3.1 The blending of cultures, the way forward for all Australians

Since the end of World War II, Australian society, like numerous other Western societies, has been the subject of subtle yet profound social changes. Believing that Australia had narrowly avoided a Japanese invasion, after World War II in 1945 the country’s government committed to a vigorous and sustained immigration programme designed to increase Australia’s population (Kirk 2008). The motivation for this immigration programme was not to increase the demographic diversity of Australia’s population but to ensure that the nation had a sufficient populace to provide protection from external threats, to meet its labour shortages and to generate prosperity for the country (Tavan 2012).

Moreover, to safeguard Australia’s British heritage, the Immigration Restriction Act of 1901, known as the White Australia Policy, favoured immigrants coming to Australia from Britain and Ireland (Walker et al. 2003). However, to meet the
country’s ambitious immigration targets, the government also negotiated a series of migration agreements with continental European countries (Walsh 2001). The countries that were signatories to this arrangement included the Netherlands and Italy (1951); Austria, Belgium, West Germany, Greece and Spain (1952); and Denmark, Norway, United States, Switzerland, Sweden and Finland (1954). The immigrants that arrived in the country were called ‘New Australians’ and were for the most part Caucasian (Burnett 1998). They were also expected to act in accordance with strict assimilation policies and to adopt ‘normal’ Australian cultural practices as quickly as possible (Haebich 2008).

Kirk (2008), Mann (2012), Mason (2010) and Opperman (1966) asserted that the White Australia Policy remained a guiding force for people migrating to the country throughout the 1950s and 1960s. Towards the end of the 1960s, however, the federal government began to relax the immigration policy as they began to acknowledge and accept that Australia’s “egalitarian philosophy could not be reconciled with a policy of racial discrimination” (Sherington 1980, p. 151). Moreover, the election of the Whitlam Labor Government in 1972 saw a significant policy shift from maintaining a predominantly homogeneous Australia to creating a heterogeneous multicultural society (Mann 2012). Subsequently, in 1973, multiculturalism became a government policy; thus, any person could apply to migrate to Australia regardless of their race, colour, gender, ethnic origin, religion or nationality (Syed & Kramar 2009; Walker et al. 2003).
This change in government policy provided legal equality between British, European and non-European migrants coming to Australia. The immigrants were selected based on what they might offer Australian society, rather than their nationality or race (Van Krieken 2012). The new government policies stipulated that immigrants must have skills or professional expertise required to fill gaps in Australia’s workforce, or business experience and investment capital that would directly benefit the Australian economy (Australian Government 2015). The essence of the policy shift was to facilitate migrants’ inclusion in Australian society and they were “being encouraged to preserve their cultures but also that Australia needed to understand these cultures and vice versa” (Mann 2012, p. 496).

As a result of the successive government’s policies on immigration, from 1945 to 1975 Australia’s population almost doubled, from seven and a half million people to 13 million people with around three million migrants and refugees arriving in Australia (Australian Government 2015; Sherington 1980). Numerous authors argued that by the late 1970s, this mass migration transformed the country from being an overwhelmingly Anglo–Celtic society to a culturally diverse society (Mann 2012; Pakulski 2014; Syed & Kramar 2009). These diverse migrant communities brought with them their cultural practices, which were being integrated into Australian society and, as a direct result, they established a culture of multiculturalism within Australia (Azmat & Rentschler 2015).

Progressively, the country’s Anglo–Celtic traditions were being “supplemented by the Australian egalitarian traditions of ‘a fair go’, which stressed the value of individualism, respect for diversity, tolerant accommodation of difference and
concern for individual and group freedom” (Pakulski 2014, p. 33). However, an analysis of the literature suggested that not all Australians were treated equally and some often experienced isolation and discrimination (Ho 2008; Jones 1997; Robinson 2014; Salter 2013). To illustrate, Indigenous Australian’s experienced institutional racism and received inadequate health services, housing and education. Also, they did not have ownership of their traditional lands. Moreover, migrants were often discriminated against and treated as second class citizens; women did not receive equal pay for equal work; people with a disability were institutionalised and homosexuality was illegal (Andrews & Curtis 1998; Hamden et al. 2011; Hogan & Dempsey 1995; Rickard 1996). However, “Australian culture was starting to become aware of the unfair nature of society and the inequality of its norms, rituals and values” (Downing 1995, p. 9). This growing awareness warranted new discourses and policies to remedy these inequalities to provide social justice, equality and ‘a fair go’ for all Australians (Argy 2006; Greig et al. 2003; Kallen 1996).

Rights Act 1976 was introduced into parliament by the Whitlam Government in 1975 (Mowbray 1998). Moreover, these and other legislative reforms attended to many inequalities of the period and had a positive effect on the quality of life for countless Australians. They also established the foundation for further positive social changes within Australia (Andrews & Curtis 1998; Greig et al. 2003; Macintyre 2009).

According to Azmat and Rentschler (2015), Hogan and Dempsey (1995) and Phillips et al. (2010), since the shift away from the White Australia Policy in the 1970s, Australia has gone through considerable demographic, social, cultural, economic and political change. These authors also contended that Australia has become a vibrant, multicultural country that is one of the most culturally diverse countries in the world. As of 2016, Australia had a population of approximately 24 million people, with migrants arriving from over 200 countries, speaking more than 300 languages and working in over 1,000 occupations (ABS 2013, 2016b).

Moreover, for Australians who were not treated equally and experienced isolation and discrimination, advancements have been made to deal with many of these inequalities. To illustrate, on 13 February 2008, Kevin Rudd, the then Prime Minister of Australia provided an apology on behalf of Australia for government policies and laws that inflicted profound grief, suffering and loss on Indigenous Australians (Rudd 2008). Advancements have been made for females to be given equal pay for identical work. However, further change is required as women currently earn only around 80 per cent of men’s wages (McGrath-Champ & Jefferson 2013; Workplace Gender Equity Agency (WGEA) 2016a). In addition, the process of decriminalising homosexuality began with South Australia in 1975 and was finalised 22 years later in
1997 when the Tasmanian government repealed laws pertaining to homosexuality (Carbery 2014). Further, in 1986, the Hawke Labor Government introduced the Commonwealth Disability Services Act 1986. This Act commenced the process of transitioning people with a disability from residential institutions and integrating them into their local communities (Parmenter 1999).

Australia is a “nation of immigrants, generally tolerant of differences and open to a range of cultural influences and styles” (Sheridan 1995, p. 153) and everybody in Australia is required to uphold the country’s principles and shared values (Stannard & Thompson 2008; Zevallos 2005). Australian principles and shared values include respect for equal worth, dignity and freedom of the individual, freedom of speech and association, freedom of religion and a secular government, support for parliamentary democracy and the rule of law and equality under the law regardless of marital status, sex, religion, nationality, sexual preference or disability (Department of Immigration & Boarder Protection (DIBP) 2016).

While many of these principles and values are shared with other countries, they have been adapted to Australia’s unique setting, “creating a society that is stable and at the same time dynamic, cohesive yet diverse” (DIBP 2016, p. 174). The considerable social, demographic, cultural, economic and political changes in Australia since the end of World War II have increasingly transformed the nation to become the diverse egalitarian multicultural society it is today. These changes send an unambiguous signal that there are many ways of being Australian and that everybody living in the country deserves equality of opportunity and ‘a fair go’. Further, the changing shape
of Australian society has driven changes in the demographic composition of the country’s workforce.

2.3.2 Diversity in the workplace has become a strategic business imperative

Today’s heterogeneous workforce is notably different from the homogeneous workforce of the past. Prior to the 1970s, Australia’s workforce was homogeneous, with a considerable dominant majority and a few visible minorities. The workplace was also characterised by a marked division of the sexes and their expected roles in the workforce (Macintyre 2009; Strachan 2010). “The average member of the workforce of the past was male and white” (Andrews & Curtis 1998, p. 14) and their function was to be the breadwinner who supported his wife and family; whereas, the woman’s role was to maintain the family home and raise the children. Women who worked outside the home were in the minority and generally held traditional ‘female jobs’, for example, nursing, housekeeper, teaching, retail salesperson or clerical positions (Perrone et al. 2009; Strachan 2010). Moreover, only certain jobs were available to people from ethnic backgrounds and people with disabilities were rarely found in the workforce (Jamieson & O’Mara 1991; Thompson 1994).

The changing demographics of Australian society have resulted in a transformation in the demographic composition of the country’s workforce. The decade of the 1970s witnessed an increase of women, people from ethnic backgrounds and people with disabilities entering the workforce (Australian Institute of Health & Welfare 2012; Macintyre 2009). Nevertheless, demographically diverse employees were often segregated, marginalised and experienced discrimination in the workplace (Braithwaite & Bush 1998). Women often had to deal with sexual harassment, did
not receive equal pay for equal work and were often denied career paths (Jefferson & Austen 2015; Strachan 2010). People from ethnic backgrounds were harassed and victimised because of their cultural heritage (Thompson 1994). Individuals with a disability often experienced direct and indirect discrimination (Burnett 1998; Jamieson & O’Mara 1991). For these reasons, to comply with Australia’s egalitarian ambitions and provide equality of employment opportunity and ‘a fair go’ for all, further legislative reform was required to address these and other discriminatory workplace practices (Andrews & Curtis 1998; Thompson 1994).


These laws prohibit discrimination in the appointment and promotion of employees on the grounds of sex, sexual preference, gender identity, political affiliation, marital status, pregnancy, age, religion, physical or mental disability (Strachan et al. 2007). As a result, the work environment in Australia has evolved into a heterogeneous
workforce inclusive of these observable and underlying employee characteristics (Davis et al. 2016; Härtel & Fujimoto 2015; McShane et al. 2013). However, de Vries (2015) and Warren and Antoniades (2016) contended that despite the improvements to date, further change is needed as women and men are not equally represented at all levels of management. This gender segregation is noticeably demonstrated at the executive level. Similarly, lesbian, gay, bisexual, transgender and intersex (LGBTI) equality is a relatively new phenomenon at the executive level, as LGBTI executives remain hidden in the work environment for fear of harassment and discrimination in the workplace (Deloitte University Leadership Centre 2013; Galloway 2012; Human Rights Commission 2014; Rumens 2011).

According to Kramar (2012) and Olsen and Martins (2012), as a direct result of the changing shape of Australian society and the globalisation of markets, diversity in the workplace has become a strategic business imperative. Bond and Haynes (2014) maintained that organisations benefit in many ways from employing people from a demographic diverse background; attracting and retaining high-quality employees, increasing employee adaptability and productivity, promoting greater creativity and innovation and generating different ways of thinking for improved decision making are some of the positive benefits of workplace diversity (Davis et al. 2016; Gröschl 2011). Further, numerous authors have asserted that employees of organisations that embrace diversity in the workplace also experience benefits including relief from discrimination and harassment, greater opportunity for learning and growth, increased job satisfaction and improved health (Albrecht 2001; Ferdman & Deane 2014; Kirton & Greene 2000). As a result, organisations that can successfully operationalise diversity in the workplace may possess sustainable advantages over
their key competitors. Consequently, organisations are strategically investing into proactively promoting and managing demographic diversity in their workplaces (Davis et al. 2016; Pitts et al. 2010).

In recent decades, managing diversity in the workplace has become an important organisational function. Olsen and Martins (2012) and Sinclair (2006) contended that diversity management is a key human resource and management function. Its intent has been to create and maintain a positive work environment in which the similarities and differences of people are respected and valued. While the aim and purpose of diversity management is to ensure that all employees reach their full potential and maximise their contribution to organisational goals and objectives, diversity management goes far beyond simply hiring demographically diverse workers (Syed & Pio 2010; Yang & Konrad 2011).

While diversity management does not appear to incorporate BoDs, it does encompass everything else the organisation does that signals its attitude towards employees and external stakeholders (Johnston & Malina 2008; Kramar 2012). Organisations can operationalise numerous strategies to demonstrate their commitment to diversity. Pitts et al. (2010) and Point and Singh (2003) maintained that some of the most commonly employed strategies were incorporating demographic diversity into the organisations values statement; developing policies, practices and processes designed to manage workplace diversity; developing a diversity statement and advertising it on the website; and creating other organisational artefacts that reflect the uniqueness of their diversity management. As an illustration, the Australia and New Zealand Banking Group Ltd (ANZ) provides comprehensive information on their website.
regarding their policies on demographic diversity in the workplace (ANZ 2016). As a further demonstration of their support for diversity, the ANZ became a principal partner of the Sydney Gay and Lesbian Mardi Gras. They also pioneered a unique organisational artefact to reinforce their position on diversity to their stakeholders in the form of ‘GAYTMs’ (see Appendix A). GAYTMs are automated teller machines that are decorated with the rainbows and rhinestones that are symbolic of the LGBTI human rights movement (Ghaziani 2015; Gorman-Murray 2012; Wisniewski 2014).

Diversity management has developed into an essential organisational practice. The ANZ example provides an illustration of the importance that organisations are now placing on their diversity management practices because “organisations with diverse employees are better suited to serve diverse external customers” (Patrick & Kumar 2012, p. 14). Since the 1970s, there have been multiple legislative and organisational changes that have provided equality of employment opportunity to individuals from diverse demographic backgrounds. This sends an unmistakable signal that Australia is an egalitarian heterogeneous society with a democratic tradition and commitment to the rule of law, human rights and equality for all Australians. These “ongoing demographic changes have transformed Australian society. Nevertheless, they have not been associated with an increased participation of … [people from demographic diverse backgrounds] in the boardroom” (Azmat & Rentschler 2015, p. 3).

2.4 Boardrooms: The conservative nature of change

2.4.1 The decline of the ‘old boy’s network’

The boardroom is a place of power, where powerful people meet to talk about the business of the organisation. Harris (2014), Perrault (2015) and Wang and Clift
(2009) contended that traditionally the boardroom has been dominated by privileged upper and middle class, white, middle-aged men. These homogeneous boards are commonly part of an informal ‘old boy’s network’ of men from the same schools, professions, affiliations and exclusive clubs (Randøy et al. 2006; Tremblay et al. 2016). While not necessarily malicious, the ‘old boy’s network’ was, and is, paternalistic and conservative with “old fashioned attitudes about the role of women” (Van der Walt et al. 2006, p. 228) and other demographically diverse people being appointed onto their BoDs.

As a direct result of the cultural, social and legislative reforms that have taken place in Australia, the acceptance of the notion of the privileged upper and middle class, white, middle-aged men dominating the boardroom has been increasingly rejected (Perrault 2015). One of the main forces challenging the homogeneous composition of the country’s boardrooms has been the women’s movement. Since the 1960s, this movement has fought to change the power imbalance between men and women that historically lay at the foundation of society from positions of power-over to power-with and power-sharing (Andrew & Maddison 2010; Andrews & Curtis 1998).

Hopkins et al. (2008) and Smith (2005) argued that the women’s movement has actively campaigned for social and legislative reforms on a number of basic human rights. Both reproductive rights and domestic and sexual violence against women have been major campaigns for the women’s movement. The movement has also advocated for equal pay, an end to sex discrimination and sexual harassment in the workplace, childcare and paid maternity leave (Andrew 2008; Strachan 2010). Seeking equality of employment opportunity, the women’s movement has fought for
the inclusion of women in management and executive positions and for appointments to the BoDs of Australian organisations (Du Plessis et al. 2014; Smith 2005).

While the structure and composition of Australian boardrooms was a topic of debate for a number of decades, this debate did not gain traction until a number of high-profile corporate collapses. To illustrate, “the Australian corporate cemetery of the 1980s contain a number of well-known collapses” (Sarre 2002, p. 1), Alan Bond and Bond Corporation Holding Ltd, and Christopher Skase and Qintex Ltd are two examples of the excesses of the 1980s (Carnegie & O’Connell 2014). In the early 2000s, the nation witnessed further high-profile corporate collapses. Ray Williams and Rodney Adler and HIH Insurance, and One.Tel and Jodee Rich and Brad Keeling are just two examples of these high-profile corporate collapses (Mirshekary et al. 2005; Monem 2011).

Clarke (2004), Knott (2002), Sarre (2002) and Thoms (2008) contended that these corporate collapses were the result of a male-dominated culture of corporate greed, inept corporate governance practices, unethical behaviour and aggressive executive practices. In the HIH Insurance collapse, when sentencing Rodney Adler for filing false and misleading financial statements and failing in his fiduciary duties as a director of HIH Insurance, Justice Dunford stated:

The offences are serious and display an appalling lack of commercial morality … Directors are not appointed to advance their own interests but to manage the company for the benefit of its shareholders to whom they owe fiduciary duties … They were not stupid errors of judgement but deliberate lies, criminal and in
breach of his fiduciary duties to HIH as a director (Australian Securities and Investment Commission 2005).

Further, the problems resulting from these corporate collapses affected Australia’s “foreign debt ratios and therefore affected the entire community” (Callaghan & Wood 2014, p. 287). Consequently, corporate governance came to the foreground as a way to inhibit and limit the unethical and corrupt business practices carried out by privileged, white, middle-aged men from the ‘old boy’s network’ and restore the profound damage caused by these and other corporate collapses (Leung & Cooper 2003; Monem 2011).

Since the 1980s, numerous stakeholders including shareholders, peak industry bodies, governments, academic institutions and suppliers have campaigned for the creation and adoption of a new system of corporate governance (Kang et al. 2007). These changes sought to improve the accountability of management and BoDs to the organisational stakeholders (Williams et al. 2015). Within Australia, the release of the Organisation for Economic Co-operation and Development’s Principles of Corporate Governance in 1999; the ASX’s Corporate Governance Principles and Recommendations in 2003; and the HIH’s Royal Commission Report in 2003 instigated numerous corporate governance improvements (Cortese 2009; Lipman 2008). Some of these improvements included organisations comprising a balance of executive directors and non-executive directors; a clear division of responsibilities between the chair and the managing director; organisations having formal and transparent procedures for the appointment of new directors; the provision of timely
and quality information to BoDs; and the maintenance of organisations’ internal control systems (Dalton & Dalton 2006; Du Plessis et al. 2005).

An examination of the Australian corporate collapses suggested that “one common structural fault was the practice of insulating the decision making group from outsiders” (Howard 2011, p. 429). Therefore, structural change was required and INEDs emerged as an important governance issue. According to Lipman (2008) and Williams et al. (2015), the reason INEDs emerged was to address potential conflicts of interest within the ‘old boy’s network’ and introduce independence into the boardroom. The role of INEDs is to monitor and evaluate the performance of executive directors and BoDs. Their role enables INEDs to expose any potential conflicts of interest or excessive risk taking by applying their independence of thought, insight and judgement to the decision making processes in the boardroom (Dunbar 2012).

Over the past 20 years, numerous studies have been undertaken examining the efficacy of INEDs (Li & Xu 2014; Matolcsy et al. 2004; Siagian & Tresnaningsih 2011; Williams et al. 2015). These studies have established that there are many benefits provided by independence in the boardroom and that director independence is essential for the effective operation of any board (Dou et al. 2015). Moreover, Principle Two of ASX’s Corporate Governance Principles and Recommendations proposes that BoDs need to have an appropriate number of INEDs. An analysis of the literature suggested that within ASX organisations, the board’s remuneration, audit, risk and nominations committees have a majority of INEDs (Dunbar 2012; Productivity Commission 2009; Williams et al. 2015). However, Heracleous (2001),
Matolcsy et al. (2004) and Ritchie (2007) found that some studies have challenged the effectiveness of organisations having INEDs on their BoDs. Nevertheless, with directors of organisations like Bond Corporation Holding Ltd, Qintex Ltd, HIH Insurance and One.Tel “exhibiting fraud, deception and rich men behaving badly” (Robins 2006, p. 45), the accountability function of INEDs in the boardroom is crucial for effective strategy development and decision making.

Traditionally, privileged, white, middle-aged men controlling the board kept the doors to their boardrooms determinedly closed to individuals who were not part of their ‘old boy’s network’. Nevertheless, the role they played in corporate collapses received a considerable amount of negative attention and an angry reaction from key organisational stakeholders and the community (Callaghan & Wood 2014; Carnegie & O’Connell 2014). Therefore, questions were raised about whether the “traditional boardroom of a fairly homogeneous groups of individuals really produces the most effective decisions and strategy for an organisation” (Deloitte Touche Tohmatsu Limited 2015, p. 2). Azmat and Rentschler (2015) argued that one of the unconscious and unintended attributes of homogeneity at the board level is ‘groupthink’, which in layman’s terms is “the [circumstance] where people follow the crowd” (Australian Institute of Company Directors (AICD) 2008). To achieve agreement and consensus within the group, individuals over-ride their considered appraisal of alternative courses of action in the decision making processes. Howard (2011) and Sims (1992) asserted that groupthink introduces decision biases and blind spots where group pressure compels directors to ‘go with the flow’ instead of challenging the dominant view in the boardroom. Further, many corporate governance failures have resulted from groupthink because some of the consequences of groupthink include illogical
and unethical decision making (Ramirez 2003). Therefore, organisations have been
pressured by their key stakeholders and the community to reduce the homogeneous
composition of their BoDs by appointing new directors from a range of backgrounds.
The underlying assumption behind this pressure was that increased demographic
diversity in the boardroom would lead to less insular decision making by BoDs,
thereby helping organisations to avoid the pitfalls of groupthink (Van der Walt et al.
2006; Westphal & Milton 2000).

Collectively, the changing shape of Australian society, improved systems of
corporate governance, the increased role of INEDs and director accountability have
all contributed to signalling society’s expectations for organisations to have diverse
boards. These changes have led to a decline in directors from the ‘old boy’s
network’, which has meaningfully advanced the requirement for greater demographic
diversity at the board level. Consequently, the long-closed door of the boardroom has
finally been jarred open and the issue of demographic diversity in the boardroom has
gained traction.

2.4.2 Incremental changes and the efficacy of diversity in the boardroom
The demographic composition of the boardroom has been a much-debated topic over
the past 20 years, and as a consequence, demographic diversity in the boardroom has
become a reality. Arguably, with the decline of the ‘old boy’s network’ BoDs have
been challenged and “urged to structure their boardroom to serve their needs and to
think about whether they have the right composition to provide the diverse
perspective that today’s business require” (Van der Walt et al. 2006, p. 129). Further,
when it comes to the deinstitutionalisation of the ‘old boy’s network’, it is without
question that gender diversity has been the most longstanding and debated topic (Upadhyay & Zeng 2014). In more recent times, however, ethnic and age diversity have come to the foreground and been considered valuable contributors to the demographic composition of the boardroom (Ntim 2015; Singh 2007).

According to Rhode and Packel (2014), “The growing consensus in the corporate community is that diversity in the boardroom is an important goal” (p. 382). Noteworthy changes in ASX boardrooms, for example, demonstrate the incremental changes that have occurred to the demographic composition of their boards. First, gender-related data from AICD indicated that in March 2009, the percentage of female directors in the ASX 200 was 8.3 per cent while male directors dominated the boardroom with 91.7 per cent. In successive years, the number of female directors increased (AICD 2012). As at March 2016, the percentage of female directors in the ASX 200 had increased to 23.3 per cent, with male directors making up 76.7 per cent (AICD 2016). However, as at March 2016 “a total of 20 boards in the ASX 200 still did not have any women” (AICD 2016).

Second, ethnic-related data from Diversity Council of Australia (2016) and Johl and O’Leary (2015) identified that there was a 22 per cent increase in directors from ethnic backgrounds, from 24 per cent in 2004 to 29.2 per cent in 2013. Nonetheless, ASX organisations remain dominated by Anglo–Celtic directors. Third, age-related data from AICD (2012) established that the average age of directors in ASX organisations in 2011 was 58.5 years, which had not changed over the previous four years. Nevertheless, “female directors are, on average, younger than their male counterparts (women aged between 50–59 years and men aged between 60–69
years)” (AICD 2012, p. 4). In spite of this, the reality is that over the past 20 years, measurable progress towards increasing the demographic composition of BoDs has been slow, and boardrooms of Australian organisations have remained dominated by white, middle-aged men from the ‘old boy’s network’ (Hillman 2015; Terjesen et al. 2009; Van der Walt & Ingley 2003). However, the inclusion of gender, ethnic and age diversity has provided a much-needed change to the demographic composition of BoDs (Azmat & Rentschler 2015; Miller & del Carmen Triana 2009).

According to Adams (2015) and Wang and Clift (2009), the demographic changes to BoD composition have further complemented the improved corporate governance and accountably role of BoDs. It has also been contended that heterogeneous boardrooms have access to a broader range of information and knowledge (Randøy et al. 2006; Terjesen et al. 2009). Organisations with diverse boards experience numerous benefits including fostering creativity and innovation, generating diversity of thought, ideas and broader perspectives, creating more efficient and effective problem solving and decision making (Dhir 2015; Howard 2011; Rhode & Packel 2014). These organisational benefits improve and extend the directors’ range of thoughts and analyses. Therefore, organisations with heterogeneous BoDs are more effective than those with homogeneous boards; as a consequence, there is the potential for greater organisational outcomes.

Improved corporate governance, ethical decision making, performance, reputation and legitimacy are some examples of the improved organisational outcomes of demographic diversity at the board level (Arnegger et al. 2014; Harris 2014). In a study examining the correlation between demographic diversity in the boardroom
and an organisation’s financial performance, Erhardt et al. (2003) established that diversity at the board level is positively associated with an organisation’s return on asset and return on investment. These authors contended that demographic diversity in the boardroom positively affects an organisation’s overall financial performance. Likewise, in a study on governance, diversity in the boardroom and an organisation’s value, Carter et al. (2003) concluded that there is a positive relationship between demographic diversity in the boardroom and an organisation’s overall value. Interestingly, in a study on the influence of INEDs and female directorships on an organisation’s performance, Terjesen et al. (2016) determined that unless a BoD is gender diversified, INEDs do not contribute to the organisation’s performance. They argued that independent female directors enhance boardrooms’ effectiveness.

There are numerous compelling arguments that demonstrate the many advantages of heterogeneous BoDs. However, an organisation with a diverse board may also experience a number of disadvantages (Ferreira 2010). These disadvantages may include conflict, a lack of cohesion and cooperation, divisiveness and increased time required for decision making (Du Plessis et al. 2014; Ferreira 2010). A study by Van der Walt et al. (2006) identified that demographic diversity in the boardroom does not necessarily enhance the performance of BoDs. Despite some possible drawbacks, studies investigating the efficacy of diversity in the boardroom have generally acknowledged the under-representation of individuals from diverse demographic backgrounds in their studies and maintain their results are inconclusive (Campbell & Mínguez-Vera 2008; Du Plessis et al. 2012). However, organisations that welcome demographic diversity into their boardrooms “signal the organisations compliance with the social norms embodied in antidiscrimination laws. Thus, a diverse board
could be justified on the grounds that they should demonstrate acceptance of social values enshrined in the law” (Fanto et al. 2011, p. 931).

Dhir (2015), Fanto et al. (2011), Gul et al. (2013) and Perrault (2015) maintained that organisations with a heterogeneous board may possess sustainable advantages over their major competitors. This is because these organisations are better resourced and better equipped to represent the needs and wants of their workforce and customers as well as the ever-changing heterogeneous society. The slow decline of the ‘old boy’s network’ and the incremental increase of gender, ethnic and age diversity at the board level has provided further legitimacy of society’s expectations for reducing the homogeneous composition of Australian boardrooms. However, due to the sluggish nature of this change, Australian society continues to demand greater change, which includes establishing gender-related voluntary targets or binding quotas to further increase the number of women in the boardrooms of Australian organisations.

2.5 Please sir, may I have some more?

2.5.1 Society says: What about voluntary targets or binding quotas?

The changing shape of Australian boardrooms has been influenced by the legislative, cultural and social reforms that have taken place in the country since the 1980s. The improved systems of governance, director independence and accountability, and the inclusion of gender, ethnic and age diversity in the boardroom have all contributed to improving the overall performance of BoDs (Kang et al. 2007). While there has been some progress, a fairer representation of people from heterogeneous demographic backgrounds in the boardroom has a long way to go (Azmat & Rentschler 2015; KPMG International Cooperative (KPMG) 2014). Women constitute more than 50
per cent of the Australian population; therefore, it makes sense to have an equal representation of females in leadership roles (Office of Women 2012). In view of this, the debate around demographic diversity in the boardroom has generally been centred on gender as “women’s talents are being underutilised at decision making levels, in particular at the top level” (Terjesen et al. 2015, p. 233).

Adams (2015), Du Plessis et al. (2014), Klettner et al. (2016) and True (2013) argued that as a direct result of the persistent under-representation of female directorships, proponents of boardroom reform, domestically and internationally, have called for a sizeable increase in the number of female directors. These authors contended that gender diversity in the boardroom represents the community’s expectations of reducing the homogeneous make-up of the board by augmenting the heterogeneous composition of BoDs. Gender diversity would also further improve governance requirements and boards’ effectiveness. In March 2009, the Australian government’s Corporations and Markets Advisory Committee (CMAC) published its Diversity on Boards of Directors report, which advanced the issue of gender disparity in the boardroom. The CMAC (2009) report recommended that “voluntary targets for the appointment of more women to a board, or increased diversity by other measures, may be a useful tool for an organisation that sets itself on this course” (p. 48). While voluntary targets are not legislated, they are specific measurable objectives with corresponding timeframes that are determined by BoDs (Ali et al. 2014; Klettner et al. 2016; WGEA 2016c).
Apart from the CMAC, multiple peak industry bodies have supported organisations using voluntary targets to increase the number of females in the boardroom and in the workforce (AICD 2009; Australian Institute of Management 2012; ASX 2014b). To illustrate, in 2009, the ASX introduced changes to their Corporate Governance Principles and Recommendations, which required all ASX organisations to formulate and publish a ‘diversity policy’ (KPMG 2014). These strategic changes also included organisations disclosing, in their annual returns, voluntary targets, whether they had achieved their targets and ‘if not, why not’. The organisations also needed to disclose the proportion of females on staff, in senior executive positions and on their BoD (Klettner et al. 2016; WGEA 2013).

Labelle et al. (2015) and True (2013) asserted that there are many benefits to using targets for increasing the numbers of females in the boardroom. These researchers contended that the ‘power-with pull’ approach of establishing voluntary targets encourages an organisation to progress towards gender equality at a pace that is sustainable. This approach takes into consideration organisational and boardroom cultures. Regardless of the organisational category, targets are familiar to and understood by all organisations. Establishing targets has been applied to many business practices including marketing, sale performance and business negotiations, as well as being used as an effective tool to improve employee performance (Härtel & Fujimoto 2015; McShane et al. 2013). WGEA (2016c) maintained that voluntary targets set by organisations create ownership of the process, thereby increasing organisational buy-in and likelihood of success.
According to Davies (2015) and Du Plessis et al. (2014) there is international consensus that a minimum of 40 per cent of a board’s directorship positions should be comprised of women. In Australia, guiding principles for determining targets for ASX boards were “set by Women on Boards (WoBs) and Chartered Secretaries Australia (CSA), of 25 per cent representation of women by 2012 and 40 per cent representation of women by 2015” (Davies 2011, p. 27). As stated earlier, the number of women on the ASX 200 boards had slowly increased to 23.3 per cent by March 2016. However, creating voluntary targets and compelling boards to disclose whether they have achieved their targets and ‘if not, why not’ has not delivered sufficient change. Australia has exceeded the 2015 timeframe set by WoBs and CSA: it has not achieved the 2012 target of 25 per cent and has a considerable way to go before it will reach the 2015 target of 40 per cent. This indicates that this formal gesture prescribing equality, inclusion and diversity, sent from Australian society to homogeneous BoDs is characterised by conditions of information asymmetry.

An analysis of the contemporary literature (Chia 2015; Klettner et al. 2016; Labelle et al. 2015; Perrault 2015) suggested that more change is required to address white middle-aged men dominating the boardroom. The considerable under-representation of females in Australian BoDs has justifiably fuelled requests for more aggressive measures to be undertaken as there is growing impatience with the glacial rate of change. Moreover, “it is not difficult to predict that if the right gender balance is not going to be achieved through the voluntary codes … mandatory quotas of women on Australian boards will be dictated by legislation” (Du Plessis et al. 2012, p. 223). However, the issue regarding the need for, and benefits of, setting quotas for
increasing the number of women in the boardroom to provide gender equality has been passionately debated in Australia and internationally.

According to Du Plessis (2014), “Studies and research point to the fact that if you have more females in the boardroom the organisation will become more profitable. There is a strong business case for actively placing more women on boards”. Thus, as voluntary targets for increasing the number of women in the boardroom have not been successful in bringing about sufficient change, establishing mandatory quotas would address the gender disparity and guarantee the much-desired change. Numerous authors have suggested that there are several benefits to applying quotas for increasing the number of women in the boardroom (Broderick 2011; Dhir 2015; WGEA 2016c). They maintained that the ‘power-over push’ approach forces the systemic problem of gender disparity at the board level to the top of the board’s agenda. The justification for this would be to avoid any punitive measures of not complying with legislative requirements (Dhir 2015; WGEA 2016c). Further, quotas will create a critical mass of women in executive roles and compel organisations to conduct a wider search for female candidates.

While mandatory quotas are a more drastic measure, a number of countries have adopted legislation requiring organisations to have a particular percentage of female directorships. For example, Belgium’s quota is 33 per cent; Finland, France, Iceland, Norway and Spain have quotas of 40 per cent; and Israel has the highest mandatory quota of 50 per cent (Ali et al. 2014; Catalyst 2014). Interestingly, women make up over half of Australia’s population and constitute 45 per cent of its total workforce (Broderick 2009). In spite of these facts, the percentages for mandatory quotas and
voluntary targets for increasing the number of women in the boardroom remain disparate and heavily preferred towards retaining male-dominated boardrooms. Apart from Israel, the mandatory quotas applied to these Western countries including Australia, fall well short of creating equality of opportunity, inclusion and gender parity in the boardroom.

The opponents of mandatory quotas maintain that there are numerous disadvantages to organisations being forced to comply with quotas for female directors. According to Davies (2011), Hillman (2015), Perrault (2015) and WGEA (2016c), mandatory quotas circumvent natural workplace progression and women should only be appointed to BoDs on a merit basis. They also asserted that quotas dilute the calibre of BoDs, affect women’s self-image, are tokenistic and unnecessarily add to an organisation’s compliance management. Further, mandatory quotas may mean that high-quality male candidates will be overlooked (WGEA 2016c). One of the most debated topics from the opponents of quotas has been the suggestion that Australia does not have enough female executives to fill quotas even if they were introduced. Nevertheless, in speaking about ASX boards, Broderick (2011) stated “to that I say, if Norway can find 1,000 suitably qualified women in a population of 4 million, you’d think Australia could find 500 women in a population of 22 million” (p. 8).

Due to the almost imperceptible rate of change, some of Australia’s most strident critics of mandatory quotas have supported the possibility of introducing quotas. In 2015, for example, the chair of AICD, Elisabeth Proust stated “if three years from now we have still not managed to achieve at least 30 per cent female directors on all ASX 200 boards then quotas is something that has to be put on the table as an
option” (Business First Magazine 2015). Increasingly, Australia’s heterogeneous society has articulated the requisite need for equality, inclusion and demographic diversity at the board level. However, homogeneous boards have correspondingly maintained their resistance to assimilating these societal norms and values into their boardrooms. This indicates that the transmission of information between Australia’s heterogeneous society and homogeneous BoDs regarding the need for demographic diversity at the board level, is characterised by conditions of information asymmetry. While the current focus is on gender diversity and to a lesser extent ethnic and age diversity, there is mounting concern about the need for a more inclusive holistic approach to the demographic composition of Australian boardrooms.

2.5.2 Demographic diversity in the boardroom: An inclusive holistic approach

Historically, board diversity has been a hotly debated topic that has generally focussed on the under-representation of women at the board level. There is, however, still much uncertainty about what is actually meant by demographic diversity in the boardroom: “The rule as currently designed suffers from a sort of stylistic anxiety which translates into a frustrating … [sense of stuckness and rigidity]” (Dhir 2015, p. 231). The stuckness and rigidity around the meaning of demographic diversity in the boardroom may well be attributed to power and privilege. In 2011, for example, the then Governor General of Australia, Quentin Bryce, stated “I believe the “old boy’s network” is a powerful one … No one gives up power and privilege willingly do they?” (Executive Style 2011). Therefore, to comply with the signals being sent from Australian society regarding the need for demographically diverse BoDs, questions have been raised about the inadequate nature of the current interpretation of the definition of diversity in the boardroom (Adams 2015).
ASX’s Corporate Governance Council (2014) and Du Plessis et al. (2012) asserted that when thinking about diversity in the boardroom it is entirely appropriate to take into consideration the broader dimensions of diversity. They have recommended a more progressive and inclusive approach to demographic diversity in the boardroom. This approach included integrating other observable and underlying demographic characteristics such as sexual preference, gender identity, physical capability and marital or family status. Interestingly, this inclusive holistic approach to diversity in boardrooms is congruent and strategically aligned with the contemporary definition of diversity in the workplace (Davis et al. 2016; Härtel & Fujimoto 2015). It is further argued that this definition would also be more representative of Australia’s heterogeneous society.

It has been contended that “by considering all sources of talent in the recruitment of directors, progressive organisations with enlightened approaches to diversity achieve improved performance” (Du Plessis et al. 2014, p. 8). Nevertheless, a review of the literature indicated that research in this area has concentrated on gender, ethnic and age diversity with little evidence of studies incorporating the more inclusive holistic approach to diversity in the boardroom. Further, analysts Adams (2015), Adams et al. (2015) and Hillman (2015) suggested that this new and enlightened approach to diversity in the boardroom is in its embryonic stage of development. They therefore recommended that further studies be undertaken on the demographic composition of boards to investigate the efficacy of this new approach. Thus, there is a demonstrated need to investigate this more inclusive holistic approach to demographic diversity in the boardroom.
Adams (2015), CMAC (2009), AICD (2013) and Korn Ferry Institute (2013) argued that the structure and composition of BoDs affects all organisations with a governing body. However, almost all of the empirical studies, domestically and internationally, investigating the various elements of diversity in the boardroom has focussed on profit-making listed organisations (Arnegger et al. 2014; Carter et al. 2003; Gul et al. 2013; Singh 2007). Nevertheless, a review of the literature indicated that there have been some studies investigating diversity in the boardroom for NFP organisations (Azmat & Rentschler 2015; Bradshaw et al. 2009; Harris 2014; Smith 2005). However, there were no studies identified that examined government organisations (Terjesen et al. 2015; Tremblay et al. 2016), although the demographic diversity of government BoDs is sporadically referred to in the literature investigating the gender composition of boards. Interestingly, while “the progress seems steady for [profit-making] listed organisations, it should be pointed out that some NFP organisations … demonstrated much higher female governance representation” (Du Plessis et al. 2014, p. 35). Thus, it could be contended that there is a higher degree of information congruency for director heterogeneity involving Australian society and the BoDs of NFP organisations than there is for the boards of profit-making organisations.

This study focusses on profit, NFP and government organisations. A number of underlying principles led to selection of these three organisational types. First, all three had governing bodies. Second, no empirical research was identified that had compared and contrasted the new enlightened meaning to diversity in the boardroom among these three types of organisations. Third, collecting and analysing data from the three organisational types will provide further insight into the organisational barriers that prevent or inhibit homogeneous BoDs receiving signals from Australian
society regarding the need for demographic diversity at the board level. Accordingly, this study aims to identify the root cause of information asymmetry existing between Australia’s heterogeneous society and homogeneous BoDs.

In reviewing the available literature, the studies investigating demographic diversity in the boardroom were almost exclusively framed in narrow, geographic terms, with metropolitan areas being at the forefront of the debate. This was because the vast majority of studies were focussed on large profit-making listed organisations, so the organisations under investigation were located in densely populated metropolitan areas. Therefore, there is an absence of research investigating demographic diversity in the boardroom in diverse geographical locations. Specifically, there has been no empirical research undertaken in the Northern Territory to investigate diversity in the boardrooms of Northern Territory organisations. While there has been general agreement that demographic diversity at the board level is an important initiative, restricting the discussion to large profit-making organisations in metropolitan areas in itself limits the concept of diversity in the boardroom.

Adams and Kirchmaier (2015), Azmat and Rentschler (2015), Ramirez (2003) and Van der Walt and Ingley (2003) contended that a limitation of the existing literature is that very few studies have examined the root cause of the under-representation of people from demographic diverse backgrounds at the board level. They maintained that a great deal more research is required to achieve a better understanding of the barriers preventing or inhibiting people from demographically diverse backgrounds being appointed to BoDs. As Bryans and Stutt (2011) posited, “it may be beneficial
to undertake a frank assessment of the current obstacles within organisations which are contributing to a lack of diversity [in the boardroom]” (p. 32).

Australia’s performance towards tackling the homogeneous composition of its BoDs continues to be of great concern. The resistance to integrating demographic diversity in the boardroom is challenging Australia’s cultural pride as an egalitarian country characterised by equality of opportunity, inclusion, diversity and ‘a fair go’ for all. While there have been a number of advances made towards creating demographically diverse boardrooms, the reality is that boards remain dominated by privileged upper and middle class, white, middle-aged men (Hillman 2015; Wang & Clift 2009). This lack of demographic diversity in the boardroom indicates that the signals being transmitted from Australian society regarding the need for director heterogeneity is characterised by conditions of information asymmetry. Thus, until the root cause of this information asymmetry has been identified, named, processed and corrective action operationalised to create congruency of information, the force for change will not occur and the status quo of homogeneity in the boardroom will continue to be reinforced.

2.6 Chapter summary

This chapter presented the theoretical basis used to recognise the incongruence between Australia’s heterogeneous society and the homogeneous composition of the country’s BoDs. To contextualise the study’s theoretical framework and literature review, the chapter began by exploring the synergy between theory and research as well as taking into consideration the relevance of sociology to this study. The chapter then presented and reviewed the literature in relation to signalling theory, which
forms a framework for the present study. The signalling model is well suited to investigating the difference between Australia’s heterogeneous society and the reality that BoDs continue to be dominated by privileged, white, middle-aged men. The signalling model examines the root cause of the information asymmetry causing the incongruence between Australia’s heterogeneous society and homogeneous BoDs.

The literature review began by considering the general nature of the changing shape of Australian society since the end of World War II. The research determined that Australia had a strong Anglo–Celtic immigration policy. This White Australia Policy became progressively more relaxed, making it possible for people to immigrate to the country from many parts of the world. These changing demographics and the increasingly diverse population resulted in a transformation in the composition of Australia’s workforce. Diversity in the workplace has subsequently evolved into a strategic business imperative. ‘New Australians’ and other disadvantaged people have, however, repeatedly encountered social and workplace discrimination. In response, the government introduced legislative reforms to redress these inequalities, formalising the country’s position that all Australians deserve equality of opportunity and ‘a fair go’.

The literature review then considered specific research into the conservative nature of change with the structure and composition of the boardroom. The research revealed that while BoDs have been dominated by white, middle-aged men from the ‘old boy’s network’, the lack of governance, director independence and demographic diversity have seen Australian society demanding much-needed change to remedy these deficiencies. Improved governance practices, INEDs and gender diversity
emerged as the focus of the debate. As indicated in the literature, though there has been support for improved governance practices and director independence, the benefits of demographic diversity at the board level have seen mixed results. In spite of this, Australian society’s reluctance to tolerate homogeneous boardrooms has emerged as a major issue needing to be addressed.

The chapter then considered the research seeking to increase the demographic composition of the boardroom. The literature revealed that while Australia has created voluntary targets to increase the numbers of female directorships, there continues to be a disproportionate representation of privileged upper and middle class, white, middle-aged men on BoDs. This has provoked calls from a number of key stakeholders for the Australian government to establish mandatory quotas for increasing the numbers of women in the boardroom. The literature does, however, establish that voluntary targets and mandatory quotas is a much-contested issue.

The literature review concluded by examining the contemporary trend towards a broader dimension of demographic diversity for BoDs. It determined that a more inclusive holistic approach to board diversity needed to be considered, including sexual preference, physical capability, gender identity, ethnicity, age, gender and marital or family status. The empirical literature primarily focusses on large profit-making listed organisations, although, there were have been some studies on NFP organisations. However, there were no studies identified that examined government organisations and there was an absence of literature that collectively investigated all three organisational types. Further, the literature revealed that the studies principally
focussed on metropolitan areas and there were no studies specifically investigating demographic diversity in the boardroom of Northern Territory organisations.

Along with this, diversity in the boardroom is varied and continues to be studied. Even though numerous studies on demographic diversity in the boardroom have been undertaken, there is a gap in identifying the internal organisational barriers that either prevent or inhibit people from demographically diverse backgrounds being appointed to organisations’ BoDs. The next chapter explores the methodology by which the research question ‘What are the internal organisational barriers to people from demographically diverse backgrounds being appointed as independent non-executive directors of Northern Territory organisations?’ will investigate the observable and costly signals needed to reduce the information asymmetry existing between Australia’s heterogeneous society and homogenous BoDs.
CHAPTER 3

METHODOLOGY

3.1 Introduction

The purpose of this chapter is to provide an outline of the methodology as well as the data collection and data analysis processes employed in this study. The central aim of the study was to identify the internal organisational barriers that inhibit people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. The research was undertaken from the perspective that information asymmetry exists between Australia’s heterogeneous society and the country’s homogeneous BoDs. Therefore, as “one of the most important decisions to be made in any research is the decision about methodology” (Quinlan 2011, p. 181), this chapter argues that a sequential exploratory mixed methods research design was appropriate for ascertaining the barriers to demographic diversity in the boardrooms of Northern Territory organisations.

To provide a depth to the research structure and design, the chapter begins with a discussion on the research question and methodological approach used for the study. As this study used a sequential exploratory mixed methods research design, the chapter then describes the selection of participants and the criteria for their inclusion in the qualitative phase of the study. The qualitative data collection and analysis method utilised are then outlined. Next, the chapter describes the selection of participants and the criteria for their inclusion in the quantitative phase of the study. This is followed by a discussion on the quantitative data collection and analysis method utilised in this study. The chapter concludes with a discussion on the ethical considerations for this study.
3.2 The research question and the methodological approach

3.2.1 The research question

Australia’s performance towards reducing the homogeneous composition of its boardrooms continues to be of great concern. Further, the resistance to integrating demographic diversity into BoDs is challenging Australia’s cultural pride as an egalitarian multicultural society characterised by equality of opportunity, inclusion, diversity and an environment that provides ‘a fair go’ for all Australians. Therefore, this study is interested in understanding the conundrum posed by the research question:

What are the internal organisational barriers to people from demographically diverse backgrounds being appointed as independent non-executive directors of Northern Territory organisations?

The experiences, perceptions and interpretations of experiences by the participants of the study are fundamental to this question. Their experiences will assist in identifying the perceived internal organisational barriers that prevent or inhibit homogeneous BoDs receiving messages from Australia’s heterogeneous society regarding the requirement for diversity in the boardroom. Further, the study’s findings will have implications for understanding the root cause of the information asymmetry between these two parties. This will enable consideration and operationalisation of corrective action to generate congruence of information, sanctioning a more inclusive holistic approach to demographic diversity in the boardroom.
3.2.2 Sequential mixed methods research and its applicability to this study

Creswell (2009), Johnson et al. (2007) and Teddlie and Tashakkori (2009) contended there are three research paradigms: quantitative, qualitative and mixed methods research. While “qualitative methods and quantitative methods involve differing strengths and weaknesses” (Patton 2002, p. 14), neither of these two methods was sufficient by itself to capture an adequate amount of objective information about the research topic. As a result, this study used a mixed methods research design. One of the advantages of using mixed methods is that it is grounded in a philosophy of pragmatism that can accommodate singular or multiple realities, thus providing the flexibility to combine inductive and deductive thinking (Cabrera 2011; Creswell 2009; Stoller et al. 2009). This provides researchers with the capacity to focus on a research problem and “use all approaches available to understand the problem” (Creswell 2014, p. 10).

There is, however, a range of typologies for categorising the different types of mixed methods research as they can occur concurrently or sequentially and can be explanatory, exploratory or transformative (Creswell & Plano Clark 2011). Larkin et al. (2014) and Mason et al. (2010) contended that sequential exploratory mixed methods research is an ideal design when little is known about a phenomenon, as this approach provides a more comprehensive understanding of the research problem. Thus, as little is currently known about the barriers to diversity in the boardroom of Northern Territory organisations, this study employed a sequential exploratory mixed methods research design, as illustrated in Figure 3.1. By using this method, it was anticipated that the linkages between the internal organisational barriers to diversity
in the boardroom and the information asymmetry existing between Australia’s heterogeneous society and homogeneous BoDs would be clearly understood.

Creswell (2014) and Teddlie and Tashakkori (2009) contended that the sequential exploratory mixed methods design is grounded in two distinct phases. The first phase of the research involves collecting and analysing qualitative data, which are then used to inform the development of a quantitative instrument for the second phase of the research. The second phase involves administering the quantitative instrument to the sample population, followed by an analysis of the quantitative data. The study concludes with the researcher interpreting the results from both the qualitative and quantitative findings (Cameron 2009; Creswell 2014; Mason et al. 2010).

There are a number of compelling arguments that demonstrate the benefits of using sequential exploratory mixed methods research. An analysis of the literature suggested that some of the advantages included providing flexibility to the researcher in collecting data from differing sources and being able to attend to a range of exploratory and confirmatory questions (Bryman 2006; Johnson et al. 2007; Larkin et al. 2014). Creswell and Plano Clark (2011), Larkin et al. (2014) and Mason et al. (2010) also maintained that sequential exploratory mixed methods research provides researchers the opportunity to consider a greater range of divergent views as well as providing stronger inferences about the topic under investigation.
Figure 3.1: Sequential mixed methods design: How this study was conducted
However, there are also several challenges with using sequential exploratory mixed methods research. According to Cameron (2009), Davis et al. (2011), Johnson et al. (2007) and Larkin et al. (2014), these challenges include the absence of clarity as to when and at what level the methods are mixed, as well as there being an over-emphasis on positivism. They also suggested that integrating methodologies and methods without a clear rationale are additional challenges. However, “the main benefit of using mixed methods is that it produces better research—because you can answer questions with one method that can’t even be posed within the framework of another” (Davis et al. 2011, p. 471).

Regardless of the methodologies and methods utilised, validity and reliability are of the highest importance in all empirical studies if they are to be viewed as being dependable, creditable and accurate (Davis et al. 2011). Researchers who employ mixed methods research acknowledge that all research methods have limitations and that the biases in one method could annul the biases in a different method (Cabrera 2011; Creswell 2014). As a result, one way to further strengthen a mixed methods research design is through triangulation of data sources. An analysis of the literature suggested the concept of triangulation entails combining multiple data sources to study the same social phenomenon to verify the results (Flick 2014; Neuman 2006; Teddlie & Tashakkori 2009).

According to Bryman (2006), Cameron (2009) and Davis et al. (2011), triangulation is the operation of different types of data collection techniques to investigate the same variables. Also, triangulation guards against bias, which increases the validity of a study’s findings. When multiple methods lead to the same research findings, the
confidence in those findings is increased (Flick 2014; Sandelowski 2000). Moreover, “triangulation of data sources as a way of seeking convergence between qualitative and quantitative approaches has occurred within mixed methods research” (Mason et al. 2010, p. 435). While there are multiple ways in which triangulation is possible, the triangulation of data sources involves the assemblage of data from different sources within the field of research (Creswell 2014; Teddlie & Tashakkori 2009).

In this study, there were two data collection phases and triangulation was accomplished by the use of three independent data sources as illustrated in Figure 3.1. In Phase One, there were two data sources from which information relating to the same research question were obtained. The first data source was responsive in-depth interviews with INEDs from demographically diverse backgrounds. The second data source was responsive in-depth interviews with spokespeople from peak bodies. The collection of qualitative data served to uncover the salient concepts and themes on the internal organisational barriers preventing or inhibiting homogeneous BoDs receiving messages from Australia’s heterogeneous society regarding their requirement for demographic diversity in the boardroom. This method was used to discover and make inferences about the existing information asymmetry between these two parties that would have otherwise remained undisclosed. The results of the data collected from Phase One informed the data collection for the quantitative phase of the study.

In Phase Two of this study, the third data source was an online survey that was sent to multiple independent and non-independent directors of Northern Territory organisations. The collection of quantitative information served to quantify the
observations from the qualitative phase of the study relating to the internal organisational barriers that either inhibit or prevent homogeneous boards receiving messages from Australia’s heterogeneous society. It was anticipated that the combination of results from the qualitative and quantitative phases of the study would enhance and maximise the reliability and validity of this study.

3.3 Phase One: Qualitative research method

The first methodological approach used in this study was based on the constructivist paradigm, which falls within the realm of qualitative research (Denzin & Lincoln 2011; Neuman 2006). Athens (2010) and Bisman and Highfield (2012) argued that qualitative research is inductive and exploratory in nature with concepts and themes emerging from the data. Further, qualitative research has been applied in almost every field of social science and it has made a valuable contribution towards emphasising the importance of social context for understanding the social world (Jovanović 2011; Parylo 2012; Scott & Garner 2012). “Qualitative research is a rich, diverse and complex field” (Braun & Clarke 2013, p. 19) that is typically characterised as soft, flexible and speculative and has as its major aim the discovery of subjective meanings from data collected in the research process (Denzin & Lincoln 2011; Patton 2002).

Qualitative research occurs in natural settings where human behaviour and events occur. It begins with examining empirical data and moves towards concepts and themes (Corbin & Strauss 2008; Teddlie & Tashakkori 2009). An analysis of the literature suggested that the data that emerges from a qualitative study are descriptive in nature (Braun & Clarke 2013; Denzin & Lincoln 2011; Scott & Garner 2012;
That is, qualitative data are collected in the form of words or pictures from observations or documents rather than the mathematical models or statistical tables utilised in quantitative research. Numerous authors have suggested that once a researcher becomes immersed in the data, they capture and discover the principal concepts of the research that appear in the form of themes, motifs, generalisations and taxonomies (Astin & Long 2014; Creswell 2014; Patton 2002; Quinlan 2011). The data analysis then proceeds by extracting the concepts and themes from the evidence and organising the data to present a coherent picture of the topic under investigation (Corbin & Strauss 2008). The main focus of qualitative research is on the participants’ perceptions and personal experiences and the way they make sense of their lives and the world. It is an attempt to understand not one, but multiple realities (Astin & Long 2014; Braun & Clarke 2013; Flick 2014; Scott & Garner 2012).

Denzin and Lincoln (2011), Miles et al. (2014) and Parylo (2012) specified that the use of qualitative research is particularly relevant in situations where little is known about a social phenomenon. For that reason, as no empirical research currently exists to explain the internal organisational barriers that prevent or inhibit homogeneous BoDs receiving signals from Australia’s heterogeneous society regarding its requisite for diversity in the boardroom, qualitative research was applicable to this study. The purpose of the qualitative phase was to cultivate a deeper understanding of the internal organisational barriers to people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. Moreover, the qualitative phase was undertaken to develop a reliable measurement instrument for the quantitative phase of this study.
3.3.1 Selection of participants

One of the most important tasks in a study’s design phase is to identify and select the most appropriate participants for the study (Creswell & Plano Clark 2011; Wilson 2014). Guest et al. (2006), Sandelowski (2000) and Sargeant (2012) maintained that the participants selected for a study should be based on the research question, the theoretical perspective and the empirical evidence informing the study. Accordingly, to identify the linkages between the internal organisational barriers to demographic diversity in the boardroom and the information asymmetry existing between Australia’s heterogeneous society and homogeneous BoDs, Phase One of the study required investigation of two groups of participants. As indicated in Table 3.1, the first group of participants comprised INEDs from diverse demographic backgrounds and the second group of participants consisted of spokespersons from peak bodies.

<table>
<thead>
<tr>
<th>Phase One</th>
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<tr>
<td><strong>Group One:</strong> Employing a qualitative methodology</td>
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<td>Participants</td>
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<tr>
<td><strong>Group Two:</strong> Employing a qualitative methodology</td>
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<td>Participants</td>
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As the study used a sequential exploratory mixed methods research design, the time and expense required to identify, interview and survey the entire target populations for the qualitative and quantitative phases would make such a study prohibitive. Thus, a sample of participants from both phases of the study was selected. Lune et al. (2010) and Wilson (2014) contended that when conducting research, the sample of participants should ideally be representative of the target population. It is, however,
difficult to evaluate a population to verify its overall representativeness; in practice, it is extremely unlikely that a perfect representativeness can be determined (Creswell 2014; Neuman 2006). Further, due to the uniqueness of the topic under investigation the researcher held the view that some participants were more suitable for this study than other participants. Consequently, the study used the non-probability purposive sampling technique to select participants for Phase One and Phase Two.

An analysis of the literature suggested that with non-probability purposive sampling, participants should be selected to be part of the sample with a specific purpose in mind (Creswell 2014; Denscombe 2014; Guest et al. 2006; Lucas 2014). Purposive sampling entails choosing the sample of participants based on the researcher’s knowledge about the data sources to be sampled as they actively select the most productive sample to answer the research question (Creswell & Plano Clark 2011; Lunenburg & Irby 2008; Mason et al. 2010). Therefore, the researcher selects the participants based on “the criterion for inclusion in the research which is the capacity of the participants to inform the research” (Quinlan 2011, p. 213). Moreover, purposive sampling is characterised by a deliberate effort by the researcher to gain a representative sample by purposefully selecting key participants on the topic under investigation (Lucas 2014; Mason et al. 2010).

The rationale for selecting INEDs from demographically diverse backgrounds was that they may have experienced or been affected by internal organisational barriers in the process of either being appointed to their positions or throughout the terms of their directorships. A purposefully selected sample of 10 INEDs provided the means to investigate the population of this cohort. The exploration of this sample allowed
for the examination of the organisational barriers to diversity in the boardroom and the potential linkages to the information asymmetry existing between Australia’s heterogeneous society and homogeneous BoDs. Responsive in-depth interviews were conducted as discussed in Section 3.3.3 and analysed as outlined in Section 3.3.4. This identified a number of salient concepts and themes relating to the organisational barriers that either prevented or inhibited homogeneous BoDs receiving signals from Australia’s heterogeneous society regarding the need for diversity at the board level. Hence, these concepts and themes informed the quantitative phase of the study.

Peak bodies exist in many Australian industries and they are generally created to develop industry standards and policies in addition to promoting and representing the interests of their members (Cheverton 2005). For that reason, a purposively selected sample of peak industry bodies representing organisations with BoDs provided the means to investigate this particular cohort. The exploration of this sample allowed for the examination of the internal organisational barriers to demographic diversity in the boardroom and the potential linkages to the information asymmetry existing between Australian society and homogeneous BoDs. Responsive in-depth interviews were conducted as discussed in Section 3.3.3 and analysed as outlined in Section 3.3.4. The concepts and themes that emerged from these two groups of participants were then compared and, in conjunction with the literature review, used to develop an online web survey for the quantitative phase of the study.

3.3.2 Criteria for inclusion in Group One and Group Two

There were a number of criteria for inclusion in Group One. First, the participants needed to be serving as INEDs of a Northern Territory profit, NFP or government
organisation as well as self-identifying as being from a diversity category. The next criterion was that they were willing to participate in the study as an informant to discuss any internal organisational barriers they experienced in either the process of being appointed to their position or in their role as a director. Email contact was established with participants of Group One through the researcher’s networks and by conducting an Internet search of Northern Territory organisations with INEDs.

There were a number of criteria for inclusion in Group Two. First, peak industry bodies were required to represent or have an interest in Northern Territory organisations with BoDs. The next criterion was that the body also had a position and/or policies on demographic diversity in the boardroom. The final criterion for inclusion was that the spokesperson was agreeable to participate as an informant to discuss their organisation’s position on demographic diversity in the boardroom. Contact was made with the participants from Group Two through a database of peak industry bodies representing Northern Territory organisations with BoDs developed by the researcher.

3.3.3 Data collection method
Creswell (2014), Lune et al. (2010), Quinlan (2011) and Vogt (2014) asserted that data collection is the systematic approach to gathering information from a variety of sources to acquire a comprehensive and accurate picture of a phenomenon under investigation. Researchers should employ data collection techniques that emphasise meaning and experience that relate to the topic being investigated (Denscombe 2014). Moreover, a “scientist gathers data using specialised techniques” (Neuman 2006, p. 8); hence, Phase One utilised responsive in-depth interviews to collect data
from the participants. This specialised technique was selected to elicit important information from the participants relating to the internal organisational barriers that inhibit homogeneous BoDs receiving signals from Australia’s heterogeneous society regarding the need for demographic diversity in the boardroom.

Face-to-face and telephone responsive in-depth interviews are a powerful mechanism for collecting information from participants in a study (Block & Leseho 2005; Braun & Clarke 2013). Therefore, this technique was selected as the primary method for collecting the qualitative data. The purpose of the responsive in-depth interviews was not to elicit the answers to questions but to fully understand the lived experience of interviewees and the meaning they make of their experiences relating to the topic being investigated (Kvale & Brinkmann 2009; Marshall & Rossman 2006; Roulston 2010). This allows the respondent and researcher to explore a deeper understanding of the research question.

Irvine et al. (2013), Lucas (2014), Roulston (2010) and Rubin and Rubin (2012) in their instructions for conducting successful responsive in-depth interviews listed a number of essential characteristics of qualitative interviewing:

a) Interviews are modifications or extension of ordinary conversations, however, with an important distinction of directionality.

b) The content of the interview as well as the flow and choice of topics changes to match what the individual interviewee knows and feels.

c) Interviewers are more interested in the understanding, knowledge and insights of interviewees than in categorising people or events in terms of academic theories.
In this study, the responsive in-depth interviews were employed to comprehensively engage in exploring the lived experiences of the cohort of participants from Phase One. As a result, the researcher collected data from two independent data sources relating to the same research area. In the first instance, however, a pre-test of the non-leading open-ended questions was conducted. Six individuals assisted with pre-testing eight questions to “ensure that any potential problems were identified and eliminated” (Frazer & Lawley 2000, p. 33). This gave the researcher the opportunity to refine each question’s concept and wording. The responsive in-depth interviews with the 10 participants were arranged via telephone during October 2016 and were conducted by the researcher throughout October and November 2016. Sixty minutes was allocated to complete each of the interviews; however, the interviews ranged from 60 minutes to 120 minutes.

According to Block and Leseho (2005), Elmir et al. (2011), Ginger (2007) and Kvale and Brinkmann (2009) it is important for the interviewer to build rapport with participants prior to them being interviewed. These authors maintained that building rapport with participants creates a climate of mutual trust between the interviewer and interviewee, creating an environment for open dialogue. Moreover, the “better the quality of the relationship between the interviewer and the interviewee, the richer the quality of the data elicited” (Ryan & Dundon 2008, p. 443). In an attempt to build rapport, prior to each interview commencing, the interviewer took time to connect with each of the participants by offering general background information about himself, which was followed by seeking general background information about each of the interviewees.
The researcher then moved on to outline the process for the interview by explaining to the participants the study’s aim and key terms used in the study, the estimated time the interview would take, that their participation was voluntary, their right not to discuss sensitive issues and their right to withdraw from the study at any time. The interviewer reassured interviewees that their confidentiality would be maintained at all times. Moreover, as “audio recording of interviews is commonly undertaken” (Fernandez & Griffiths 2007, p. 8), the interviewer sought written permission from the interviewees to record the interviews as a means of accurately capturing the interview data. Once the consent form was signed by the interviewee, the researcher commenced the interview.

While there were some non-leading, open-ended questions prepared in advance from the themes outlined in the literature review and experience in the field, the interviews were unstructured and responsive to the interviewees (Gubrium 2012; Josselson 2013; Rubin & Rubin 2012). Block and Leseho (2005), Ginger (2007) and Ryan and Dundon (2008) argued that this requires the interviewer to engage in active listening and attending skills. Further, these researchers emphasised that interviewers obtain a great deal more information from people about their experiences if they make contact with the interviewees and encourage them to talk freely about themselves rather than asking a lot of questions. The conversations with the interviewees from Group One and Group Two took a natural course of engagement and were allowed to flow organically. The audio-recorded interviews were transcribed at a later date into a Word document and assigned with the participant’s allocated numbers. Further, to protect their privacy, all interviewee’s names were substituted with a pseudonym.
3.3.4 Data analysis method

A review of the literature suggested that the data analysis methods should correspond with the aim and objectives of the study so that each analysis of data provides evidence relating to the topic under investigation (Creswell 2014; Denscombe 2014; Grbich 2013; Vogt 2014). Because qualitative research is inductive in nature, inductive analysis is undertaken, which means that words, phrases, patterns, themes and concepts emerge from the data (Miles et al. 2014). There are however, “few agreed on canons for qualitative data analysis, in the sense of shared ground rules for drawing conclusion and verifying their sturdiness” (Patton 2002, p. 432). As a result, to analyse the data from the 10 interviews, the researcher manually operationalised the qualitative data analysis model described by Quinlan (2011), which involved data immersion, open and axial coding and building a valid argument for selecting each theme from the qualitative data.

The analysis of qualitative data comprised an analysis for similarities and differences in the participants’ responses. As the interviews were audio recorded, they were first transcribed word for word. The 10 transcripts were then manually coded with the aid of an independent person trained in coding techniques, to identify the concepts and interim themes in the data. The themes identified from the data coding process then underwent an intense analysis by focussing on one theme at a time to build a compelling and valid argument for selecting each organisational barrier. Also, throughout the data analysis process, the concepts and themes that developed from the analysis were compared to the literature concerning the evolution of demographic diversity in the boardroom.
3.4 Phase Two: Quantitative research method

The second methodological approach used in this study is based on the positivist paradigm and falls within the realm of quantitative research. Quantitative research is deductive in nature as “you may have ideas about how the world operates and want to test these ideas against hard data” (Neuman 1997, p. 46). Also, quantitative research is a formal, objective and rigorous process concerned with the systematic investigation of social phenomena by examining the relationships between concepts or ideas (Creswell 2014). Quantitative research does this by using mathematical models, statistical tables, graphs and the testing of hypotheses to draw conclusions about social phenomena (Bergman 2008; Quinlan 2011). Also, several authors have maintained that a central tenet of quantitative research is the generalisability of the findings (Andres 2012; Somekh & Lewin 2005). For that reason, for generalisation to be possible, a sample representative of the whole population is necessary and replication is assumed (Neuman 2006; O’Mara-Eves & Thomas 2016; Teddlie & Tashakkori 2009).

Bergman (2008), Creswell (2014) and Neuman (2006) contended that quantitative research is customarily characterised as ‘hard’, fixed and value-free, “involving measurement and assumes that the phenomena under investigation can be measured” (Watson 2015, p. 44). These authors also maintained that unlike qualitative research, which allows unlimited expression from the participant’s responses, quantitative research uses highly structured, rigid techniques such as surveys, including online web surveys, which rely on responses to pre-formulated questions. Analysts Patton (2002) and Teddlie and Tashakkori (2009) contended that one of the advantages of using quantitative research is that the researcher can measure the reactions of a great
many people to a limited set of questions. This methodological approach facilitates the comparison and statistical aggregation of data. In quantitative studies, the process of measurement is critical and commences after the researcher has conceptualised the concepts to be studied, formulated the research question, determined the variables and “refined it into testable hypotheses or statements about causal relationships with at least two variables” (Neuman 1997, p. 133).

In this study, the dependent variable was demographic diversity and the independent variables were the organisational barriers identified in Phase One. The quantitative phase of the study provided data that were analysed using Statistical Package for the Social Sciences (SPSS) software and presented in statistics, graphs and tables, which allowed for investigation of the study’s null hypothesis:

There are internal organisational barriers to people with demographically diverse backgrounds being appointed as independent non-executive directors of Northern Territory organisations.

The aim of Phase Two was to collect quantitative data and conduct mathematical measurements on the relevant independent variables discovered in the qualitative phase of this study. Further, the collection of quantitative data enabled the researcher to measure the degree of influence these organisational barriers had towards either preventing or inhibiting homogeneous BoDs from receiving signals from Australia’s heterogeneous society regarding the requirement for diversity in the boardroom.
3.4.1 Selection of participants

The quantitative phase of the study comprised 14 purposefully selected organisations in the Northern Territory with INEDs on their BoDs. These organisations were selected from the three geographical regions in the Northern Territory: outer regional, remote and very remote. Moreover, as the quantitative phase of the study also employed non-probability purposive sampling, a calculated attempt was made by the researcher to acquire a representative sample of profit, NFP and government organisations from the three geographical regions of the Northern Territory. A total of 30 independent and non-independent directors participated in an online survey.

Bergman (2008), Chudleigh and Smith (2015), Denscombe (2014) and Lune et al. (2010) maintained that a common goal of quantitative research is to collect data that is representative of a population. These researchers also asserted that the sample size in quantitative studies is often much larger than that in qualitative studies because the findings are more likely to be generalised to the entire population of the topic being investigated. Nevertheless, as the population of boardrooms with INEDs in the Northern Territory is relatively small, and “for small populations researcher needs a large sampling ratio (about 30 per cent)” (Neuman 2006, p. 241). In this study, 30.3 per cent of the identifiable independent and non-independent directors were surveyed to verify the results of the qualitative component.

The rationale for selecting independent and non-independent directors for Phase Two was that directors would have experiential knowledge of any internal organisational barriers to demographic diversity in the boardroom. They would also have a functional, operational knowledge of the signals being sent from Australian society
regarding the requirements for diversity in the boardroom. Therefore, a purposefully selected sample of profit, NFP and government organisations with INEDs provided the means to investigate the population of Northern Territory independent and non-independent directors. This sample allowed for the verification of emergent themes from the qualitative phase relating to the linkages between the organisational barriers to diversity in the boardroom and the information asymmetry existing between Australia’s heterogeneous society and homogeneous boards. The online web survey was conducted as outlined in Section 3.4.3 and analysed as outlined in Section 3.4.4.

3.4.2 Criteria for inclusion in Phase Two

There were a number of criteria for inclusion in Phase Two. First, only participants from Northern Territory profit, NFP and government organisations with INEDs on their BoDs were selected for this study. The next criterion was that participants were required to be currently serving as either independent or non-independent directors. As there are multiple NFP organisations in the Northern Territory, a specific criterion for NFP sectors was that only large organisations with a high annual financial turnover were selected for inclusion in this study. Another criterion for the NFP sectors was that the organisations needed to be representative of the Northern Territory’s NFP sectors. The NFP sectors represented within this research included Indigenous-specific, health, cultural, arts, multicultural and sports organisations. Within government organisations, all government-owned corporations were included in the study. However, as there were multiple statutory organisations, only Senior Commercial and Assets Management Class A1 organisations with annual director remunerations were selected for inclusion in the study. Contact was made with the
participants of Phase Two through a database of purposefully selected profit, NFP and government organisations with INEDs on their BoDs created by the researcher.

3.4.3 Data collection method

The Internet is a powerful tool for collecting data from people that has achieved significant and growing support for scholarly research purposes (Blair et al. 2014). For that reason, in the quantitative phase of the study, an online web survey was chosen as the primary method of collecting information from the participants: “The use of online surveys has increased dramatically over the past several years” (Andres 2012, p. 50). As a data collection tool, the Internet offers distinct advantages over traditional survey methodologies. Some advantages of an online survey include notable cost and time efficiencies, providing anonymity to the participants, that sequencing of questions can be programmed to provide a seamless series of questions, and easy access to large and remote populations (Andres 2012; Mellinger 2015; Ritter & Sue 2007).

The online survey was used to collect primary data with the aim of discovering the root cause of the information asymmetry existing between Australia’s heterogeneous society and homogeneous BoDs that has either prevented or inhibited demographic diversity at the board level. In the first instance, however, an assessment of online survey tools was undertaken to uncover the most suitable program. SurveyGizmo was selected as the web survey tool for this study because of its data collection and analysis features; ease of use and cost. Subsequently, the researcher used the research findings from Phase One to develop the online web survey for the third data source.
The online web survey was then pre-tested by 20 people known to the researcher. Andres (2012), Blair et al. (2014) and Bowden et al. (2002) asserted that the purpose of pre-testing the survey is manifold and incorporates issues such as ensuring the language used in the questions is relevant and understandable. They also contended that by pre-testing the survey, researchers can establish whether the order of the questions is logical and that the skip instructions are accurate and functional. Further, by pre-testing, the researcher can determine the time it takes to answer the survey questions as well as ascertaining whether or not the layout of the survey is appealing and engaging (Frazer & Lawley 2000). As a direct result of the pre-testing, minor grammatical and spelling mistakes were corrected and the corrections incorporated into the survey, and one question was reframed.

Access to the online web survey with 14 participating organisations was arranged via email during November 2016. The online web survey remained open throughout November until the middle of December 2016. It was estimated that the survey would take respondents approximately 20 minutes to complete. The email explained the aim of the study, the estimated time the survey would take to complete, their right not to answer questions, that their participation was voluntary and their right to withdraw from the survey at any time. The participants were also informed that their confidentiality and anonymity would be maintained at all times.

3.4.4 Data analysis method

Creswell (2014), Somekh and Lewin (2005), Teddlie and Tashakkori (2009) and Vogt (2014) maintained that unlike qualitative research, quantitative studies seek to quantify with numbers a researcher’s observations about the human behaviours under
investigation. As quantitative research is deductive in nature, deductive analysis is undertaken, which gives emphasis to precise measurement, the testing of hypotheses based on a sample of observations and statistical analysis of the data (Neuman 2006; Watson 2015). In quantitative research, the findings are typically expressed in terms of relationships that are presented in tables and graphs (Quinlan 2011). Thus, for this to be achieved, the raw quantitative data from the online survey was migrated from SurveyGizmo into analytical software, cleaned and reviewed for entry errors prior to being analysed.

The online survey asked respondents about the probable barriers identified in Phase One that could inhibit or prevent people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. Therefore, these data were analysed by using the SPSS program to run statistical tests. A selection of statistical tests was performed to determine the relationship between the dependent variable, demographic diversity, and the independent variables, being organisational barriers to demographic diversity in the boardroom identified in Phase One.

The purpose of the quantitative analyses reported in this study was to produce frequency distributions, summary and inferential statistics for organisational barriers to diversity in the boardroom. Nevertheless, as the sample size for Phase Two was $n = 30$, these later analyses were limited. Prior to the production of statistics, the items in the online survey were assessed for their adequacy for being combined into scales. Cronbach’s alpha ($\alpha$) was used to measure the internal reliability of the scales in the online survey. Subsequent to the scales being formed, summary statistics were conducted on each of the barriers. The scale scores were then compared using a
series of $t$-tests. In the first instance, one sample $t$-tests were performed on the organisational barriers to demographic diversity in the boardroom. Further statistical analyses were undertaken by performing independent sample $t$-tests on each barrier using a number of dichotomous demographic variables.

3.5 Ethical considerations

Research ethics guide how to acquire and disseminate potentially sensitive information in a trustworthy manner and in ways that cause no harm to the participants taking part in the study (Braun & Clarke 2013; Cleaton-Jones & Curzon 2012; Remenyi et al. 2011). The qualitative and quantitative phases of the study required the participants to disclose and share potentially sensitive information; therefore, the process of obtaining these data was subject to the scrutiny of an ethics committee. As a result, approval was sought and obtained from Charles Darwin University’s Human Research Ethics Committee and the research was conducted in full accordance with the approval requirements.

The process of approval involved the researcher submitting to the ethics committee a detailed description of the study being undertaken, its significance, the methodology and the processes being employed in the study. This included providing draft copies of the plain language information sheets that were to be provided to the participants prior to their commencement (see Appendix B & C) and consent forms required to be executed by the participants of the qualitative phase prior to their commencement (see Appendix D). In addition to these documents, draft questions for the interviews (see Appendix E & F) and a draft of the online web survey were also provided (see Appendix G).
Participation in this study was voluntary and the respondents could withdraw at any
time without penalty. Consent forms were obtained from all participants in the
qualitative phase prior to their commencement and confidentiality was maintained at
all times. An index of contact details was kept in a secure password-protected
computer at Charles Darwin University. During both phases of the study, all raw data
were de-identified and kept in a secure password-protected computer at Charles
Darwin University. At all times the researcher aimed to ensure the protection,
confidentiality and anonymity of the study participants and the appropriate handling,
use and storage of their information.

3.6 Chapter summary
This chapter has outlined the research methodology applied in a study on the internal
organisational barriers to diversity in the boardroom. Based on the literature review
and research question, the study employed a sequential exploratory mixed methods
research design incorporating qualitative and quantitative methods of acquiring data,
which included two distinct phases. In the first phase, a qualitative approach was
operationalised to develop a deeper understanding of internal organisational barriers
to demographic diversity in the boardroom. The selection and recruitment of the
purposively selected sample of participants and their criteria for inclusion in Phase
One was then outlined. This was followed by a discussion on the method utilised to
collect the qualitative data. The data analysis procedures for discovering the concepts
and themes within the qualitative phase were then described.
A quantitative approach was employed for Phase Two of the study to statistically verify the emergent concepts and themes from Phase One. The selection and recruitment of the purposive selected sample of Northern Territory organisations with INEDs and their criteria for inclusion in the quantitative phase of the study were then described. The method for collecting the data for Phase Two was then outlined. The analytical steps used for the quantitative analysis were then discussed. Chapter 3 concluded with a discussion on ethical considerations in this study. The empirical research findings of the qualitative phase and the quantitative phase are discussed in the following chapter.
CHAPTER 4
RESULTS AND ANALYSIS

4.1 Introduction

The purpose of this chapter is to present the results of the data analysis of the participant interviews and the online survey. This study was designed to identify and examine the source of information asymmetry existing between Australia’s heterogeneous society and homogeneous BoDs in the Northern Territory by investigating the internal organisational barriers to diversity in the boardroom. In the qualitative analysis of data phase, this was achieved by identifying the barriers experienced by INEDs from demographically diverse backgrounds and spokespeople from peak industry bodies. In the quantitative data analysis phase, the purpose of the study was attended to by examining independent and non-independent directors’ responses to questions in an online survey about organisational barriers to diversity in the boardroom as identified in qualitative phase.

As the study used a sequential exploratory mixed methods research design, the chapter commences by providing a background to the qualitative data analysis. This is followed by presentation of a profile of the participants that contributed to Phase One. Next, the chapter outlines the data immersion processes applied in the study prior to describing the data coding methods operationalised to elucidate the patterns, concepts and themes from within the data. The qualitative results and analysis section then scrutinises each of the dominant barriers that emerged from the data coding process to confirm if they answered the research question and supported the premise of the thesis.
The chapter then moves on to provide the results and analysis from the quantitative phase. This section commences by providing a background to the quantitative analysis of data prior to presenting a profile of the participants that contributed to Phase Two. This is followed by a description of the scale construction for the responses to the online survey. Next, the chapter describes the frequency distribution of the participants’ demographic data and their responses to general questions about demographic diversity at the board level. Summary statistics are provided on the participant responses to the organisational barriers to demographic diversity in the boardroom, which were identified in Phase One. The chapter concludes by providing the results of the statistical tests undertaken to test the study’s null hypothesis.

4.2 Results and analysis from Phase One

This section presents the results of the qualitative data analysis from the interviews with the six INEDs from demographically diverse backgrounds that represented Group One and four spokespeople from peak industry bodies that represented Group Two. Guest et al. (2012), Lapan et al. (2012) and Patton (2002) contended that qualitative data analysis is a form of interpretation that requires researchers to engage in an iterative process of critical thinking, questioning and categorising interview data. These authors suggested that patterns, concepts and themes are identified by bringing together components of ideas from the participants’ experiences, which are often meaningless when viewed in isolation. The qualitative data analysis in this study was undertaken through the process of data immersion, data coding and building a compelling argument for each of the main barriers. Further, throughout the process of the data analysis for the two groups of participants, there was congruence in their responses to the interview questions, thus their data have been amalgamated.
4.2.1 Profile of participants from Phase One

Ten (100 per cent) participants contributed to the qualitative phase of this study: six were from Group One and four were from Group Two. In Group One, 10 INEDs from demographically diverse backgrounds were contacted. Ultimately, six of them agreed to contribute to the study, representing a response rate of 60 per cent. In this cohort of participants there were three females and three males whose ages ranged from 30 to 64 years. Apart from the three female INEDs, the other demographic diversity categories represented by the Group One INEDs included one with a visual impairment; one under 40 years of age; one from a non-Anglo-Celtic race; one Indigenous director and one director who self-identified as homosexual. Two of the participants lived in the outer regional area of the Northern Territory, one in the remote area, one in the very remote area and two resided in another state. Three of the INEDs were from government organisations and three of the INEDs were from NFP organisations. There were no profit-making organisations identified in the Northern Territory with INEDs from demographically diverse backgrounds on their BoDs. As a result, there were no participants in Group One from profit organisations.

In Group Two, a total of eight spokespeople from peak industry bodies was contacted, four of whom agreed to contribute to the study, representing a response rate of 50 per cent. In the sample of peak industry bodies, there were two female and two male spokespeople and their ages ranged from 45 to 69 years. Apart from the two female spokespeople, there were no other diversity categories represented within these four participants.
4.2.2 Data immersion

The first step taken in the qualitative analysis was the data immersion process. Lapan et al. (2012) and Richards and Morse (2013) argued that similar to how researchers immerse themselves in the field when collecting data, the analysis commences by researchers immersing themselves in the data. The data immersion process used in this study commenced with the researcher transcribing the audio recordings of the participant interviews. Horvat and Heron (2013) stated that “some researchers feel that they gain a valuable insight from transcribing their own interviews” (p. 114) as they reconnect with what was discussed in the interviews, setting the scene for the analysis of data. The second step began with the researcher reading the 10 interview transcripts. This reading was used to familiarise the researcher with the data from the interviews. To produce findings that transform raw data into new knowledge, a second reading was undertaken in which the researcher examined the transcripts in greater detail. During this second reading, the researcher wrote descriptive comments about the data in an attempt to identify similarities and differences within the data (Ross 2012).

4.2.3 Coding the data

The next step taken in the qualitative analysis was coding the data. According to Creswell and Plano Clark (2011) and Denzin and Lincoln (2011), data coding is undertaken by dividing the data into smaller units and assigning labels to each of these units. In this study, the data coding process was undertaken with the aid of a trained and experienced independent person because “it is helpful to have more than one person code the data. Each person codes the data into a classification scheme
separately and then the results of the coding are compared and discussed” (Patton 1990, p. 382).

The qualitative data coding began with open coding because this “aims to open up the data, identifying concepts that seem to fit the data” (Richards & Morse 2013, p. 159), laying the foundation for the rest of the qualitative data analysis. The open coding of the data commenced by going through each of the 10 transcripts line by line (Lapan et al. 2012) to discover words, phrases, patterns and descriptive comments embedded in the transcripts relating to barriers to demographic diversity in the boardroom. This was undertaken so that the data could be examined in greater detail. The open coding revealed multiple words, phrases, patterns and descriptive comments that provided evidence to support the creation of concepts germane to the internal organisational barriers that may prevent or inhibit BoDs from receiving signals from society regarding the need for demographic diversity in the boardroom.

The next step in the open coding of the data was to evaluate, compare and then group the large amounts of coded data into similar provisional concepts (Quinlan 2011). This was achieved by examining and comparing the key words, phrases, patterns and descriptive comments to categorise the similarities and differences within the data. Progressively, as linkages in the data were established, similar data were grouped together under higher-order concepts. Interestingly, during the open coding process it became apparent that many of the concepts were interconnected. Initially, there were 26 concepts identified in the line-by-line analysis. However, there were similarities among some of these concepts; hence, they were amalgamated. The outcome of the
open coding of the participant transcripts was the identification of 24 concepts that were then grouped together based on their common properties and frequency of use.

Table 4.1 presents the 24 concepts relating to the organisational barriers for demographically diverse people being appointed as INEDs of Northern Territory organisations identified in the open coding of the qualitative data. The table identifies which of the participants referred to each of the 24 concepts; it displays the participants as numbers from 1 to 10 as identification numbers allocated to the interviewees. The ‘policy’ concepts were the most frequently referred to internal organisational barriers to demographic diversity in the boardroom. This was followed equally by the ‘lack of board resources’ and ‘lack of director awareness’ barriers. These two concepts were followed by ‘values and director fears’ and finally concepts relating to the geography of the Northern Territory.

The open coding of data was followed by axial coding of the data, which “moves the focus around a [theme]” (Richards & Morse 2013, p. 159). The axial coding of data involved the researcher and the independent person examining each of the concepts identified in the open coding to identify the broader patterns of meaning among the concepts. This involved restructuring and rebuilding the data into patterns to identify linkages and relationships. In axial coding, the researcher “is beginning to integrate the concepts under [themes]” (Quinlan 2011, p. 426). The outcome of axial coding of the qualitative data was the eventual grouping of comparable concepts into six main themes. Each of these six themes was then allocated an appellation that best represented the phenomenon they conveyed. The axial coding process resulted in the grouping of 24 concepts into the six themes presented in Table 4.2.
Table 4.1: Concepts identified in the open coding

<table>
<thead>
<tr>
<th>#</th>
<th>Concepts</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Lack of policy inhibits messages</td>
<td>•</td>
<td>•</td>
<td>•</td>
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<td>8</td>
</tr>
<tr>
<td>2</td>
<td>Lack of policy limits discussion</td>
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<td>8</td>
</tr>
<tr>
<td>3</td>
<td>Lack of policy limits recruitment</td>
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<tr>
<td>4</td>
<td>Lack of policy maintains homogeneity</td>
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<td>9</td>
</tr>
<tr>
<td>5</td>
<td>Lack of resources for new directors</td>
<td>•</td>
<td>•</td>
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<td>9</td>
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<tr>
<td>6</td>
<td>Lack of director training</td>
<td>•</td>
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<td>8</td>
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<tr>
<td>7</td>
<td>Lack of board resources</td>
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<td>Lack of resources to recruit directors</td>
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<td>7</td>
</tr>
<tr>
<td>9</td>
<td>Lack of awareness about definition</td>
<td>•</td>
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<td>10</td>
<td>Lack of awareness about need</td>
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<td>Lack of awareness of economic risk</td>
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<td>12</td>
<td>Lack of awareness of diverse people</td>
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<td>Values of directors</td>
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<tr>
<td>14</td>
<td>Values/culture of organisation</td>
<td>•</td>
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<td>6</td>
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<tr>
<td>15</td>
<td>Values/culture of industry types</td>
<td>•</td>
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<td>6</td>
</tr>
<tr>
<td>16</td>
<td>Masculine culture of boardrooms</td>
<td>•</td>
<td>•</td>
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<td>Fear of change</td>
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<tr>
<td>18</td>
<td>Fear of conflict</td>
<td>•</td>
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<td>6</td>
</tr>
<tr>
<td>19</td>
<td>Needing to be politically correct</td>
<td>•</td>
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</tr>
<tr>
<td>20</td>
<td>Increased workload</td>
<td>•</td>
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<tr>
<td>21</td>
<td>Remoteness of the Northern Territory(NT)</td>
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<td>7</td>
</tr>
<tr>
<td>22</td>
<td>Small population of NT</td>
<td>•</td>
<td>•</td>
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<td>•</td>
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<td>5</td>
</tr>
<tr>
<td>23</td>
<td>Small pool of diverse people in NT</td>
<td>•</td>
<td>•</td>
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<td></td>
<td>6</td>
</tr>
<tr>
<td>24</td>
<td>NT values and culture</td>
<td>•</td>
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<td>•</td>
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<td></td>
<td>5</td>
</tr>
</tbody>
</table>
Table 4.2: Grouping of concepts into interim themes

<table>
<thead>
<tr>
<th>Theme one: Policy barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Not having a policy limits messages being received by directors</td>
</tr>
<tr>
<td>2. Not having a policy limits discussion about diversity in the boardroom</td>
</tr>
<tr>
<td>3. Not having a policy limits recruitment of diverse directors</td>
</tr>
<tr>
<td>4. Not having a policy keeps the ‘old boy’s network’ alive and functioning</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Theme two: Resource barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lack of resources for policy, induction and mentoring programmes limits diversity</td>
</tr>
<tr>
<td>2. Lack of resources for cultural and diversity awareness training limits diversity</td>
</tr>
<tr>
<td>3. Lack of resources for change to masculine culture of boardroom limits diversity</td>
</tr>
<tr>
<td>4. Lack of resources for recruiting and supporting diverse directors limits diversity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Theme Three: Awareness barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lack of awareness about the definition of diversity in the boardroom</td>
</tr>
<tr>
<td>2. Lack of awareness about the business needs for diversity in the boardroom</td>
</tr>
<tr>
<td>3. Lack of awareness around the risks of not having a diverse board</td>
</tr>
<tr>
<td>4. Lack of awareness about working with directors from diverse backgrounds</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Theme Four: Values and culture barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Values of some directors make demographic diversity difficult</td>
</tr>
<tr>
<td>2. Values and culture of organisations make diversity difficult</td>
</tr>
<tr>
<td>3. Values and culture of select industries make diversity difficult</td>
</tr>
<tr>
<td>4. The dominant masculine culture of boards makes diversity difficult</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Theme Five: Fear barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fear of change from the status quo constrains diversity</td>
</tr>
<tr>
<td>2. Fear of potential for increased conflict constrains diversity</td>
</tr>
<tr>
<td>3. Fear of needing to be politically correct constrains diversity</td>
</tr>
<tr>
<td>4. Fear of increased workload constrains diversity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Theme Six: Geographic barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The remoteness of the Northern Territory hampers diversity</td>
</tr>
<tr>
<td>2. The small population of the Northern Territory hampers diversity</td>
</tr>
<tr>
<td>3. Not having a pool of qualified, skill and available candidates hampers diversity</td>
</tr>
<tr>
<td>4. Values and culture of the Northern Territory and local community hampers diversity</td>
</tr>
</tbody>
</table>
4.3 Six themes from Phase One

As “[Qualitative data] analysis situates the coding process in the realm of evidence rather than ideas” (Guest et al. 2012), after the open coding and axial coding the next step in the qualitative analysis of data was to scrutinise each of the organisational barriers. This was undertaken to confirm that these six organisational barriers to demographic diversity in the boardroom provided verifiable evidence that related to the data collected from the 10 participants as well as ensuring they answered the research question. An analysis of the literature suggested that in this stage of the analysis the researcher undergoes intense scrutiny by concentrating on one theme at a time (Braun & Clarke 2006; Vaismoradi et al. 2013). For that reason, each of the six barriers that emerged from the open coding and axial coding are expanded upon in greater detail within the framework of the research question. This stage of the data analysis emphasised the similarities with the participant responses concerning organisational barriers that prevent or inhibit homogeneous BoDs receiving signals from Australia’s heterogeneous society regarding the requirement for boardrooms to be demographically diverse.

Creswell (2014), Grbich (2013) and Miles et al. (2014) argued that descriptions and quotation are the essential ingredients of qualitative reporting as they “allow the reader to enter the situations and thoughts of the individuals represented in the report” (Patton 2002, p. 503). Therefore, participant descriptions and quotations have been used to validate the six organisational barriers identified in the open and axial coding of the qualitative data. Moreover, all of the participant interviews embodied personal and sensitive information about the respondents and their BoDs. Thus, to ensure confidentiality, the names used in this section of the thesis are pseudonyms.
4.3.1 Theme one: Policy barriers

The most frequently named or implied internal organisational barrier to demographic diversity in the boardroom was attributed by the participants to the ‘lack of formal diversity policy at the board level’. When asked if their own BoD had a formal policy on diversity in the boardroom, all of the participants expressed uncertainty about whether or not their board had a formal policy for its own diversity. Providing evidence to support this position Dr Laura stated:

I feel a little embarrassed, I probably should have checked this out before the interview but I don’t think there is a board policy for its own diversity.

Although one participant confirmed that their BoD had a formal policy on board diversity, the consensus among the participants from Phase One was that their BoDs did not have a formal policy supporting and promoting demographic diversity in the boardroom. However, four participants explained that while their BoDs did not have a formal diversity policy, there had been informal discussions in board meetings about increasing the gender diversity of their directors to reflect the mandate from society about having more female directors.

When discussing internal organisational barriers to diversity in the boardroom, nine participants mentioned that their organisations had a formal policy on diversity in the workplace. These participants also acknowledged that their workplaces had evolved and become demographically diverse as a consequence of the formal policy. They contended that in a similar manner to their workplaces, there was a much stronger chance of the boardroom being demographically diverse if the BoD had a formal policy to support and encourage diversity at the board level. As indicated by the
comments below, these participants considered that there were likely to be fewer internal organisational barriers for individuals from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations if their BoD had a formal policy on diversity in the boardroom. This belief was best explained by Beryl who simply stated:

I think the single most important thing is to create policies to increase the board’s diversity.

Reinforcing Beryl’s position, Graham believed that a formal board policy would reduce the organisational barriers to demographic diversity in the boardroom by augmenting the directors’ level of awareness about the issue of diversity in the boardroom:

My immediate thought was to address it [lack of diversity] by policy as the policy should keep the proposition of diversity in the boardroom on the board agenda.

The general view of all participants of Phase One was that there have been numerous messages sent from society mandating diversity in the boardroom. However, not having a formal policy meant that the issue of board diversity was omitted from board agendas. Most participants considered the lack of formal board policy as a credible barrier that has prevented or inhibited people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. Nine participants regarded having a formal policy as a good idea because, like other board policies, it would concretise the BoD’s intention about its own diversity as well as
bringing the topic of demographic diversity in the boardroom to the foreground and keeping the issue alive.

4.3.2 Theme two: Resource barriers

The respondents also perceived the lack of diversity management resources as an internal organisational barrier to their boardrooms becoming demographically diverse. Seven respondents mentioned that similar to their workplaces, diversity awareness training for the directors would reduce these barriers by improving directors’ level of awareness about working with people from diverse backgrounds. They asserted that the training would resource directors with the skills to adapt to a change in the demographic make-up of their BoDs. This belief was best explained by Rodney, who stated:

What needs to occur is that we need to change people’s minds first. The best way to do this is through education. We have diversity in the workplace training so why shouldn’t there be diversity in the boardroom training … This will benefit the directors, the employees and ultimately the organisation.

The participants also held the view that diversity awareness training would increase directors’ skills and understanding about the many organisational benefits of diversity in the boardroom. Some of the respondents commented that the research topic and responsive in-depth interviews had raised their level of awareness about these benefits. Kathy, for example, stated:

Well I’ve gained a lot from today. The interview questions have made me think about board diversity and the benefits to my organisation. It is a really
important issue that needs to occur and if we keep discussing it then it will become accepted language and practice.

In a variety of descriptive statements, the respondents also spoke about the need for BoDs to broaden their current insular recruitment practices beyond the ‘old boy’s network’. Indicative of this point of view, Susan stated:

I see some real narrow thinking in how some boards select new board members. Generally, they select directors from within their own networks because they believe it is too difficult for them to look outside this network.

Eight respondents conceded that their BoDs had utilised the directors’ personal and professional networks when recruiting new directors. Six respondents made specific reference to the need for BoDs to appropriately resource and broaden their strategies when recruiting directors, which included employing specialised board recruitment agencies. Providing evidence to support this position, Dr Laura maintained:

I think it is really important to have a proper recruitment process for new directors, one that looks outside the BoD’s current networks … It is also really important for boards to have the right resources when recruiting new directors, including proper induction and mentoring, and diversity awareness training.

The universal position of the respondents was that their BoDs were deficient in crucial diversity management resources. They held the view that the lack of training and resources for recruiting and managing new directors played a central role in sustaining internal organisational barriers to demographic diversity in the boardroom. As a result, BoDs not receiving adequate training and resources has either prevented
or inhibited people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.

4.3.3 Theme three: Awareness barriers

The directors’ lack of awareness of the definition and organisational need for diversity at the board level was judged by many respondents to be a barrier to their BoD reflecting the Australian norms and values of equality of opportunity, inclusion and diversity. All respondents asserted that demographic diversity at the board level is at a nascent stage of development and that BoDs are still coming to terms with this concept. Eight respondents conceded that they had limited awareness about this study’s inclusive definition of diversity in the boardroom. They highlighted that the messages they have received from society about boards’ demographic diversity had singularly focussed on gender diversity. Providing evidence to support this position, Paul stated that:

I think there is a very strong gender diversity message being sent about diversity in the boardroom … But now that you have mentioned all these other categories I believe diversity in the boardroom should be much broader than just gender.

The directors’ depth of awareness about diversity at the board level was reinforced by the demographic data collected from the respondents relating to the composition of their own BoDs. Overwhelmingly, the diversity category most represented was ‘women’ and the respondents considered that the majority of boardrooms in the Northern Territory have an almost equal representation of female and male directors. Providing evidence to support this position, Kathy stated:
There are plenty of females on boards in the Northern Territory and it is now time to move on and progress to be more inclusive of these other demographic categories that are the focus of your study.

A substantial number of respondents believed that their directors lacked awareness about organisational needs for demographic diversity in the boardroom. They also believed that this lack of awareness has added to the protectionism of homogeneous BoDs. Five respondents grounded their views on this issue by explaining how the demographic composition of the Northern Territory has evolved over the past 20 years. One of the respondents referenced this demographic change as being the ‘new population of the Northern Territory’, which she defined as younger and more multicultural and technologically proficient than her organisation’s traditional target markets.

Almost all of the respondents mentioned that there are few BoDs in the Northern Territory with representation of the ‘new population of the Northern Territory’. Six participants referenced the lack of Indigenous directorships with non-Indigenous-specific organisations. They emphasised that the lack of demographic diversity at the board level was leading to the needs and wants of their target markets not being met. As indicated by the comments below, these participants explained that in their experience the absence of demographic diversity in the boardroom has resulted in ‘a’ disconnect between BoDs and their organisations’ target markets. Dr Laura, who is a marketing executive, exemplified this point of view by commenting:

The board needs to have a level of awareness about its target markets and that is really difficult to do when the board is not demographically diverse.
The majority of the respondents referenced the organisational risks and economic costs of boardroom homogeneity and lack of connectivity to the needs and wants of target markets. In providing evidence to support this position, Kathy, who is the only director on her BoDs from a diversity category pointed out:

"My role on this board is to be the voice of reason and to transition the board to the relevant issues to do with the organisation’s target markets … There are several different large target markets that we have not even accessed and there would be a direct economic benefit if the board was more diverse."

Further, seven respondents indicated that increasing the demographic diversity of their BoDs had the potential to introduce their organisations to new markets. This was best exemplified by Dr Laura who stated:

"It is really critical for the organisation to have [demographic] diversity on the board so that it reflects the target users and this is now starting to happen with us as we now have more diversity in the boardroom."

All of the participants believed that there was a lack of awareness around the definition of diversity in the boardroom as they had generally interpreted the meaning to symbolise gender diversity. They considered that BoDs also lacked awareness about the organisational need for their boards to be demographically diverse. Hence, the lack of awareness about these issues has prevented or inhibited individuals from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.
4.3.4 Theme four: Values and culture barriers

The related concepts of ‘values’ and ‘culture’ emerged from the qualitative analysis of data as being notable internal organisational barriers that have contributed to the information asymmetry between Australia’s heterogeneous society and homogeneous BoDs. Most of the interviewees maintained that the historical institution of male directorships has restricted the evolution of the boardroom’s make-up. They asserted that even though gender diversity had come to the foreground, the boardroom was still dominated by masculine values and culture. When discussing their negative experiences as INEDs, five of the interviewees from Group One commented about the masculine values and culture of their boardrooms. For example, Kathy stated:

We are talking about a board that is made up of middle-aged white men and it is a very masculine board with some very aggressive men on it.

One of the most frequently referenced internal organisational barrier mentioned throughout the 10 interviews was the functional existence of the ‘old boy’s network’. In speaking about the barriers to diversity in the boardroom, Beryl pointed out:

There is the natural prejudice of the chairman who is usually male and who prefers people [in the boardroom] who are known to him and [are] the same as him.

Many interviewees considered that the ‘old boy’s network’ was a considerable force in the lack of demographic diversity in the boardroom. In providing evidence to support this position, Graham, who is in his 50s and is the youngest and most recently appointed director to his BoD, mentioned:
The board lacks the entrepreneurship and effectiveness it once had and it is the epitome of the ‘old boy’s network’. They are just looking for what they can get out of the board now and their own interest is very shallow.

Many interviewees thought that the historical channel of the ‘old boy’s network’ and the masculine values and culture of the boardroom were interconnected. They held the view that these collective factors were slowing down changes to the demographic composition of the boardroom. They also argued that the protectionist culture of the ‘old boy’s network’ had generated an irrational fear of change to the composition of the boardroom.

Many participants referred to directors’ personal values as possible organisational barriers. However, three interviewees made specific detailed reference to directors’ personal values. These participants implied that the personal values of some directors may contribute to lack of demographic diversity in the boardroom. Indicative of this point of view, Paul mentioned:

I am aware that some board members are affiliated with religious groups and I am pretty sure that they would find it difficult working with directors from some of the diversity categories included in your study.

Nevertheless, the majority of the interviewees did not believe that the personal values of directors inhibited or prevented boardrooms from being demographically diverse. When discussing values and culture, however, there was a noticeable perception from six interviewees about the existence of tokenism with selected directorships. They asserted that some Indigenous directorships may well be tokenistic. This cohort
of interviewees implied that rather than being focussed on the skills Indigenous directors would bring to the boardroom, some boards recruited Indigenous directors just to act in accordance with community expectations. Dr Laura was passionate about this perception, stating:

The one thing you hear a lot about in the Northern Territory is boards saying that they really need an Indigenous person on their BoD. This attitude really drives me insane because they are not thinking about the skills many Indigenous people have.

The overall consensus among interviewees was that the masculine values and culture within the boardroom and the lingering existence of the ‘old boy’s network’ hindered demographic diversity at the board level. They held the view that even though many boardrooms had an equal representation of genders, the historical convention of males dominating BoDs along, with their fear of, and resistance to, change has hindered boards from being inclusive of individuals from demographically diverse backgrounds. As a result, values and culture have contributed to either preventing or inhibiting people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.

4.3.5 Theme five: Fear barriers
According to the study participants, director ‘fear’ was a further organisational barrier that has contributed to maintaining the status quo of homogeneity at the board level. Many participants considered that apart from gender diversity, most BoDs in the Northern Territory had not focussed on their diversity because of the fears some
directors had about working with people from demographically diverse backgrounds.

In providing evidence to support this point of view, Paul stated:

These days most boards in the Northern Territory have some women on the board but they are still rather prejudiced against some of the other diversity categories included in your study.

Eight of the participants implied that these fears were related to the gender focus of the messages that directors had received from society about demographic diversity in the boardroom. They maintained that the messages had been singularly focussed on normalising gender diversity in the boardroom rather than being inclusive of all demographic categories. Indicative of this point of view, Susan stated:

If you did a Google search on diversity in the boardroom, 99 per cent of it would be about gender diversity. Generally, society and boards do not see all these other categories when it comes to diversity in the boardroom.

Many participants alleged that messages about gender diversity had reduced barriers for women and was the reason why there were more female directorships in the Northern Territory. They also asserted that there remains a level of ‘fear’ about recruiting directors from the other demographic diversity categories. Almost all of the participants suggested that a credible fear barrier could be attributed to the uneasiness felt by some directors about how they would be expected to work with individuals from certain diversity categories. In providing evidence to support this position, Kathy, who is the only director on her BoD from a demographic diversity category, explained:
I think some of them [directors] would be worried about needing to be politically correct and how to work with directors who are different from them, particularly gay and trans [transgendered] people.

Supporting Kathy’s position about the fears some directors would have in working with people who are demographically diverse, Susan, who is an Indigenous woman, remarked:

Gender is the most common form of diversity in the boardroom as it is the really easy one to do in terms of it being the most comfortable for the male directors compared with, say, Indigenous people or gay people. If you talk about diversity at the board level in all its forms, you can see the faces of the other directors go into panic mode.

When discussing this study’s more inclusive holistic definition for demographic diversity in the boardroom, many participants alluded to fears directors also had about the potential for increased conflict and protracted decision making, if there was more diversity at the board level. Indicative of this point of view, Rodney, who is a gay man under the age of 40 commented:

Because of the different values [conservative and religious] between me and a few of the directors, it can be difficult to get consensus on certain issues, which can end up in conflict. They see me as being disruptive and a trouble maker because of my different values and way of thinking and because I don’t just agree with them.
Generally, the participants from Phase One thought that the signals from society about diversity in the boardroom had been singularly focussed on gender diversity at the expense of the other demographic diversity categories. Hence, they believed that there was a lack of information about the need for boardrooms to be demographically diverse. The participants considered that this lack of information has cultivated fears within homogeneous BoDs about how to work with directors from demographically diverse backgrounds.

4.3.6 Theme six: Geographic barriers

Several concepts involving geography emerged from the qualitative data analysis that the interviewees attributed to the lack of demographic diversity at the board level. Although the study’s aim was to identify internal organisational barriers to demographic diversity in the boardroom, embedded in the narrative were references to how the geography of the Northern Territory has also contributed to producing barriers. Eight interviewees proposed that the remoteness of the Northern Territory presented a credible barrier to demographic diversity in the boardroom. In providing evidence to support this position, Rodney, who relocated from Sydney a number of years ago to a remote region of the Northern Territory mentioned:

Social stigma is the biggest barrier for people from diverse backgrounds being appointed to boards in the Northern Territory … The remoteness of the region creates a huge difference in people’s attitudes. The Northern Territory is 30 years behind the rest of Australia with respect to their attitude towards most of the diversity categories in your study.
An additional, repeatedly referenced, geographical obstacle was the considerably small population of the Northern Territory compared with the other states and territories in Australia. Many interviewees contended that because of the small population, there were fewer qualified and experienced people with demographically diverse backgrounds available to sit on BoDs in the Northern Territory. Indicative of this viewpoint, Blair proposed that:

Any place where the population is sparse then there is a disadvantage associated with it as there are less people and fewer individuals from demographically diverse backgrounds with the qualifications and skill required to be on a BoD.

Many respondents considered the Northern Territory’s remoteness and small pool of population as external organisational barriers to boardroom diversity. However, six interviewees believed that these geographical factors were not as big a barrier for women compared with the other demographic diversity categories considered in this study. This view was reinforced by the demographic data collected from respondents at the beginning of the interview relating to the demographic make-up of their own BoDs. The diversity category most represented in their boardroom was ‘women’.

Nevertheless, two of the interviewees firmly believed that the Northern Territory was likely to be more accepting of people from demographically diverse backgrounds becoming INEDs. They explained that in their experience, the Northern Territory was less likely than other parts of Australia to discriminate against individuals from different backgrounds. They maintained that the remoteness and small pool of population was an advantage for people from demographically diverse backgrounds
wishing to be appointed as INEDs compared with the major cities in Australia. Providing evidence to support this position, Pasha commented:

I think it would be less likely that there would be consideration being given to diversity in the boardroom beyond gender in the big cities. The people from the other demographic categories are more likely find resistance in the cities compared with the Northern Territory.

However, eight interviewees considered that there were likely to be fewer barriers for people from demographically diverse backgrounds being appointed as INEDs in the densely populated areas of Australia compared with the Northern Territory. Thus, the consensus of opinion was that the Northern Territory’s remoteness and small pool of population may prevent or inhibit people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.

4.4 Results and analysis from Phase Two

This section presents the result of the quantitative data analysis from the online web survey. The online survey was completed by 30 independent and non-independent directors from 14 Northern Territory organisations. There were six dominant barriers to demographic diversity in the boardroom identified in Phase One. Although, the ‘skill’ of directors was intermittently referenced by participants throughout the interviews, this was not identified as a main barrier. However, ‘skill’ was included in the online web survey as a supplementary barrier.
According to O’Dwyer and Bernauer (2014), Teddlie and Tashakkori (2009) and Vogt (2014), quantitative data analysis is the study of numeric information using a variety of statistical techniques. They maintained that researchers “reorganise the data into a form suitable for computers, present it in charts or graphs to summarise its features, and interpret or give theoretical meaning to the result” (Neuman 2006, p. 314). The analysis of quantitative data commenced by downloading the raw data from SurveyGizmo into SPSS and assessing each of the questions for their adequacy to be combined into scales. Subsequent to the scales being formed, scale scores were compared between questions using a series of appropriate statistical tests to establish whether to accept or reject the study’s null hypothesis.

4.4.1 Profile of participants from Phase Two

Forty-four purposively selected organisations with INEDs were extended an invitation to participate in the study. Ultimately, 14 of these 44 organisations contributed to the quantitative phase of this study, which represents a response rate of 32 per cent. One hundred per cent of the Northern Territory profit organisations, all of which had a male chair, were invited to contribute to the study. However, most either did not respond to the email invitation or declined to participate. The 14 organisations with INEDs that did participate in the online web survey comprised a sample of 10 NFP organisations and 4 government organisations.

Of the 44 organisations contacted, 34 (77.3 per cent) had a male chair and 10 (22.7 per cent) had a female chair. Further, of the 14 chairs that agreed for their BoD to participate in the study, seven (50.0 per cent) were female and seven (50.0 per cent) were male. Thus, the seven male chairs represented 20.6 per cent of the boards with
male chairs and the seven female chairs represented 70 per cent of the boards with female chairs. Nonetheless, as the survey was distributed to the independent and non-independent directors via email to one person in each of the 14 organisations, there was no guarantee that all directors from the 14 organisations received the survey.

In reviewing the electronic data that were publically available about the 14 BoDs that participated in this study, and assuming the online web survey was forwarded to all directors, it was estimated that 98 independent and non-independent directors received the survey. The number of directors on each of the 14 BoDs fluctuated from a minimum of 3 to a maximum of 14, with the mean number of directorships being 7. On the 14 boards there as a total of 54 (55.1 per cent) female directorships and 44 (44.9 per cent) male directorships. Moreover, 2 of the 14 BoDs had an equal representation of females and males, 7 boards had a majority of female directors and 5 had a majority of male directors.

4.4.2 Scale construction

Moore (2000), Quinlan (2011) and Vogt (2014) asserted that a scale is a set of items that investigates similar aspects of a construct and is computed by averaging the scores of each participant over the individual items. These authors maintained that in empirical research, scales consisting of multiple items are preferred over single items for two main reasons. The first is that most constructs are multifaceted; therefore, a single item would not sufficiently evaluate the construct under investigation. As a result, several items are required to capture the various aspects of the construct under investigation. The second reason for having multiple items is that higher reliability is
likely from a multiple-item scale than from a single item (Ghosh & Srivastava 2014; Neuman 2006).

Further, good scales are unidimensional and can be explored through factor analysis and internal reliability measures. However, Hinkin et al. (1997) and Vogt (2014) contended that conducting a factor analysis of scales requires a large sample size—at least 100 participants. As the sample size of participants for Phase Two was $n = 30$, factor analysis could not be carried out to assess the scales for this study. However, an assessment of the scales’ internal reliability was possible and was measured by Cronbach’s $\alpha$, which “is a correlational measure of the consistency of the answers to items in a scale” (Vogt 2014, p. 35).

Bonett and Wright (2015) and O’Dwyer and Bernauer (2014) argued that Cronbach’s $\alpha$ is represented by a coefficient that ranges from 0 to 1 and that higher values represent higher internal reliability: values $\geq 0.70$ are deemed optimal as they provide evidence that the questions on the scale are measuring the same underlying concept (Tavakol & Dennick 2011; Vogt 2014). Similarly, a very high reliability value of $>0.95$ indicates that there may be redundancy among the items in the scale measuring the construct and low reliability according to Cronbach’s $\alpha$ could be as a result of a “low number of questions, poor interrelatedness between the items or heterogeneous constructs” (Tavakol & Dennick 2011, p. 54). Each of the organisational barriers to demographic diversity in the boardroom assessed in this study were formed into scales and tested for their internal reliability. Table 4.3 illustrates the overall results of Cronbach’s $\alpha$ reliability test for the organisational barriers.
Table 4.3: Overall results of reliability testing for probable barriers

<table>
<thead>
<tr>
<th>#</th>
<th>Barrier</th>
<th>N</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>With policy</td>
<td>6</td>
<td>0.94</td>
</tr>
<tr>
<td></td>
<td>Without policy</td>
<td>6</td>
<td>0.86</td>
</tr>
<tr>
<td>2</td>
<td>Resources</td>
<td>6</td>
<td>0.84</td>
</tr>
<tr>
<td>3</td>
<td>Awareness</td>
<td>6</td>
<td>0.91</td>
</tr>
<tr>
<td>4</td>
<td>Values &amp; culture</td>
<td>6</td>
<td>0.86</td>
</tr>
<tr>
<td>5</td>
<td>Fear</td>
<td>6</td>
<td>0.92</td>
</tr>
<tr>
<td>6</td>
<td>Skill</td>
<td>6</td>
<td>0.91</td>
</tr>
<tr>
<td>7</td>
<td>Geography</td>
<td>6</td>
<td>0.78</td>
</tr>
</tbody>
</table>

As shown in Table 4.3, there are no unacceptably low or high internal reliability scores for the items relating to any of the organisational barriers to demographic diversity in the boardroom. All of the scales produced $\alpha$ of $>0.70$ or $<0.95$, with scores ranging between a moderate $\alpha$ of 0.78 to a high $\alpha$ of 0.94, which indicates little variability among the scores within these items. Accordingly, the items in the barriers section of the online web survey formed strong internal reliability, which indicated that each set of six questions for the organisational barriers to demographic diversity in the boardroom tested have functioned as a consistent whole.

4.4.3 Frequency distribution of demographic data

According to Moore (2000), Neuman (2006) and Selvanathan et al. (2016), the first step in the process of turning quantitative data into information is to summarise the data by creating frequency distributions. A frequency distribution is an organised tabulation of the frequency with which each of the scores occurs in the distribution (O’Dwyer & Bernauer 2014). Further, a frequency distribution presents the results of data analysis in an easy-to-read format revealing whether the results are high or low and if they are concentrated in one area or are spread out across the entire scale.
As a result, the analysis of quantitative data began with examining the frequency distribution of the participants’ responses to the questions in the online web survey.

It was estimated that 98 independent and non-independent directors received the online survey. Thus, 30 participants completing the survey represents a response rate of 33.3 per cent. The survey commenced by collecting demographic data about each participant. Twenty-four (80.0 per cent) participants were from NFP organisations and six (20.0 per cent) were from government organisations. Twenty-seven (90.0 per cent) respondents were INEDs and three (10.0 per cent) were non-independent directors. In the sample of 30 participants, there were 14 (46.7 per cent) female directors and 16 (53.3 per cent) male directors. Twelve (40.0 per cent) participants were under the age of 50 and 18 (60.0 per cent) were over the age of 50. Figure 4.1 shows the distribution of participant ages.

![Figure 4.1: Distribution of participant ages](image-url)
Nine (30.0 per cent) participants received an annual salary for their directorships while the directorship for 21 (70.0 per cent) of respondents was voluntary. Nineteen participants lived in the outer regional area of Darwin, three lived in the remote area of Alice Springs and five participants lived in very remote areas of the Northern Territory. Also, three participants lived outside of the Northern Territory. Sixteen (53.3 per cent) participants did not identify as being from demographically diverse backgrounds; nevertheless, 14 (46.7 per cent) of the participants did identify as being from demographically diverse backgrounds. Figure 4.2 reveals the distribution of diversity categories represented by these 14 participants.

![Figure 4.2: Distribution of participants’ diversity backgrounds](image)

4.4.4 Frequency distribution of general questions

The survey invited participants to answer a number of general questions relating to diversity in the boardroom. The survey commenced by asking the participants if they considered their board to be demographically diverse. Seventeen (56.7 per cent) respondents judged their BoD as not being demographically diverse while 13 (43.3
per cent) deemed their BoD to be demographically diverse. Forty per cent of the participants considered that their INEDs should be more demographically diverse. Equally, 40 per cent of the respondents did not think that their INEDs needed to be more diverse and 20 per cent were undecided. Also, 15 (50 per cent) participants confirmed their BoD had not deliberated on the demographic diversity of their INEDs while 12 (40 per cent) verified that their boards had considered diversity. Three (10 per cent) participants were undecided on this issue. Figure 4.3 reveals that 76.7 per cent of the participants confirmed that their board did not have a goal or recruitment strategy for increasing the demographic diversity of their INEDs. However, 10.0 per cent did have goals and recruitment strategies and 13.3 per cent did not know if their BoD had goals or recruitment strategies for increasing the diversity of their INEDs.

![Figure 4.3: Distribution of goals for increasing diversity of independent non-executive directors](image)

Figure 4.3: Distribution of goals for increasing diversity of independent non-executive directors
In addition, participants were also asked if their BoD annually assessed the demographic diversity of their INEDs. Twenty-two (73.3 per cent) participants conceded that their BoDs did not assess their INED diversity. Four (13.3 per cent) confirmed they did evaluate the demographic diversity of their INEDs and four (13.3 per cent) of the respondents did not know. Notably, 100 per cent of the participants rejected the concept that only white, middle-aged men should be INEDs. Figure 4.4 displays the responses from the 30 participants for the demographic diversity categories they would support being appointed as INEDs to their BoDs.

![Figure 4.4: Distribution of diversity characteristics supported](image)

The participants were asked if people from demographically diverse backgrounds would be treated equally and given ‘a fair go’ when seeking to become INEDs on their BoD. Twenty-three (76.7 per cent) participants believed that people from demographically diverse backgrounds would be treated equally and given ‘a fair go’ but six (20.0 per cent) conceded that they would not be treated equally or given ‘a
fair go’ and one participant responded that they did not know. All the participants were asked if their organisations had a formal diversity in the workplace policy. Twenty-six (86.7 per cent) participants’ organisations either had a formal policy or were in the process of developing one, one (3.3 per cent) conceded that their organisation did not have a formal policy and three (10.0 per cent) participants did not know if their organisation had a formal diversity in the workplace policy.

4.4.5 Summary statistics for the probable barriers

The next step in the analysis of the quantitative data was to analyse the large amount of information collected from the participants that related to the organisational barriers to demographic diversity in the boardroom identified in Phase One. O’Dwyer and Bernauer (2014) and Selvanathan et al. (2016) contended that in descriptive statistics, summary statistics are used to organise, present and explain the primary characteristics of the data in a convenient and easy-to-read format. Thus, summary statistics were used to describe the features of the data collected from the participants relating to the organisational barriers for people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.

Phase One identified that the most frequently named internal organisational barrier to board demographic diversity was the lack of a formal policy on diversity in the boardroom. For that reason, prior to asking the participants about the barriers to board diversity they were asked if their BoD had a formal policy on diversity in the boardroom. Interestingly, of the 30 participants that completed the online survey, six (20 per cent) indicated that their boards did have such as policy. Moreover, having a formal board diversity policy was not considered a barrier and these six participants
were asked questions about the effect of the policy on their board’s demographic diversity. However, 24 (80 per cent) participants conceded that their board did not have a formal policy on demographic diversity in the boardroom.

Each of the probable barriers in section E to K of the online survey (see Appendix G) had six statements and responses were scored using a five-point Likert scale (1 = ‘Disagree strongly’ to 5 = ‘Agree strongly’). Each set of six items for a barrier was analysed in terms of summary statistics. The arithmetic mean, standard deviation, standard error of mean and 95 per cent confidence interval (95% CI) were used to summarise participant responses to these six items. The individual responses for each item were then pooled to produce an overall response for that organisational barrier. Table 4.4 shows the overall results of the summary statistics for each of the barriers.

Table 4.4: Overall results of the summary statistics for probable barriers

<table>
<thead>
<tr>
<th>#</th>
<th>Barrier</th>
<th>N</th>
<th>Mean</th>
<th>Std. dev.</th>
<th>Std. error mean</th>
<th>95% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lack of policy</td>
<td>24</td>
<td>3.03</td>
<td>1.14</td>
<td>0.10</td>
<td>0.19</td>
</tr>
<tr>
<td>2</td>
<td>Resources</td>
<td>30</td>
<td>2.72</td>
<td>1.17</td>
<td>0.09</td>
<td>0.17</td>
</tr>
<tr>
<td>3</td>
<td>Awareness</td>
<td>30</td>
<td>2.71</td>
<td>1.07</td>
<td>0.08</td>
<td>0.16</td>
</tr>
<tr>
<td>4</td>
<td>Values &amp; culture</td>
<td>30</td>
<td>2.26</td>
<td>1.16</td>
<td>0.09</td>
<td>0.17</td>
</tr>
<tr>
<td>5</td>
<td>Fear</td>
<td>30</td>
<td>2.39</td>
<td>1.16</td>
<td>0.09</td>
<td>0.17</td>
</tr>
<tr>
<td>6</td>
<td>Skill</td>
<td>30</td>
<td>2.61</td>
<td>1.17</td>
<td>0.09</td>
<td>0.18</td>
</tr>
<tr>
<td>7</td>
<td>Geography</td>
<td>30</td>
<td>2.89</td>
<td>1.16</td>
<td>0.09</td>
<td>0.17</td>
</tr>
</tbody>
</table>

As Table 4.4 demonstrates, the mean score for most organisational barriers was less than 3.00, which was midway on the five-point Likert scale. This reveals that with the exception of the lack of policy barrier ($\bar{M} = 3.03$, $SD = 1.14$), the participants from Phase Two did not consider the other organisational barriers as preventing or
inhibiting demographic diversity in the boardroom. Nevertheless, the lack of policy barrier did have a mean score that was greater than midway on the Likert scale. The items for the 24 participants whose board did not have a formal policy were designed to ascertain whether they considered that not having a formal policy either prevented or inhibited people from demographically diverse backgrounds being appointed as INEDs to their boards. Table 4.5 displays the six items along with their individual and overall summary statistics.

**Table 4.5: Participants without a formal diversity policy (n = 24)**

<table>
<thead>
<tr>
<th>Section E: Boards of directors without a policy</th>
<th>N</th>
<th>Mean</th>
<th>Std. dev.</th>
<th>Std. error mean</th>
<th>95% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lack of policy inhibits societal views</td>
<td>24</td>
<td>3.17</td>
<td>1.05</td>
<td>0.21</td>
<td>0.43</td>
</tr>
<tr>
<td>2. Lack of policy causes barriers to thinking</td>
<td>24</td>
<td>3.21</td>
<td>1.06</td>
<td>0.22</td>
<td>0.43</td>
</tr>
<tr>
<td>3. Lack of policy creates barrier to recruiting</td>
<td>24</td>
<td>2.88</td>
<td>1.15</td>
<td>0.24</td>
<td>0.47</td>
</tr>
<tr>
<td>4. Lack of policy creates barriers to applying</td>
<td>24</td>
<td>2.33</td>
<td>0.87</td>
<td>0.18</td>
<td>0.35</td>
</tr>
<tr>
<td>5. Lack of policy is barrier to INED diversity</td>
<td>24</td>
<td>2.88</td>
<td>1.19</td>
<td>0.24</td>
<td>0.49</td>
</tr>
<tr>
<td>6. Board should consider developing a policy</td>
<td>24</td>
<td>3.75</td>
<td>1.11</td>
<td>0.23</td>
<td>0.45</td>
</tr>
<tr>
<td>Overall</td>
<td>144</td>
<td>3.03</td>
<td>1.14</td>
<td>0.10</td>
<td>0.19</td>
</tr>
</tbody>
</table>

The overall result for this internal organisational barrier indicates that on average the 24 participants whose BoD did not have a policy considered that the lack of a formal diversity in the boardroom policy created a barrier to demographic diversity at the board level. An interesting result from the analysis was the mean score for Item 6 ($M = 3.75$, $SD = 1.11$), which asked participants if they believed that their BoD should consider developing a formal policy to promote and encourage board diversity. This is a relatively high mean score, which suggests that these 24 participants believed that their BoD should consider developing a formal policy to support and encourage demographic diversity in their boardrooms.
The six participants who corroborated that their BoD had a formal board diversity policy were also asked several items. The items for these participants were designed to identify whether or not they considered that their board’s formal policy supported and encouraged demographic diversity in their boardrooms. In the same way as the sets of items for the organisational barriers, these items were also assessed on a five-point Likert scale (1 = ‘Disagree strongly’ to 5 = ‘Agree strongly’). The final item was negatively worded. Therefore, the data were entered for its reverse to maintain consistency with the other five items. These six items were also analysed in terms of their summary statistics and the individual responses were pooled to produce an overall response. Table 4.6 displays the six items along with their individual and overall summary statistics.

Table 4.6: Participants from organisations with a formal diversity policy (n = 6)

<table>
<thead>
<tr>
<th>Section E: Boards of directors with a formal policy</th>
<th>N</th>
<th>Mean</th>
<th>Std. dev.</th>
<th>Std. error mean</th>
<th>95% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Policy reflects modern societal views</td>
<td>6</td>
<td>3.67</td>
<td>0.82</td>
<td>0.33</td>
<td>0.67</td>
</tr>
<tr>
<td>2. Policy has inclusive holistic approach</td>
<td>6</td>
<td>3.83</td>
<td>0.98</td>
<td>0.40</td>
<td>0.80</td>
</tr>
<tr>
<td>3. Policy prompts you to think of diversity</td>
<td>6</td>
<td>4.00</td>
<td>1.10</td>
<td>0.45</td>
<td>0.89</td>
</tr>
<tr>
<td>4. Policy has measurable objectives</td>
<td>6</td>
<td>3.33</td>
<td>1.21</td>
<td>0.49</td>
<td>0.99</td>
</tr>
<tr>
<td>5. Policy has increased board INED diversity</td>
<td>6</td>
<td>3.67</td>
<td>1.03</td>
<td>0.42</td>
<td>0.84</td>
</tr>
<tr>
<td>6. Policy itself creates a barriers (rev)</td>
<td>6</td>
<td>3.50</td>
<td>1.22</td>
<td>0.50</td>
<td>1.00</td>
</tr>
<tr>
<td>Overall</td>
<td>36</td>
<td>3.67</td>
<td>1.01</td>
<td>0.17</td>
<td>0.34</td>
</tr>
</tbody>
</table>

The overall result for these six items was $M = 3.67$ ($SD = 1.01$), which is a relatively high mean score. Moreover, the mean scores for all six items were constantly high, which indicates that all six participants believed that their formal board diversity policy supported and encouraged demographic diversity in their boardroom. An interesting result from the analysis was the mean score for Item 3 ($M = 4.00$, $SD =$
1.10). This is a convincingly high mean score, which suggests that the participants considered that having a formal policy on diversity in the boardroom prompted them to think about the demographic diversity of their INEDs.

4.4.6 Inferential statistics for the probable barriers

The next step in the quantitative analysis of data was to use the results from the summary statistics to conduct inferential statistical tests on the organisational barriers to demographic diversity in the boardroom identified in Phase One. An analysis of the literature (O’Dwyer & Bernauer 2014; Teddlie & Tashakkori 2009; Vogt 2014) suggested that inferential statistics are used by researchers “for drawing conclusions about characteristics of a population, based on information available in a sample taken from the population” (Selvanathan et al. 2016, p. 3). Thus, several statistical tests were conducted on the barriers identified in Phase One so that the researcher could draw conclusions about these organisational barriers for the population of individuals from demographically diverse backgrounds wishing to be appointed as INEDs of Northern Territory organisations. These tests were carried out as a means to determine whether or not to reject or not reject the null hypothesis. The statistical tests performed in this study included one sample t-tests and independent sample t-tests for each of the organisational barriers.

4.4.6.1 One sample t-tests

According to O’Dwyer and Bernauer (2014), Quinlan (2011) and Vogt (2014), t-tests are a specific form of inferential statistical analysis from the family of techniques called analysis of variance, which are utilised to analyse differences among group means. These authors asserted that all of the tests in the t-test family assess whether
average scores are normally distributed. However, unlike the independent and dependent sample t-tests, the one sample t-test compares the mean from a single sample (Rochon & Kieser 2011). Moreover, O’Dwyer and Bernauer (2014) asserted that the one sample t-test compares the mean (μ) score found in an observed sample to a hypothetically assumed value, which is represented as:

\[ H_0 : \mu = \text{test value} \]
\[ H_A : \mu \neq \text{test value} \]

The test value for the one sample t-test was set at 3.00 as this corresponds with the ‘non-committal’ response that is midway on the five-point Likert scale used to collect the quantitative data. The one sample t-test statistic represents the proportion of variation on scores due to the independent variable compared with the proportion caused by error (Vogt 2014). Alan and Wayne (2007) and O’Dwyer and Bernauer (2014) argued that the larger the t-test number, the greater the proportion of variation in scores of the dependent variable that is caused by the independent variable. The one sample t-test was utilised in this study to assess whether the mean value and its corresponding uncertainty, expressed as a 95% CI, differed from the value of 3.00 to a statistically significant extent. O’Dwyer and Bernauer (2014) and Rochon and Kieser (2011) asserted that if the amount of variation due to the independent variable is a large enough proportion of the total variation then the t-test will be significant.

The one sample t-test was performed for each set of six items for all organisational barriers identified in Phase One. The results of the one sample t-tests are reported in the following manner. First, the mean difference between the response value and the test value is provided, followed by the t-statistic. The degrees of freedom of the t-
tests are provided next, which is followed by the significance statistic. In the same way as the summary statistics, for each organisational barrier the individual results for the six items were combined to produce an overall result for the one sample $t$-test for each organisational barrier. This was undertaken as a means to either reject the null hypothesis ($H_0$) in favour of accepting the alternative hypothesis ($H_A$). The method of hypothesis testing employed in this study was:

$H_0$: The independent variable is not an organisational barrier to demographic diversity in the boardroom.

$H_A$: The independent variable is an organisational barrier to demographic diversity in the boardroom.

One sample $t$-tests were conducted on each barrier so that the researcher could determine whether the general population of people from demographically diverse backgrounds were being prevented or inhibited from being appointed as INEDs of Northern Territory organisations. Table 4.7 reports the overall results of the one sample $t$-test for each of the organisational barriers.

**Table 4.7: Overall results of the one sample $t$-tests for probable barriers**

<table>
<thead>
<tr>
<th>#</th>
<th>Barrier</th>
<th>$N$</th>
<th>Mean difference</th>
<th>$t$</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lack of policy</td>
<td>24</td>
<td>0.035</td>
<td>0.365</td>
<td>143</td>
<td>0.716</td>
</tr>
<tr>
<td>2</td>
<td>Awareness</td>
<td>30</td>
<td>–0.300</td>
<td>–3.772</td>
<td>179</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>3</td>
<td>Resources</td>
<td>30</td>
<td>–0.278</td>
<td>–3.191</td>
<td>179</td>
<td>0.002</td>
</tr>
<tr>
<td>4</td>
<td>Values &amp; culture</td>
<td>30</td>
<td>–0.744</td>
<td>–8.621</td>
<td>179</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>5</td>
<td>Fear</td>
<td>30</td>
<td>–0.606</td>
<td>–7.002</td>
<td>179</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>6</td>
<td>Skill</td>
<td>30</td>
<td>–0.389</td>
<td>–4.444</td>
<td>179</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>7</td>
<td>Geography</td>
<td>30</td>
<td>–0.111</td>
<td>–1.288</td>
<td>179</td>
<td>0.199</td>
</tr>
</tbody>
</table>
As Table 4.7 shows, the overall results for each of the barriers from the one sample \( t \)-tests reveal that there are no statistically significant \( t \)-test scores with a value equal to 3.00. While the lack of a formal policy barrier had a positive \( t \) value it was very low. Further, the results of the one sample \( t \)-tests for the remaining organisational barriers revealed that these barriers all had negative \( t \)-values. Consequently, as there were no \( t \)-test values equal to the test value of 3.00 there was sufficient evidence to reject the study’s null hypothesis for all the organisational barriers identified in Phase One.

What is interesting about the result of the one sample \( t \)-tests is that apart from the lack of policy barrier, the likely barriers all had negative \( t \)-test values. Further, five of the organisational barriers’ overall \( t \)-test values were significantly less than the test value of 3.00, and ranged from \(-3.12\) to \(-8.60\). Additionally, the organisational barriers of awareness, values and culture, fears and skill all had significance statistics of \( p < 0.001\). The results of the one sample \( t \)-tests determined that the organisational barriers to demographic diversity in the boardroom identified in Phase One are not considered barriers to the general population of individuals from demographically diverse backgrounds being appointed as INEDs or Northern Territory organisations. However, the one sample \( t \)-test was also conducted on the summary statistic for the six participants whose BoD did have a formal policy on diversity in the boardroom. Table 4.8 reports the overall results of the one sample \( t \)-test for these questions.

<table>
<thead>
<tr>
<th>#</th>
<th>Barrier</th>
<th>N</th>
<th>Mean difference</th>
<th>( t )</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Boards with a policy</td>
<td>6</td>
<td>0.667</td>
<td>3.944</td>
<td>35</td>
<td>&lt;0.001</td>
</tr>
</tbody>
</table>
As Table 4.8 reveals, the overall results for the one sample $t$-test for these questions was greater than the test value of 3.00 to a statistically significant degree. As mentioned above, the items for these six participants were designed to ascertain whether or not they believed that their formal board diversity policy supported and encouraged demographic diversity in their boardroom. The overall result of the one sample $t$-test established that their organisation’s formal board policy did promote and encourage demographic diversity in the boardroom.

This position was also reinforced by the participants whose BoD did not have a formal board diversity policy. Item 6 asked the 24 participants whether they thought that their BoD should consider developing a formal board policy to promote and encourage demographic diversity in the boardroom. The result from the one sample $t$-test for Item 6 was $t = 3.30$ ($df = 23; p = 0.003$), which is greater than the test value of 3.00 and is statistically significant. The result from the one sample $t$-test for this item showed that the BoDs should develop a formal policy to promote and encourage diversity in the boardroom. Collectively, these two results established that having a formal policy supports and encourages demographic diversity in the boardroom.

4.4.6.2 Independent samples $t$-tests

The next step in the quantitative data analysis was to undertake independent samples $t$-tests to gain further insight into barriers to people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. Alan and Wayne (2007), Allen et al. (2014) and O’Dwyer and Bernauer (2014) maintained that independent samples $t$-tests compare the sample mean scores between two unrelated groups on the same dependent variable. The unrelated groups utilised for
the independent samples \( t \)-tests in this study were four dichotomous demographic variables collected from the participants at the beginning of the online web survey. Table 4.9 lists the dichotomous demographic variables selected for the independent samples \( t \)-test.

The survey asked each of the 30 participants about their income level and provided an income range for the respondents to select. The participants had the option to not complete this question. As shown in Table 4.9, 27 participants completed the income question. The independent samples \( t \)-test was employed to assess whether the sample mean for Group One differed significantly from the sample mean for Group Two for the organisational barriers identified in Phase One. Allen et al. (2014), O’Dwyer and Bernauer (2014) and Vogt (2014) asserted that in the independent samples \( t \)-test the null hypothesis states that there is no difference between two groups in their population means. The null and alternative hypotheses are represented as:

\[
H_0: \mu_1 = \mu_2 \\
H_A: \mu_1 \neq \mu_2
\]

Table 4.9: Dichotomous demographic variables

<table>
<thead>
<tr>
<th>#</th>
<th>Variable</th>
<th>Description</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td>Female</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td>&lt;50 years</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>( \geq 50 ) years</td>
<td>18</td>
</tr>
<tr>
<td>3</td>
<td>Education</td>
<td>Lower (bachelor degree or lower)</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Higher (postgraduate diploma or higher)</td>
<td>17</td>
</tr>
<tr>
<td>4</td>
<td>Annual income</td>
<td>Lower (( \leq $99,999 ))</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Higher (( \geq $100,000 ))</td>
<td>19</td>
</tr>
</tbody>
</table>
The independent samples \( t \)-test was performed on each set of six items for each of the barriers identified in Phase One for the four dichotomous demographic variables listed in Table 4.9. In the same way as the one sample \( t \)-test, for each of the barriers the individual responses to the six items were pooled to provide an overall response on that barrier for the four dichotomous demographic variables. This was undertaken as a means to either disprove the null hypothesis or to accept the alternative hypothesis. The method of testing the hypothesis for the independent samples \( t \)-tests in this study was:

- \( H_0 \): If the mean for Group One is = to the mean for Group Two then there is no difference between the dichotomous demographic variables relating to that barrier.

- \( H_A \): If the mean for Group One is \( \neq \) to the mean for Group Two then there is a difference between the dichotomous demographic variables relating to that barrier.

An independent samples \( t \)-test was conducted on each of the barriers identified in Phase One with the four dichotomous demographic variables. The results determined that there were two internal organisational barriers and two groups of dichotomous variables with statistically significant results. First, for the values and culture barrier compared between participants aged <50 and \( \geq \)50, the independent samples \( t \)-test reported a statistically significant difference. The six items for the values and culture barrier were designed to reveal participants’ views about whether their personal, boardroom or organisational values and culture created a barrier to demographic diversity in the boardroom. They were also asked if the Australian values and culture created a barrier to individuals from demographically diverse backgrounds being
appointed as INEDs to their BoD. Table 4.10 displays the summary statistics for the participant responses to these items by the two age groups.

Table 4.10 shows that for each of the six items, the 12 participants younger than 50 years of age recorded that values and culture was a bigger barrier to demographic diversity in the boardroom than was reported by participants aged 50 years or over. The independent samples $t$-test compared the sample mean scores for the 12 participants under 50 years ($M = 2.76, SD = 1.14$) and the 18 participants 50 years or over ($M = 1.92, SD = 1.04$). Table 4.11 illustrates that overall, the views held by the two age groups about the values and culture barrier were significantly different.

### Table 4.10: Summary statistics for values and culture barrier by two age groups

<table>
<thead>
<tr>
<th>Section F: Values and culture barriers</th>
<th>N</th>
<th>Mean</th>
<th>Std. dev.</th>
<th>Std. error mean</th>
<th>95% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>&lt;50</td>
<td>≥50</td>
<td>&lt;50</td>
<td>≥50</td>
</tr>
<tr>
<td>1. Values of the other directors</td>
<td>12</td>
<td>18</td>
<td>2.67</td>
<td>2.28</td>
<td>1.15</td>
</tr>
<tr>
<td>2. Culture of boardroom</td>
<td>12</td>
<td>18</td>
<td>2.75</td>
<td>2.39</td>
<td>1.14</td>
</tr>
<tr>
<td>3. Your culture/religious values</td>
<td>12</td>
<td>18</td>
<td>2.50</td>
<td>1.72</td>
<td>1.09</td>
</tr>
<tr>
<td>4. Values and culture of the organisation</td>
<td>12</td>
<td>18</td>
<td>2.75</td>
<td>1.61</td>
<td>1.29</td>
</tr>
<tr>
<td>5. Australia’s values &amp; culture</td>
<td>12</td>
<td>18</td>
<td>3.42</td>
<td>1.72</td>
<td>1.08</td>
</tr>
<tr>
<td>6. Your personal values</td>
<td>12</td>
<td>18</td>
<td>2.50</td>
<td>1.78</td>
<td>1.09</td>
</tr>
<tr>
<td>Overall</td>
<td>72</td>
<td>108</td>
<td>2.76</td>
<td>1.92</td>
<td>1.14</td>
</tr>
</tbody>
</table>

### Table 4.11: Overall results of the independent samples $t$-test by two age groups

<table>
<thead>
<tr>
<th>#</th>
<th>Barrier</th>
<th>Variable</th>
<th>Mean difference</th>
<th>S.E. of diff.</th>
<th>$t$</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Values/Culture</td>
<td>Age</td>
<td>0.847</td>
<td>0.168</td>
<td>5.041</td>
<td>142.356</td>
<td>0.000</td>
</tr>
</tbody>
</table>
The results of the independent samples $t$-test identified that there was sufficient evidence to support accepting the alternative hypothesis. Therefore, the alternative hypothesis was accepted for the values and culture barrier for the two age groups. However, the independent samples $t$-tests undertaken for the remaining dichotomous demographic variables for the values and culture barriers determined that there was no statistically significant difference between these unrelated groups’ population means. The overall results recorded either a considerably low or negative $t$ value. Consequently, the null hypothesis of no difference in views about the values and culture between groups based on gender, education level and income was accepted.

The second internal organisational barrier with a statistically significant finding was the lack of policy barrier according to participant gender. As discussed earlier, the six items for the 24 participants whose BoD did not have a formal board diversity policy were designed to ascertain whether they believed that not having a policy prevented or inhibited people from demographically diverse backgrounds being appointed as INEDs to their boards. Table 4.12 displays the summary statistics for the participant responses to these questions by gender.
Table 4.12: Summary statistics for lack of policy barrier by gender

<table>
<thead>
<tr>
<th>Section E: Lack of policy barriers</th>
<th>N</th>
<th>Mean</th>
<th>Std. dev.</th>
<th>Std. error mean</th>
<th>95% CI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>M</td>
<td>F</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>1. Inhibits societal views</td>
<td>10</td>
<td>14</td>
<td>3.40</td>
<td>3.00</td>
<td>1.07</td>
</tr>
<tr>
<td>2. Causes barriers to thinking</td>
<td>10</td>
<td>14</td>
<td>3.50</td>
<td>3.00</td>
<td>0.85</td>
</tr>
<tr>
<td>3. Creates barriers to recruiting</td>
<td>10</td>
<td>14</td>
<td>3.30</td>
<td>2.57</td>
<td>0.95</td>
</tr>
<tr>
<td>4. Creates barriers for applying</td>
<td>10</td>
<td>14</td>
<td>2.60</td>
<td>2.14</td>
<td>0.97</td>
</tr>
<tr>
<td>5. Is a barrier to INED diversity</td>
<td>10</td>
<td>14</td>
<td>3.00</td>
<td>2.79</td>
<td>1.15</td>
</tr>
<tr>
<td>6. Should develop a policy</td>
<td>10</td>
<td>14</td>
<td>4.00</td>
<td>3.57</td>
<td>0.82</td>
</tr>
<tr>
<td>Overall</td>
<td>60</td>
<td>84</td>
<td>3.30</td>
<td>2.85</td>
<td>1.03</td>
</tr>
</tbody>
</table>

Table 4.12 reveals that in response to each of the six items, the 10 female participants recorded that the lack of a formal board policy was a greater barrier to diversity in the boardroom than did the 14 male participants. The independent samples t-test compared the sample mean scores for the 10 female participants ($M = 3.30, SD = 1.03$) and the 14 male participants ($M = 2.85, SD = 1.19$) and revealed that the overall difference in response according to gender was significant (see Table 4.13).

Table 4.13: Overall result of the independent samples t-test by gender

<table>
<thead>
<tr>
<th>#</th>
<th>Barrier</th>
<th>Variable</th>
<th>Mean difference</th>
<th>S.E. of diff.</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lack of policy</td>
<td>Gender</td>
<td>0.455</td>
<td>0.186</td>
<td>2.450</td>
<td>136.638</td>
<td>0.016</td>
</tr>
</tbody>
</table>
The results of the independent samples $t$-test identified that there was sufficient evidence to support rejecting the null hypothesis in favour of accepting the alternative hypothesis. Thus, the alternative hypothesis was accepted for participant gender views on the lack of policy barrier. However, the results of the independent samples $t$-tests with the remaining dichotomous demographic variables for the lack of policy barriers determined that there was no statistically significant difference between these unrelated groups’ population means. The overall results recorded either a very low or negative $t$ value. As a result, the null hypothesis was accepted for the lack of policy barriers for the remaining three dichotomous demographic variables of age, education and income.

The results of independent samples $t$-tests undertaken with the organisational barriers of awareness, resources, fear, skill and geography with all four of the dichotomous variables showed that there was no statistically significant difference between these unrelated groups’ population means. The overall results of the statistical tests reported either a considerably low or negative $t$ value. There was no significant difference between participant groups based on gender, age, education or income with respect to their views on organisational barriers to diversity on their BoDs.

4.5 Chapter summary
This chapter has presented the results of the data collection and analysis for the qualitative and quantitative phases of this research. The chapter began by introducing the qualitative analysis method utilised before providing profiles of the participants from Phase One. This was followed by presenting the findings from the data coding of the participant responsive in-depth interviews based on their frequency. The
qualitative analysis identified that there were six probable organisational barriers that inhibited or prevented individuals from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. These six barriers were lack of policy, awareness, values and culture, fear, resource and geographical barriers. To comply with the qualitative methodology adopted for this research, Phase One then used quotations from the participants to build a complete argument for each of these organisational barriers to demographic diversity in the boardroom. These barriers became the focus of the quantitative data collection.

The chapter then presented the results of the quantitative analysis of data. This commenced by introducing the quantitative analysis method utilised before providing a profile of the participants from Phase Two. This was followed by introducing scale construction and the significance of internal reliability for the survey questions. Cronbach’s $\alpha$ was used to test the internal reliability of the items, which revealed that all of the items relating to the barrier questions formed good internal reliability. Next, frequency distributions of participants’ demographic data and their responses to general questions about demographic diversity in the boardroom were presented.

Next, the results of the summary statistics were provided, which revealed that in contrast to the qualitative findings, the only internal organisational barrier that was significant was the lack of a formal policy on diversity in the boardroom. One sample $t$-tests were conducted for all of the organisational barriers and the results established that the barriers to board demographic diversity identified in Phase One were not statistically significant. As a result, the study’s overall null hypothesis (that internal organisational barriers prevent people from demographically diverse backgrounds
being appointed as INEDs of Northern Territory organisations) was rejected. Nevertheless, the analysis also determined that the participants from Phase Two held the view that having a formal board diversity policy would promote and encourage demographic diversity in the boardroom. To gain further insight, independent samples t-tests were conducted on the organisational barriers based on four dichotomous demographic variables. The results established that the values and culture barrier was seen significantly differently depending on participant age, and that the organisational barrier relating to a lack of policy was seen significantly differently according to gender. The results of the research findings from Phase One and Phase Two are discussed in the next chapter.
CHAPTER 5
DISCUSSION

5.1 Introduction

The purpose of this chapter is to critically examine the research findings from Chapter 4 in the context of the study’s research question, theory and literature relating to diversity in the boardroom. Previous domestic and international diversity and governance researchers have extensively studied demographic diversity at the board level (Azmat & Rentschler 2015; Dhir 2015; Kang et al. 2007; Terjesen et al. 2016). However, most studies were principally focussed on gender diversity in large profit-making listed organisations located in densely populated regions. The current study thus aimed to fill a gap in the literature by identifying and examining the organisational barriers that either prevent or inhibit people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. Therefore, the findings from the data analysis presented in the previous chapter are here discussed and analysed to “examine the extent to which the data answered the research question or supported/failed to support the hypothesis” (Lunenburg & Irby 2008, p. 229).

There was considerable data from Phase One and Phase Two of the data analysis stage that provided a worthwhile context to examine the internal organisational barriers to demographic diversity in the boardroom. However, the results of a study such as this must be interpreted with caution, particularly as there was no history of previous empirical research investigating internal organisational barriers to people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. Moreover, there were no profit-making listed organisations
in either Phase One or Phase Two. Therefore, the outcomes of the data analysis relate specifically to government and NFP boards. However, the study’s findings should be taken into account when thinking about diversity at the board level for profit-making organisations with INEDs in their boardroom. The findings have reinforced some of the factors that the literature suggested may be causing information asymmetry that is preventing or inhibiting diversity in the boardroom. The notable outcomes from this study were that having a formal policy on diversity in the boardroom has the potential to support and encourage board heterogeneity; that Northern Territory boardrooms have an equal representation of female and male directors; and that the definition of diversity in the boardroom has been interpreted to singularly represent gender diversity.

The study employed a sequential exploratory mixed methods research design for collecting and analysing qualitative data that informed the collection and analysis of quantitative data. Accordingly, the chapter begins by discussing the results from the qualitative data analysis and how the findings from Phase One answers the research question. This is followed by a discussion on the results of the quantitative data analysis and how the findings from Phase Two answered the study’s hypothesis. The chapter concludes by comparing and contrasting the findings from the qualitative and quantitative phases.

5.2 Discussion of the findings from Phase One

By exploring the experiences of INEDs from demographically diverse backgrounds and spokespeople from peak industry bodies about the organisational barriers to board diversity, the researcher was able to acquire in-depth information about the
obstacles preventing or inhibiting diversity in the boardroom. The findings from the qualitative data analysis indicated that the participants from Phase One believed there to be six principal barriers to individuals from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. Further, there was congruence between the barriers to diversity in the boardroom identified in Phase One and what the literature indicated as being barriers to diversity in the workplace. While the findings revealed six organisational barriers, the internal organisational barrier most frequently referred to by the participants of Phase One was the ‘absence of a formal policy’ for demographic diversity in the boardroom.

5.2.1 The absence of policy creates a barrier to diversity in the boardroom

The vast majority of participants considered that not having a formal policy for diversity in the boardroom was the most important factor preventing or inhibiting demographic diversity at the board level. The participants believed that if their BoD had a formal policy that replicated their diversity in the workplace policy, there was a greater chance of boardrooms in the Northern Territory being demographically diverse. This finding was further supported by the fact that all 10 participants’ organisations had a formal policy for diversity in the workplace and they all considered their workplaces to be demographically diverse. Nevertheless, only one participant corroborated that their BoD had a formal policy for diversity at the board level. Moreover, apart from gender diversity, the majority of the participants from Phase One did not consider that their BoD was demographically diverse. This also indicates the existence of information asymmetry between societal expectations for director heterogeneity and the reality of the current homogeneous composition of boardrooms in Northern Territory. However, the empirical literature appears to be
deficient in identifying the absence of a formal policy for demographic diversity in the boardroom as being a barrier. Most studies appear to be singularly focussed on examining the efficacy of gender, and more recently age and ethnic diversity, within the boardroom.

Peak industry bodies including the AICD, the ASX and WoBs have called on Australian BoDs to “establish a [board] diversity policy in which clear goals, and measurable milestones towards achieving these goals, are articulated” (AICD 2014). Nevertheless, for demographic diversity in the boardroom to flourish it is vital that formal board diversity policy reflects all the signals transmitted from Australia’s heterogeneous society. This means providing equality of opportunity and ‘a fair go’ to people from any demographic background, rather than being selectively focussed on characteristics such as gender, age and ethnicity. Moreover, introducing a formal board diversity policy would send an unmistakable message to society and potential INED candidates from demographically diverse backgrounds that BoDs supported and encouraged board diversity. Therefore, formal policy has the ability to generate information congruency between Australia’s heterogeneous multicultural society and homogeneous BoDs, thereby improving the chances of people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.

5.2.2 Four lesser barriers to diversity in the boardroom

While listing the barriers that emerged from the qualitative analysis of data, the study also discovered there were four lesser internal organisational barriers to demographic diversity in the boardroom. First, the participants considered that their boards lacked the essential resources to support and encourage diversity at the board level. While
most participants made reference to the multiple resources their organisations had to support and promote diversity in the workplace, they identified the absence of board resources as a contributing factor in existing homogeneity in the boardroom. Many participants considered that if their BoD had a formal diversity policy, their board would probably be better resourced to support and encourage demographic diversity at the board level.

Director diversity awareness training and sufficient resources for recruiting INEDs from demographically diverse backgrounds were identified as the most important resources required for transforming homogeneous boards to heterogeneous BoDs. Most respondents asserted that similar to workplace diversity, having a formal board demographic diversity policy with sufficient diversity management resources would unquestionably increase directors’ level of awareness about the organisational benefits to heterogeneity in the boardroom. Accordingly, this would foster the recruitment of demographically diverse directors external to the ‘old boy’s network’. This finding is consistent with what the diversity management literature asserts about the essential elements for creating and maintaining positive work environments, where the similarities and differences of individuals from different demographic groups are respected and valued (Kramar 2012; Olsen & Martins 2012). Moreover, if BoDs assigned resources for director education and recruitment of directors from demographically diverse backgrounds, this would send an unambiguous signal to society and potential INED candidates from diverse backgrounds that the board was serious about, and committed to, diversity in the boardroom.
Second, the findings from the data analysis determined that directors also lacked general awareness about demographic diversity in the boardroom. Almost all of the participants considered diversity in the boardroom to relate to gender diversity. This finding is aligned with several diversity researchers’ current thinking (Adams 2015; Du Plessis et al. 2012). This narrow understanding about the definition of board diversity is consistent with Northern Territory boardrooms having an almost equal representation of female and male directors. Nevertheless, this limited understanding about the definition of diversity in the boardroom was considered by participants as a barrier to director heterogeneity. Further, after discussing this study’s more inclusive holistic definition of demographic diversity, the participants considered that the composition of the boardroom should be inclusive of all observable and underlying diversity characteristics.

The study found that BoDs also lacked awareness about the organisational needs for, and economic benefits of, heterogeneity in the boardroom. All participants held the view that having INEDs from demographically diverse backgrounds would better meet the needs and wants of their current and future target markets compared with boardrooms that were homogeneous. Moreover, organisations with demographic diversity in the boardroom would send an unmistakable signal to their stakeholders that they were in a better position to understand their needs and wants. However, in contrast to the diversity in the workplace literature, which comprehensively explores the organisational advantages of workplace diversity, the literature on diversity in the boardroom principally focusses on the efficacy of gender, and more recently age and ethnic, diversity. Nonetheless, expanding directors’ level of awareness about the definition and benefits of diversity in the boardroom has the potential to lessen the
information asymmetry existing between Australia’s heterogeneous society and homogeneous boards. Arguably, augmenting directors’ level of awareness about diversity in the boardroom would considerably improve the chances for individuals from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.

The remaining two internal organisational barriers that were found to either prevent or inhibit demographic diversity at the board level were ‘values and culture’ and ‘director fears’. Many of the participants expressed a strong desire to talk about these barriers as they evoked powerful emotional feelings. These participants provided detailed anecdotal evidence of their negative experiences involving these three internal organisational barriers. They also maintained that even with an almost equal number of women in the boardroom, there remained a dominant masculine culture in BoDs. A rational explanation for this may be the historical convention of white, middle-aged men dominating the boardroom and the lack of focussed attention given to reducing director homogeneity so that BoDs can become demographically diverse. This finding has congruence with what the literature contends as being contributing factors to the glacial rate of change to the homogeneous make-up of the boardroom (Adams 2015; Klettner et al. 2016; Labelle et al. 2015).

However, when discussing practical strategies for mitigating the under-representation of INEDs from demographically diverse backgrounds at the board level, a substantial number of the participants recommended operationalising contemporary diversity management practices. By applying these practices at the board level, the opportunity for information congruence occurring between Australia’s heterogeneous society and
homogeneous BoDs would be increased. This would therefore present people from
demographically diverse backgrounds seeking appointments as INEDs of Northern
Territory organisations with equality of opportunity and ‘a fair go’.

5.2.3 The geography of the Northern Territory creates barriers
As this study was geographically limited to Northern Territory BoDs, the responsive
in-depth interviews afforded the participants the opportunity to discuss likely
geographical barriers to demographic diversity in the boardroom. The findings
included a positive effect between the remoteness and small population of people
living in the Northern Territory as being probable external organisational barriers to
demographic diversity in the boardroom. These geographical barriers correlated with
most participants’ view that there were fewer qualified and experienced people from
demographically diverse backgrounds living in the Northern Territory than required
to fill available directorship positions. However, most participants did not consider
these geographical factors as a significant barrier for women, compared with the
other observable and underlying demographic categories incorporated in this study.

As indicated in the literature review, the geographical location of BoDs has been
inadequately addressed by empirical studies investigating diversity in the boardroom.
There were no studies identified as having investigated board diversity in regional
and remote parts of the country, such as the Northern Territory. This appears to be
because the majority of these studies have been framed in narrow geographical
terms, singularly focussing on profit-making organisations in densely populated
metropolitan regions of Australia. However, investigating diversity in boardrooms in
the Northern Territory has identified several geographical factors that may contribute
to creating barriers to demographic diversity at the board level. Further, by focussing on regional and remote parts of Australia, this study has drawn attention to the fact that boardrooms in the Northern Territory have an almost equal representation of female and male directorships.

These research findings indicate that with the exception of gender diversity, there is a concrete argument that both the small population of the Northern Territory and its geographical remoteness are disadvantages for people from demographically diverse backgrounds being appointed as INEDs. In spite of the unique demographic profile of the Northern Territory, it could be argued that for these reasons, the status quo of homogeneity continues to be reinforced in Northern Territory boardrooms. However, if boards in regional and remote parts of the Australia were to operationalise diversity management practices that support and encourage demographic diversity in the boardroom, there is the opportunity to ameliorate these geographical barriers.

Apart from gender diversity, the existence of these organisational barriers has revealed that the signals transmitted from Australia’s heterogeneous society to Northern Territory homogeneous BoDs about the need for director heterogeneity have not been successfully received. Further, internal organisational barriers appear to be causal factors contributing to the information asymmetry between these two parties. For this reason, the status quo of homogeneity continues to be reinforced by homogeneous BoDs. However, identifying, naming, processing and operationalising corrective actions to resolve these internal organisational barriers to board diversity has the potential to bring about further change to the demographic composition of Northern Territory boardrooms.
5.3 Discussion of the findings from Phase Two

The purpose of Phase Two was to quantify the observations from Phase One relating to organisational barriers that prevented or inhibited homogeneous BoDs receiving signals from Australia’s heterogeneous society regarding its requirement for diversity in the boardroom. This was undertaken to determine the probable root causes of the information asymmetry existing between these two parties. Also, by investigating the views of a larger cohort of Northern Territory independent and non-independent directors about the organisational barriers to board diversity, the researcher was able to acquire important information and a deeper understanding of these barriers. However, the results of the statistical analysis of the quantitative data revealed that the organisational barriers identified in Phase One did not either inhibit or prevent demographic diversity in the boardroom; therefore, the study’s null hypothesis was rejected.

5.3.1 No positive statistically significant relationship

The findings from Phase Two in relation to the research question revealed that there was no statistically significant relationship between the organisational barriers identified in Phase One and the lack of demographic diversity within Northern Territory boardrooms. This result indicates that the barriers identified in Phase One were not considered organisational barriers for the general population of candidates from demographically diverse backgrounds looking to be appointed as INEDs of Northern Territory organisations. Notably, the result that there was no positive relationship between the dependent and independent variables suggested that BoDs with INEDs in the Northern Territory may be progressively unique in terms of supporting and promoting demographic diversity in the boardroom.
There does, however, appear to be a reasonable practical explanation for the findings from Phase Two. In contrast to the diversity literature, which contends that there is a lack of gender diversity in the boardroom of Australian organisations, the 14 BoDs that contributed to this study had more female directors than male directors: of the 98 potential independent and non-independent directors that were invited to participate in this study, 55.1 per cent were female. Accordingly, the gender composition of the BoDs that participated in Phase Two of this study was female biased. This indicates that the signal transmitted from Australia’s heterogeneous society about the need to increase the number of women in the boardroom has been successfully received and operationalised by Northern Territory BoDs. Further, when discussing organisational barriers to diversity in the boardroom and the more holistic inclusive definition of demographic diversity in Phase One, Beryl, who was an advocate for increasing the number of women in the boardroom stated that:

With more women on the boards of directors there is a stronger chance for greater diversity [demographic diversity].

Beryl’s statement was reinforced by the demographic composition of participants in Phase Two. The analysis of quantitative data determined that of the 30 participants, 14 were female, although Figure 4.2 illustrated that only 8 of these 14 women self-identified as being from a diversity category.

There were also several participants that identified as being from other demographic backgrounds. Four participants identified as being from an ethnic background, three participants were under the age of 40, three were from a different religious or cultural background, and two participants identified as being of Aboriginal and Torres Strait
Islander descent. There were no participants in Phase Two that self-identified as having a physical or sensory impairment, mental health issues or being LGBTI. Nevertheless, there were participants in Phase One that did identify with these demographic diversity categories.

Accordingly, it appears that there may be a reasonable basis to Beryl’s assertion that with more female directorships there is a stronger chance of achieving a more inclusive holistic approach to demographic diversity in the boardroom. These data provide some evidence that the credible signals transmitted from Australian society about the need for demographic diversity in the boardroom have been received and operationalised by the general population of NFP and government BoDs in the Northern Territory. This finding offers further empirical evidence that Northern Territory BoDs are progressively unique in supporting a more inclusive holistic definition of demographic diversity in the boardroom. This reasonable level of demographic diversity in Northern Territory boardrooms has provided a rational explanation for rejecting the study’s null hypothesis.

The results of the principal statistical tests revealed that there was no positive significant relationship between the organisational barriers identified in Phase One of the study and the lack of demographic diversity in Northern Territory boardrooms. Thus, further analysis of the data was undertaken on the organisational barriers with the dichotomous demographic variables of gender, age, education and income. Nevertheless, the vast majority of these additional statistical tests determined that there was also no significant relationship between the barriers and these unrelated variables. The above justification for why there was no significant relationship
between the barriers identified in Phase One and the lack of diversity in Northern Territory boardrooms may also explain the results of the analysis of barriers and dichotomous demographic variables. However, the results of this further data analysis did corroborate that there was a relationship between two of the internal organisational barriers and two of the dichotomous demographic variables. The two barriers and dichotomous variables with a statistically significant relationship were the values and culture barrier with respect to participant age and the lack of policy barrier according to participant gender.

First, the findings determined that participants under 50 years of age considered that the values and culture barrier was a greater barrier to people from demographically diverse backgrounds being appointed as an INED of Northern Territory organisations than did the older participants. The divergence of opinions between these two groups of participants about the vales and culture barrier is an important finding as it indicates that the older participants potentially held more conservative views than younger ones. A reasonable explanation for this difference might be that participants younger than 50 were raised in an Australian culture where multiculturalism was the norm and the similarities and differences of people living in the country are respected and valued. Moreover, as highlighted in the literature review, boardrooms have generally comprised middle-age women and men over the age of 50. Therefore, this finding also suggests that the age of directors may be a contributing factor to the information asymmetry existing between Australia’s heterogeneous society and homogeneous BoDs in the Northern Territory.
The second finding was that female participants considered that a lack of a formal diversity policy was a bigger internal organisational barrier to individuals from demographically diverse background being appointed as INEDs of Northern Territory organisations than was expressed by male participants. The difference of opinion between females and males concerning the lack of a formal board diversity policy indicates that women may have had a greater level of awareness about the lack of demographic diversity in the boardroom. Moreover, the female participants may have placed greater emphasis on the importance of their BoD having a formal board policy for producing demographic diversity in Northern Territory boardrooms compared with the male respondents. As highlighted in the literature review, a reasonable explanation for this difference of opinion could be that historically, women have not been provided equality of opportunity or been given ‘a fair go’ in the process of being appointed to BoDs. Thus, this finding suggests that the female participants believed the lack of a formal board diversity policy to be a contributing factor in the continued existence of information asymmetry between Australia’s heterogeneous society and Northern Territory homogeneous boardrooms.

5.3.2 Having a formal policy encourages diversity in the boardroom

Of the 30 participants that contributed to Phase Two, six corroborated that their BoDs had a formal policy on demographic diversity in the boardroom. The questions for these participants were designed to acquire data about the effect of their board’s diversity policy. The findings indicated a statistically significant positive relationship between their BoD having a formal board diversity policy and their boardroom being demographically diverse. The 24 participants whose board did not have a formal diversity policy were asked if they believed that their board should develop a policy
to support and encourage demographic diversity in their boardrooms. The results for this question were also positively statistically significant, suggesting that the wider population of Northern Territory independent and non-independent directors held the view that their BoD should consider developing a formal policy to support and encourage demographic diversity in the boardroom.

These results are congruent with the findings from Phase One where the participants believed that there was a much stronger chance of achieving demographic diversity at the board level if BoDs had formal diversity policies. Proving evidence to support this argument, Bradshaw et al. (2009) in their study of board diversity on Canadian NFPs determined that when BoDs have clear diversity policies and practices outlined, the range of demographic diversity in the boardroom increases. Moreover, boards with a formal diversity policy send an unmistakable signal to potential INED candidates that the BoD supports diversity in their boardroom. This would minimise the information asymmetry existing between Australia’s heterogeneous society and homogenous BoDs. Thus, a formal policy would considerably improve the chances of people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.

The findings from Phase Two determined that there were no positive significant relationships between the lack of board diversity and the organisational barriers to demographic diversity at the board level identified in Phase One. Notably, the results of the quantitative data analysis were that Northern Territory boardrooms had more female directors than male directors. The data analysis also revealed that there were directors from several of the diversity categories incorporated in this study. Thus,
there was an existing degree of demographic diversity among the independent and non-independent directors that contributed to Phase Two. Also, while Phase Two rejected the study's null hypothesis (that there are internal organisational barriers to people from demographically diverse backgrounds being appointed as independent non-executive directors of Northern Territory organisations), there was evidence that BoDs with a formal policy on director heterogeneity would encourage demographic diversity in the boardroom.

5.4 Comparing and contrasting the results from Phase One and Phase Two

Using a sequential exploratory mixed method design that investigated the views of three independent data sources provided detailed qualitative and quantitative results relating to the study’s research question:

What are the internal organisational barriers to people from demographically diverse backgrounds being appointed as independent non-executive directors of Northern Territory organisations?

In light of the results relating to the research question for Phase One and Phase Two presented in Sections 5.2 and 5.3, the following discussion relates to the similarities and differences among the findings that correlate to barriers to demographic diversity in the boardroom.

5.4.1 Results that were similar

An analysis of the data indicated that the participants in Phase One and Phase Two of the study identified a number of similarities. First, the majority of the participants’ organisations had diversity in the workplace policies, while most of their BoDs did
not have diversity in the boardroom policies. Nevertheless, a substantial number of
the participants from both phases thought that having a formal policy on diversity in
the boardroom was a good idea. As identified in Section 5.2.1 and 5.3.2, the study
identified that having a formal diversity in the boardroom policy that replicated
diversity in the workplace policies had the potential to support and encourage
demographic diversity at the board level. Accordingly, it appears that the participants
from Phase One and Phase Two considered that a formal policy on diversity in the
boardroom would increase the chances of individuals from demographically diverse
backgrounds being appointed as INEDs of Northern Territory organisations. Thus,
the findings of this study suggest that if boards are going to become demographically
diverse they need to introduce a formal diversity in the boardroom policy that
accurately reflects the signal being sent from Australia’s heterogeneous society about
the requirement for director heterogeneity.

The second key similarity between Phase One and Phase Two was related to the
gender composition of the participants’ boardrooms. The literature review identified
that boardrooms in Australia lacked demographic diversity as they remain dominated
by white, middle-aged men from the ‘old boy’s network’. Nevertheless, the literature
also reported that over the past 20 years there have been some adjustments to the
composition of the boardroom, with gender diversity coming to the foreground as
boards incrementally introduced female directors. This position was, however, not
supported by the findings of Phase One or Phase Two: the majority of boardrooms in
this Northern Territory study sample had an equal representation of female and male
directors. This finding indicates that the signals sent from Australian society about
the need for gender diversity at the board level have been received and successfully operationalised by Northern Territory BoDs.

Gender equality in the boardroom of Northern Territory organisations is a significant achievement; an encouraging outcome that should be celebrated; and unique in terms of diversity in the boardroom in Australia. However, this finding also speaks to the narrow specificity of the signals sent from society about the need for greater gender diversity in the boardroom. This position has congruence with the participants’ responses and literature regarding the definition of demographic diversity in the boardroom suffering from a sense of ‘stuckness and rigidity’. Thus, this study asserts that gender parity at the board level does not equate to demographic diversity in the boardroom as boards remain dominated by white, middle-aged women and men; as a result, they remain homogeneous. At the 2011 WoBs conference, the perception of gender homogeneity in the boardroom was anticipated by Broderick (2011), who asserted that “some will argue that we will see the emergence of an “old girl’s network” as we have with the ‘old boy’s network’ that the power is concentrated in the hands of a very few” (p. 8). Thus, consistent with what contemporary diversity researchers advocate, this study argues that when thinking about diversity in the boardroom it is entirely appropriate to take into consideration this study’s more inclusive holistic definition of demographic diversity.

5.4.2 Results that differed

While there were several results from Phase One and Phase Two that were similar, several findings also differed between the phases. The participants in Phase One were purposively selected and comprised INEDs from demographically diverse
backgrounds and spokespeople from peak industry bodies. These participants corroborated that there were organisational barriers to people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. In contrast, the independent and non-independent directors from Phase Two were not purposively selected. Moreover, the findings of the statistical analysis of data from Phase Two did not fully support the results of Phase One. The results from Phase Two established that the organisational barriers identified in Phase One did not either prevent or inhibit the general population of people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.

There does, however, appear to be a rational and practical explanation for the differences between these findings. The experiences of the participants in Phase One may be entirely different to the experiences of those in Phase Two. Also, while the participants in Phase Two supported demographic diversity at the board level they may not have been acquainted with the organisational barriers experienced by the participants in Phase One when answering the questions in the online web survey. Moreover, apart from gender diversity, the participants from Phase One did not consider their boards to be demographically diverse. However, almost half of the respondents in Phase Two considered their BoD to be diverse. Also, some of the participants identified as being from diversity categories. However, the reason for the lack of difference between the demographic composition of the BoDs from Phase One and Phase Two was beyond the scope of this study.
5.5 Chapter summary

This chapter discussed the research findings from Phase One and Phase Two. It also compared the results from the two phases. As this study employed a sequential exploratory mixed methods research design, the chapter commenced by discussing the results of the qualitative analysis of data from Phase One. The evidence from the interviews with INEDs from demographically diverse backgrounds and spokespeople from peak industry bodies identified that there were six organisational barriers to demographic diversity in the boardroom. Next, the chapter established that the dominant internal organisational barrier to board diversity identified in Phase One was the absence of a formal policy on demographic diversity in the boardroom. Four lesser internal organisational barriers to demographic diversity at the board level were then recognised and discussed. The discussion of the qualitative phase concluded by exploring how the external organisational barrier of the Northern Territory’s geography created obstacles for people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.

The chapter then discussed the results of the quantitative analysis of data from Phase Two in relation to the study’s hypothesis. The evidence from the online survey with Northern Territory independent and non-independent directors determined that there was no positive statistically significant relationship between the organisational barriers to board diversity found in Phase One and the lack of demographic diversity in the boardroom. However, there was evidence to suggest that participants under 50 years of age held the view that the values and culture of the BoD created barriers to demographic diversity in the boardroom. There was also evidence that indicated that female participants considered that the lack of a formal diversity in the boardroom
policy was a barrier to demographic diversity at the board level. The chapter then examined quantitative evidence, determining that there was a statistically significant relationship between BoDs with a formal diversity policy and Northern Territory boardrooms being demographically diverse. Finally, similarities and differences between Phase One and Phase Two were discussed.
CHAPTER 6

CONCLUSION

6.1 Introduction

The purpose of this chapter is to bring the thesis to conclusion and to understand the research findings in the context of the theory and literature. This research was undertaken from the perspective that information asymmetry exists between Australia’s heterogeneous society and homogeneous BoDs. Consequently, the study investigated the root cause of this information asymmetry by exploring internal organisational barriers to demographic diversity in the boardroom. This was done to determine if there were any barriers that either prevented or inhibited individuals from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. The study established that there were confirmatory and contradictory findings between the qualitative and quantitative phases relating to organisational barriers causing information asymmetry between the country’s heterogeneous society and homogeneous BoDs in the Northern Territory.

This chapter commences by revisiting the aim of the study and the approach taken to fulfil the purpose of the research. This is followed by a discussion of the research findings that speak to the study’s research question and null hypothesis. The chapter then explores the implications of the findings for theory, policy and practice. Next, the chapter presents limitations of the study and then concludes by providing recommendations for further research that may increase the likelihood of people from demographically diverse backgrounds being appointed as INEDs.
6.2 Aim of the study and the approach taken

As articulated in Chapter 1, the aim of this study was to identify and investigate the internal organisational barriers that prevent or inhibit people from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. This aim was fulfilled through qualitative and quantitative data collection to answer the research question. The question the study answered was:

What are the internal organisational barriers to people from demographically diverse backgrounds being appointed as independent non-executive directors of Northern Territory organisations?

To meet the aim of the study as well as answer the research question, a sequential exploratory mixed methods research design was operationalised. In Phase One, qualitative data were collected through responsive in-depth interviews with INEDs from demographically diverse backgrounds and spokespeople from peak industry bodies. The qualitative data analysis identified six organisational barriers to demographic diversity at the board level. The results from the qualitative data analysis informed the collection and analysis of quantitative data. In Phase Two, quantitative data were collected from independent and non-independent directors of Northern Territory organisations via an online web survey. This approach was taken to determine whether or not to reject or not reject the study’s null hypothesis:

There are internal organisational barriers for people from a demographic diverse background being appointed as an independent non-executive director of Northern Territory organisations.
The quantitative data analysis identified that the organisational barriers to diversity at the board level identified in Phase One were not significant, leading to rejection of the study’s null hypothesis. A discussion of the results from Phase One and Phase Two was then undertaken to examine how the results related to the study’s research question.

6.3 The research findings

In terms of the study’s aim, research question and null hypothesis, the findings have expanded the work of previous diversity and governance researchers investigating white, middle-aged men from the ‘old boy’s network’ dominating the boardroom. The results of operationalising signalling theory and the sequential exploratory mixed methods research design have provided valuable insights into understanding demographic diversity in the boardroom of Northern Territory organisations. When viewed collectively, the findings provide a strategic vision and a dynamic description in providing ‘a fair go’ for people from demographically diverse backgrounds being appointed as INEDs. Further, with some caution, the findings discussed could be extrapolated to all Northern Territory organisations with BoDs.

The research findings from Phase One established that there were six organisational barriers to demographic diversity at the board level, although the results from Phase Two provided insufficient evidence that these barriers in fact prevented or inhibited diversity in the boardroom. While these contradictory findings are surprising, an explanation for them was beyond the capacity of this study; nonetheless, the results fulfil the study’s aim and answer the research question. These results identified that some participants held the view that there were internal organisational barriers to
demographic diversity in the boardroom and some believed that there were no organisational obstacles. Apart from gender diversity, however, there was empirical evidence of a lack of demographic diversity in Northern Territory boardrooms. These research findings are important as they demonstrate the continued existence of information asymmetry between Australia’s heterogeneous society and homogeneous BoDs in the Northern Territory. While this finding is important, it does not present a full account of the results, as the actual findings are more complex.

The results from the study have drawn attention to the fact that in the Northern Territory, having a formal BoD diversity policy was the most important factor influencing demographic diversity at the board level. This finding recognises that boards with a formal policy are making a clear statement about their principles, practices and commitment to supporting diversity in the boardroom. Like diversity in the workplace policies, formal diversity in the boardroom policies provide BoDs with directionality and a transparent frame of reference for how they are going to operationalise diversity at the board level. Moreover, integrating the credible signals that have been transmitted from society, about providing equality of opportunity and ‘a fair go’ for all people, into formal board diversity policy would create congruence of information between Australia’s heterogeneous society and BoDs. BoDs having a formal diversity in the boardroom policy is an important finding, and it might lead to improvements in the likelihood of people from demographically diverse background being appointed as INEDs of Northern Territory organisations.
As discussed in Chapter 5, the findings from the study draw attention to the fact that Northern Territory NFP and government boardrooms have an equal representation of female and male directors. Even though women in the Northern Territory constitute only 48.3 per cent of the total population, this result indicates that the targeted signals transmitted from Australian society about augmenting female directorships have been received and successfully operationalised. This finding also brings to light that Northern Territory BoDs far exceed Australia’s national voluntary target of 40 per cent for women in the boardroom. Consequently, Northern Territory BoDs would not require a mandatory quota for increasing the number of female directorships. This result also highlights that the equal representation of women on Northern Territory BoDs far exceeds the performance of ASX 200 boards, which has 23.3 per cent and 20 ASX 200 BoDs without any female directors. This finding is valuable as it sends an unambiguous signal to peak industry bodies and BoDs in other states and the Australian Capital Territory that gender parity in the boardroom is achievable.

The current definition of diversity in the boardroom emerged as a pivotal factor in why there were more women in Northern Territory boardrooms as well as why there was a lack of demographic diversity at the board level. According to Adams (2015), Du Plessis et al. (2012) and Hillman (2015), the everyday meaning of demographic diversity in the boardroom has been interpreted to refer to gender diversity. This might well be explained by the fact that the signals transmitted from society have principally focussed on reducing the number of privileged, white, middle-aged men in the boardroom by augmenting the number of female directors. These targeted signals and the restrictive definition of boardroom diversity might, in part, account for why there has been a lack of demographic diversity in the boardroom of Northern
Territory organisations. This finding is of considerable importance as expanding the definition and signals to be inclusive of all observable and underlying demographic characteristics would provide equality of opportunity for individuals from diverse backgrounds. This would thus positively influence the demographic composition of Northern Territory boardrooms.

The findings have also drawn attention to the fact that there is a lack of congruence between the heterogeneous composition of the Northern Territory’s population and that of the demographic composition of Northern Territory BoDs. As highlighted in Chapter 1, the Northern Territory is the least populous of the Australian states and territories but is still a heterogeneous multicultural society with 30 per cent of the population identifying as Indigenous. Further, the Northern Territory has the highest proportion of Indigenous people relative to any other jurisdiction in Australia. Nevertheless, apart from gender diversity, the boardrooms of Northern Territory organisations are not demographically diverse and study participants held the view that their boardrooms should be more heterogeneous. Notably, while there was some demographic diversity among the participants of Phase Two, there were only two Indigenous respondents. This represents 6.7 per cent of the participants that contributed to this study, which is considerably less than the 30 per cent of the Northern Territory’s population that is Indigenous. These findings are important for the reason that, apart from with respect to gender diversity, the signals that have been sent from Australia’s heterogeneous society about the need for director heterogeneity have not been successfully received or reflected in Northern Territory boardrooms.
As discussed in Chapter 2, the geographical location of BoDs has not been taken into consideration in the literature when investigating demographic diversity in the boardroom. However, the results from Phase One included that within the context of the Northern Territory there were several geographical barriers to board diversity, even though the findings from Phase Two did not support this. While, investigating further this contradiction is beyond the study’s scope, they do reveal that external environmental factors relating to the Northern Territory’s geography may generate barriers to demographic diversity in the boardroom. This finding is important for two reasons: first, it suggests that geographical factors may either prevent or inhibit individuals from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations; second, this finding introduces the concept of the geographical location of BoDs as a factor that may possibly need to be taken into consideration when looking to create demographic diversity in the boardroom.

6.4 Implications of the findings

As indicated in Chapter 2, privileged, white, middle-aged men from the ‘old boys’ network’ dominating the boardroom, behaving badly and, exhibiting fraud and deception have all contributed to driving much-needed changes in the structure and demographic composition of Australian BoDs. Director independence has become a reality in the boardroom, yet BoDs have remained dominated by white, middle-aged men. The literature review established that over the past 20 years, diversity and governance researchers have increasingly focussed their attention on the lack of demographic diversity in the boardroom. This study has made a contribution towards understanding how to support demographic diversity in the boardroom.
The study used a sequential mixed methods research design. The research findings from Phase One revealed that there were a number of organisational barriers to diversity in the boardroom. However, the results from Phase Two rejected that these barriers significantly prevented or inhibited demographic diversity at the board level. The difference in the research findings from Phase One and Phase Two might well be attributed to the composition of participants for each phase, as well as their personal experiences. However, the study also identified that the participants from both phases held the view that a formal policy on diversity in the boardroom would increase the likelihood of individuals from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations.

An interestingly finding from Phase One and Phase Two was the gender composition of Northern Territory boardrooms. The participants from Phase One considered that Northern Territory BoDs had an almost equal representation of female and male directors. Moreover, the results from Phase Two determined that there were in fact more female directorships than male directorships in Northern Territory boardrooms. Therefore, this study offers suggestive empirical evidence that the era of privileged, white, middle-aged men from the ‘old boy’s network’ dominating the boardroom of Northern Territory organisations has come to an end. Nevertheless, the study also asserted that with the exception of gender diversity, Northern Territory boardrooms continue to be homogeneous as they remain governed by white, middle-aged women and men. Presumably, these directors are members of the ‘old girl’s network’ and the ‘old boy’s network’. These research findings have implications for theory, policy and practice, which are discussed below.
6.4.1 Implications for theory

As discussed in Chapter 2, signalling theory seeks to identify the root cause of the information asymmetry existing between two parties in an information transaction. However, the chapter also identified that signalling theory has not been extensively used by diversity and governance researchers. When it has been applied to this field the focus has generally been on investigating how BoDs generate information congruence between themselves and their stakeholders. Rather than investigating the signals that boards have been sending to their stakeholders, this study has contributed to signalling theory by investigating the signals that have been sent from Australia’s heterogeneous society to homogeneous BoDs. This research has contributed to signalling theory by investigating the root cause of information asymmetry existing between Australia’s heterogeneous society and homogeneous BoDs in the Northern Territory.

6.4.2 Implications for policy

The research findings from this study will also be useful to policy makers interested in diversity at the board level and policy development. The results revealed that if Australian boardrooms are to accurately reflect the signals sent from society about boardrooms being demographically diverse, then BoDs should have a formal policy that supports and encourages demographic diversity in the boardroom. Similar to diversity in the workplace policies, the results from this study suggested that boards with a formal policy on diversity in the boardroom generated greater congruence of information and practice between society and the BoD. Therefore, having a formal policy about demographic diversity in the boardroom would contribute to providing
equality of opportunity and ‘a fair go’ for individuals from different backgrounds being appointed as INEDs of Northern Territory organisations.

6.4.3 Implications for practice

The study has also generated several implications for practice that may be of interest to BoDs. The findings offer BoDs and independent and non-independent directors interested in augmenting the demographic diversity of their INEDs a practical organising mechanism for accomplishing this result. As explained in Chapter 5 and examined in the literature review, the majority of the participants’ organisations had existing formal diversity in the workplace policies and diversity management resources. Arguably, these policies and resources could be extended to be inclusive of diversity in the boardroom. Alternatively, the BoDs could institute their own demographic diversity in the boardroom policy and diversity management resources to support and encourage diversity in their boardrooms.

6.5 Limitations of the research

While the study has successfully investigated the research question and the results from the study are promising, there were several limitations of this study that may affect the generalisability of the results. First, because the research was confined to the sparsely populated geographically remote Northern Territory, the generalisability of the findings to the rest of the country may be called into question. Differences among metropolitan, regional, rural and remote areas of Australia in terms of values and culture, level of education, political trends and business practices may influence BoD’s views towards prospective INEDs from diversity categories. Thus, research
needs to be expanded to other populations to confirm the study’s research findings in other geographical areas.

Another limitation of the study was that while a detailed Internet search was conducted to develop the database of participants for the three data sources, there may have been other participants better suited for the study. Further, in Group One there were no participants from profit-making organisations because there were no Northern Territory profit boards with INEDs from demographically diverse backgrounds. Also, the Northern Territory only has a few profit-making listed organisations with INEDs; not being able to secure any of these profit organisations for inclusion in Phase Two was considered a shortcoming of this study. If directors from profit organisations had contributed to the study, the findings for Phase One and Phase Two may have been different. While there were sufficient responses to the online web survey for the results to be representative, the relatively small number of responses was considered another limitation of this study. Ultimately, not having any profit-making organisations participating in either phase of this study, combined with the limited number of responses to the survey, contributed to less rich information.

Finally, the participants in the qualitative and quantitative phases were self-selecting and chose to contribute to the study in a voluntary capacity. Therefore, they may not have been fully representative of people from demographically diverse backgrounds, spokespeople from peak bodies or independent and non-independent directors. Other findings may have emerged if the research had not relied on voluntary participation. It is also unknown whether participants in Phase One or Phase Two held particular
points of view about diversity in the boardroom that may have differed from those who were not purposively selected or those who chose not to participate in the study.

6.6 Recommendations for further research

The aim of the study was to identify and examine internal organisational barriers to individuals from demographically diverse backgrounds being appointed as INEDs of Northern Territory organisations. This was undertaken to ascertain the root cause of information asymmetry existing between Australia’s heterogeneous society and homogeneous BoDs. While the principal research findings from Phase One and Phase Two were insufficiently aligned, this result is in itself an important discovery that requires further investigation. There were some interesting results that were in accord between Phase One and Phase Two that also need further exploration. Some limitations of the study have been identified, which opens up new areas of study for future diversity researchers. The following are recommendations for improvements on the scope of this study.

To expand the generalisability of the research results, a larger study covering all Australian states and territories would determine whether the findings of this study are generalisable to a broader range of geographical locations including the heavily populated capital cities. A larger study would make it possible for future researchers to compare and contrast diversity in the boardrooms of profit, NFP and government organisations. Also, undertaking a larger study might produce a larger number of participants for both the qualitative and quantitative phases and provide the prospect for a broader representation of INEDs from demographically diverse backgrounds.
Future studies on diversity in the boardroom could include in-depth exploration of the independent barrier variables identified in Phase One: policy, awareness, values and culture fear and resource barriers. Gaining a deeper understanding of the root cause of these five internal organisational barriers to diversity in the boardroom would strengthen recommendations for corrective actions to remediate each of these barriers. Ameliorating these barriers would afford people from demographically diverse backgrounds a level playing field in being appointed as INEDs of Northern Territory organisations. Further, the dependent variable in the study was inclusive of all observable and underlying demographic differences. However, future research may focus on individual or a smaller number of these demographic characteristics.

As the research findings from Phase One and Phase Two were insufficiently aligned with respect to the study’s research question, further research could be undertaken to determine the cause of this difference. While the difference between the two phases is an interesting outcome of the study, so too was the large number of females in boardrooms of Northern Territory organisations. For that reason, exploratory research could be undertaken to investigate why Northern Territory boardrooms have a high number of female directors.

Another avenue of study could be to apply different research methodologies to achieve a deeper understanding of how to successfully create demographically diverse BoDs. This may include undertaking an in-depth case study examination of profit, NFP and government organisations that already have demographically diverse BoDs. The logic for employing the case study methodology would be to determine the uniqueness of these BoDs and their practices in sustaining a boardroom that is
demographically diverse. The results of the case study may provide a road map with directionality for BoDs on how to successfully achieve demographic diversity in their boardrooms.

6.7 Chapter summary

This chapter has brought the thesis to conclusion. It commenced by discussing how the study’s research aim and measurable objectives were achieved. This provided a framework for discussing the research findings. The study established that in Phase One, there were six organisational barriers to board diversity and that Phase Two produced insufficient evidence that these barriers prevented or inhibited demographic diversity in the boardroom. Generalisations from the research findings determined that BoDs instituting a formal policy on diversity in the boardroom had a higher probability of people from demographically diverse backgrounds being appointed as INEDs. The research findings also identified that boards in the Northern Territory had an equal representation of female and male directors. These findings highlighted that, with the exception of gender diversity, Northern Territory boards do not reflect the heterogeneous composition of the region’s population. The chapter also included a discussion on the implications of the findings for theory, policy and practice.

Chapter 6 then scrutinised the study’s scope and provided several recommendations for future diversity researchers looking to generate director heterogeneity in the boardroom. The recommendations included undertaking a larger study covering all Australian states and territories to examine the generalisability of the results. It also suggested undertaking an in-depth investigation of the study’s independent variables and a focussed examination of individual demographic diversity categories used in
this study. Research using a different methodology to attain a deeper understanding of how to achieve demographic diversity in the boardroom was proposed. Finally, this research offers hope to BoDs seeking to manufacture boardrooms that are demographically diverse and individuals from demographically diverse backgrounds wishing to be appointed as INEDs of Northern Territory organisations.
APPENDICES

Appendix A: GAYTM
Appendix B: Information sheet for interview

This document is yours to keep

**Project title:** Breaking down the barriers: The Northern Territory experience of diversity in the boardroom

**About the researchers:**
The project is being conducted by researchers from Charles Darwin University. The supervisor for the project is: Dr Susan Bandias and the student undertaking the research is: Terry Houguet-Pinham.

**What this research is about:**
The project seeks to understand the issues relating to the barriers to demographic diversity in the boardroom of Northern Territory profit, not-for-profit and government organisations. When thinking about diversity in the boardroom most people think about gender diversity however, demographic diversity encompasses a more inclusive approach, for example:

- Being younger and under 40
- From a different race or ethnic background
- Transgender
- Being from Aboriginal and Torres Strait Islander descent
- Having a physical or sensory impairment
- Background
- Having mental health issues
- Being gay, lesbian, bisexual, transgender
- Differences in marital or family status
- Different religious or cultural background

The aim of the study is to examine the internal organisational barriers that inhibit people from demographically diverse backgrounds being appointed as independent non-executive director of Northern Territory organisations.

**What your participation would mean:**
We are inviting independent non-executive directors from demographically diverse backgrounds and spokespeople from peak industry bodies to discuss their experiences and understanding of the internal organisational barriers to diversity in the boardroom. This includes asking people about their positive and negative experiences relating to diversity in the boardroom as well as their understanding of the barriers to demographic diversity in the boardroom. These issues will be explored
by conducting face-to-face responsive in-depth interviews which will take approximately one hour.

**What are the benefits and risks?**

There are no anticipated risks to participants as a result of participation in this research project. The methods of collecting data will be designed to inconvenience participants as little as possible. If however, any aspect of this study does cause discomfort to the participants, below is a list of organisation and their telephone numbers that are able to prove you support.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifeline Australia</td>
<td>13 11 14</td>
</tr>
<tr>
<td>Beyondblue</td>
<td>1300 22 4636</td>
</tr>
<tr>
<td>Mensline</td>
<td>1300 78 99 78</td>
</tr>
</tbody>
</table>

It is anticipated that the benefits in terms of identifying and understanding the internal organisational barriers to demographic diversity in the boardroom will be greater than the inconvenience of taking part in data collection. People who are invited to participate do not have to participate and they can decide to withdraw from the discussions at any time.

**What will happen to the information you provide?**

The answers provided by participants will be recorded but they will be kept confidential. It will not be possible for other people to trace any comments to particular participants. This information will help us to understand the barriers to demographic diversity in the boardroom of Northern Territory organisations, and to discuss some strategies for reducing these barriers. The information from participants will be kept for 5 years and then destroyed. A report will also be published in an academic journal. If you would like to view a synopsis of the results when they research is completed please visit, www.diversitynt.wordpress.com.
**Who to contact:**
You can get more information about the project by contacting:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Susan Bandias</td>
<td>Supervisor</td>
<td>Office: 8946 8834</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Email: <a href="mailto:Susan.Bandias@cdu.edu.au">Susan.Bandias@cdu.edu.au</a></td>
</tr>
<tr>
<td>Terry Houguet-</td>
<td>Student</td>
<td>Mobile: 0412 886 704</td>
</tr>
<tr>
<td>Pincham</td>
<td>undertaking</td>
<td>Email: <a href="mailto:dthp@bigpond.com">dthp@bigpond.com</a></td>
</tr>
<tr>
<td></td>
<td>research</td>
<td></td>
</tr>
</tbody>
</table>

This research has approval from the Charles Darwin University Human Research Ethics Committee. If you have any concerns about the project, you can contact the Executive Officer of the Charles Darwin University Human Research Ethics Committee on (08) 8946 6923, or the toll free number, 1800 466 215 or by email, ethics@cdu.edu.au. The Executive Officer can talk to the right people at the university on your behalf.
Appendix C: Information sheet for survey

This document is yours to keep

Project title: Breaking down the barriers: The Northern Territory experience of diversity in the boardroom

I wish to invite you to participate in my research project, which is described below.

My name is Terry Houguet-Pincham and I am conducting this research as part of my Doctor of Business Administration degree requirements in the School of Business at Charles Darwin University. My main supervisor is Dr Susan Bandias and my secondary supervisor is Dr Rajeev Sharma.

What this research is about:
The project seeks to understand the issues relating to the barriers to demographic diversity in the boardroom of Northern Territory profit, not-for-profit and government organisations. When thinking about diversity in the boardroom most people think about gender diversity however, demographic diversity encompasses a more inclusive approach, for example:

- Being younger and under 40
- From a different race or ethnic background
- Being gay, lesbian, bisexual, transgender
- Being from Aboriginal and Torres Strait Islanders descent
- Having a physical or sensory impairment
- Having mental health issues
- Differences in marital or family status
- Different religious or cultural background

The aim of the study is to examine the internal organisational barriers that inhibit people from demographically diverse backgrounds being appointed as an independent non-executive director of Northern Territory organisations.

What would be expected from you?
Your involvement in this study is entirely voluntary and you must be at least 18 years of age to participate. If you do decide to participate you can do so by accessing the link provided and completing the survey which will take approximately 20 minutes of your time. Once you have submitted the questionnaire your data cannot be withdrawn as the survey is anonymous.
Confidentiality:
All information or personal details gathered in the course of this study are confidential. All information will be reported as group data and you will not be able to be identified in the final report.

What are the benefits and risks?
There are no anticipated risks to participants as a result of participation in this research project. It is anticipated that the benefits in terms of identifying and understanding the internal organisational barriers to demographic diversity in the boardroom will be greater than the inconvenience of taking part in data collection. People who are invited to participate do not have to participate and you can decide to withdraw from the survey at any time by closing your web browser.

Questions:
The questions within this survey are not considered to be of a sensitive nature, rather they are general, aiming to enhance our knowledge and understanding of the barriers to diversity in the boardroom.

Use of information:
I will use information from the survey as part of my Doctoral thesis which I expect to complete in February 2017. Results will later be used for the publication of at least one academic journal article. However, your name cannot be linked to your response and you will not be able to be identified.

Upsetting issues:
It is unlikely that this research will raise any personal or upsetting issues but if this occurs, first close your web browser to discontinue the survey. Should you wish to, below is a list of organisation and their telephone numbers that are able to provide you support.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifeline Australia</td>
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<td>1300 22 4636</td>
</tr>
<tr>
<td>Mensline</td>
<td>1300 78 99 78</td>
</tr>
</tbody>
</table>
Storage of information:
All electronic data will be kept on a password-protected hard drive accessible only to my supervisor and me. All data will be stored for 5 years and then destroyed.

Approval:
This research has approval from the Charles Darwin University Human Research Ethics Committee.

Who to contact:
You can get more information about the project by contacting:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Susan Bandias</td>
<td>Supervisor</td>
<td>Office: 8946 8834 Email: <a href="mailto:Susan.Bandias@cdu.edu.au">Susan.Bandias@cdu.edu.au</a></td>
</tr>
<tr>
<td>Terry Houguet-Pincham</td>
<td>Student undertaking research</td>
<td>Mobile: 0412 886 704 Email: <a href="mailto:dthp@bigpond.com">dthp@bigpond.com</a></td>
</tr>
</tbody>
</table>

If you have any concerns about the project, you can contact the Executive Officer of the Charles Darwin University Human Research Ethics Committee on (08) 8946 6923, or the toll free number, 1800 466 215 or by email, ethics@cdu.edu.au. The Executive Officer can talk to the right people at the university on your behalf.

Thank you for taking the time to read this Information sheet. If you wish to proceed with the survey, please click on the link below. Consent is implied by completion of the questionnaire. Once the full questionnaire is submitted, your data cannot be removed since the survey is anonymous. If you would like to view a synopsis of the results when they research is completed please visit, www.diversitynt.wordpress.com.

Kind regards
Terry Houguet-Pincham
Appendix D: Adult consent form for interview

Project title: Breaking down the barriers: The Northern Territory experience of diversity in the boardroom

I,.............................................of........................................................................

consent to participate in a study designed by researchers of Charles Darwin University.

I understand that the purpose of the study is: To understand the issues relating to the barriers to demographic diversity in the boardroom of Northern Territory profit, not-for-profit and government organisations.

I acknowledge that:

The aims, methods and anticipated benefits, and possible risks of the study, have been explained to me by the researcher.

- I voluntarily and freely give my consent to my participation in this study
- I voluntarily and freely give my consent for all interviews to be recorded (in written and audio-recorded form)
- I understand that aggregated (group) results will be reported in academic journals
- Individual results will not be given to any person except at my request and on my authorisation
- I am free to withdraw my consent at any time during the study, in which event my participation in the research study will immediately cease, and any information obtained will be returned to me or destroyed at my request.

Signature:.................................................................
Date:.....................

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If you have any questions about the meaning of this form, or about the use or exclusion of any particular information you provide, please contact:

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Susan Bandias</td>
<td>Supervisor</td>
<td>Office: 8946 8834, Email: <a href="mailto:Susan.Bandias@cdu.edu.au">Susan.Bandias@cdu.edu.au</a></td>
</tr>
<tr>
<td>Terry Houguet-Pincham</td>
<td>Student undertaking research</td>
<td>Mobile: 0412 886 704, Email: <a href="mailto:dthp@bigpond.com">dthp@bigpond.com</a></td>
</tr>
</tbody>
</table>

For any other concerns about the project, you can contact the Executive Officer of the Human Research Ethics Committee at Charles Darwin University, on the toll free number, 1800 466 215 or by email, (ethics@cdu.edu.au). The Executive Officer can talk to the right people at the university on your behalf.
Appendix E: Open ended questions—Independent non-executive director

SECTION A
Date….../….2016

1. Setting the scene

General conversation: Researcher to start with work and academic history then ask
general questions about the interviewee

Plain language statement, reason for being selected, confidentiality will be
maintained at all times, define demographic diversity and barriers, permission for the
interview to be recorded, consent forms to be signed

SECTION B

2. Collection of demographic information

1. Name of respondent----------------------------------------------------------
2. Name of organisation--------------------------------------------------------
3. Gender: Female, Male, X (Indeterminate/intersex/unspecified)-----------------
4. Age of the respondent

20-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, 70-74,
75-79, 80-84, 85 and over

5. Respondent identifies as (within diversity categories) ------------------------
6. Type of organisation (profit, NFP, gov)---------------------------------------
7. Geographical location (Darwin, Alice Springs, Other, all of NT, all of
Australia)---
8. Paid annual rate, paid daily rate, voluntary, other-----------------------------
9. Number of years as an INED--------------------------------------------------
10. Your organisation has how many independent and non-independent directors---
SECTION C

3. Questions for INED within the diversity criteria

1. Can you tell me how you became interested in becoming a director and what the process of being appointed was like for you
   a. Does your organisation have a policy on diversity in the boardroom and a policy on diversity in the workplace? If yes, is it possible to get a copy?

2. As a (list the diversity area) person, what have been some of your positive experiences as a director?

3. As a (list the diversity area) person, what have been some of your negative experiences as a director?

4. Can you describe to me, what signals or messages you believe are being sent from society regarding diversity in the boardroom?
   a. Do you believe these signals are being received in your BoD?
   b. If yes, what strategies has your BoD used increase the level of diversity in your boardroom?
   c. If no, what do you think need to occur for these messages to be received by your BoD?

5. Can you tell me your views on how you think a more inclusive definition of diversity in the boardroom would be received by your own BoD, for example?

Some of the observable differences
1. Being under 40
2. From a different race/ethnic background
3. Being Aboriginal and Torres Strait Islanders or being female
4. Having a physical or sensory disability

Some of the underlying differences
1. Having mental health
2. Being gay, lesbian, bisexual, transgender or intersex
3. Differences in marital or family status and
4. Being from a different religious or cultural background
6. As a (list the diversity area) person, what, if any, internal organisational barriers have you experienced in either being appointed or in your time as a director?
   a. Do you believe there would be difference with these barriers between say living in the Northern Territory or a metropolitan city like, Sydney or Melbourne?

7. As a (list the diversity area) what strategies and/or organisational changes do you think could be undertaken to reduce barriers to diversity in the boardroom to create a more diverse BoD

8. As a (list the diversity area) person what contribution do you believe being (list the diversity area) has made to the boardroom and the organisation?

Finally, are there any organisation’s in the NT you can think of with INED’s that I can invite to participate in this study?

Would you like a synopsis of the result when the research is completed? Thank you for your time, I greatly appreciate your assistance.
Appendix F: Open-ended questions—Spokesperson from peak industry body

SECTION A

Date…./…./2016

1. Setting the scene

General conversation: Researcher to start with work and academic history then ask general questions about the interviewee

Plain language statement, reason for being selected, confidentiality will be maintained at all times, define demographic diversity and barriers, permission for the interview to be recorded, consent forms to be signed

SECTION B

2. Collection of demographic information

1. Name of respondent-----------------------------------------------

2. Name of organisation-----------------------------------------------

3. Gender: Female, Male, X (Indeterminate/intersex/unspecified)-----------------

4. Age of the respondent

20-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, 70-74, 75-79, 80-84, 85 and over

5. Respondent identified as (within diversity categories) -----------------

6. Membership base-----------------------------------------------

7. Number of members in the NT-----------------------------------------------

8. Geographical location (Darwin, Alice Springs, Other, all of NT, all of Australia)---

9. Position (Chair, secretary, CEO)-----------------------------------------------

10. Your organisation has how many independent and non-independent directors---
SECTION C

3. Questions for spokesperson from peak industry body

1. Can you tell me about the demographic composition of your own BoD?
   a. Does your organisation have its own policy for diversity in your boardroom and a policy on diversity in your workplace? If yes, is it possible to get a copy?

2. As a peak industry body, can you outline for me your organisations formal or informal position and policies on demographic diversity in the boardroom?

3. Can you describe to me, what signals or messages you believe are being sent from society regarding diversity in the boardroom?
   a. Do you believe these signals are being received by your BoD?
   b. If yes, what strategies has your BoD used to increase the level of diversity in your own boardroom and in the boardroom of your membership?
   c. If no, what do you think needs to occur for these messages to be received by your BoD?

4. Can you tell me your views on how you think a more inclusive definition of diversity in the boardroom would be received by your own BoD and that of your membership, for example?

Some of the observable differences

1. Being under 40
2. From a different race/ethnic background
3. Being Aboriginal and Torres Strait Islanders or being female
4. Having a physical or sensory disability

Some of the underlying differences

1. Having mental health
2. Being gay, lesbian, bisexual, transgender or intersex
3. Differences in marital or family status and
4. Being from a different religious or cultural background
5. What do you think would be some of the positive and negative aspects of having a demographically diverse BoD?
6. What do you think would be some of the positive and negative aspects of not having a demographically diverse BoD?

7. Can you outline for me what, if any, internal organisational barriers you believe exist that prevent or inhibit demographically diverse people being appointed as INEDs?
   a. Do you believe there would be difference with these barriers between say living in the Northern Territory or a metropolitan city like, Sydney or Melbourne?

8. Finally, can you outline for me what, if any, strategies and/or organisational changes you think could be undertaken to reduce barriers to diversity in the boardroom to create a more diverse BoD?

Finally, are there any organisation’s in the NT you can think of with INED’s that I can invite to participate in this study?

Would you like a synopsis of the result when the research is completed? Thank you for your time, I greatly appreciate your assistance.
Appendix G: Online web survey—Independent and non-independent directors

SECTION A

This research project seeks to understand the issues relating to the barriers to demographic diversity in the boardroom of Northern Territory profit, not-for-profit and government organisations. When thinking about diversity in the boardroom most people think about gender diversity however, demographic diversity encompasses a more inclusive approach, for example:

<table>
<thead>
<tr>
<th>Observable difference</th>
<th>Underlying differences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being younger and under 40</td>
<td>Having mental health issues</td>
</tr>
<tr>
<td>From a different race or ethnic background</td>
<td>Differences in marital/family status</td>
</tr>
<tr>
<td>Aboriginal or Torres Strait Islander descent history</td>
<td>Different religious/cultural history</td>
</tr>
<tr>
<td>Having a physical or sensory impairment</td>
<td>Gay, lesbian, bisexual, transgender or</td>
</tr>
<tr>
<td></td>
<td>intersex</td>
</tr>
</tbody>
</table>

The aim of the study is to examine the internal organisational barriers that inhibit qualified, skilled and experienced people from demographically diverse backgrounds being appointed as an independent non-executive director of Northern Territory organisations.

Please answer all questions and use the navigation buttons at the bottom of the survey to move from page to page. Navigating using the browser navigation will not save your responses and will advise of an error and to start again. You can exit the survey at any time by closing your web browser. Once you have clicked the link to submit the survey you will not be able to retrieve your data as it will be submitted as de-identified responses. For more information about the research project please click here.

Next
SECTION B – Participant demographic details

1. What category of director are you? See definition here
   X Independent Non-Executive Director (INED)
   How many hours per week do you spend in your role as an INED?
   X Non-independent director
   X Other
   Thank you for your interest however, you are not eligible to participate
   X 1 to 4 hours  X 5 to 8 hours  X 9 to 12 hours  X 13 hours or more

2. Where do you live?
   X Darwin
   X Alice Springs
   X Other parts of the Northern Territory
   X Outside of the Northern Territory
   It would be appreciated if you could briefly outline how you became a director of a Northern Territory organisation

3. What is your gender?
   Please note, the Australian Government Guidelines on the recognition of sex and gender provides further details on the definition of gender including the option of 'X'. Refer to the guidelines here.
   X Female
   X Male
   X X (indeterminate/intersex/unspecified)

4. What is your age in years?
   20-24, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, 70-74,
   75-79, 80-84, 85 and over

5. Which of the following applies to your directorship?
   X Paid annual rate  X Paid daily rate  X Voluntary  X Other

6. What is your highest level of educational attainment
   X Less than Year 12
   X Year 12 or equivalent (HSC/Leaving certificate)
   X Vocational qualification (e.g. Trade or TAFE/VET Cert III, IV etc)
   X Bachelor degree
   X Postgraduate diploma
   X Master’s degree
   X Doctorate

7. What is your current employment status?
   X Full-time  X Part-time  X Casual  X A home maker
   X Not employed  X Student  X Retired  X Unable to work

8. What is your total annual income level? (all sources)
   X Nil income  X $1-$49,999  X $50,000-$99,999
   X $100,000-$149,999  X $150,000-$199,999  X $200,000-$249,999
$250,000-$299,999  $300,000 or more

9. How many years have you been a director of this organisation?
X 0 to 3 years  X 4 to 7 years  X 8 to 11 years
X 12 years or more

10. In total, how many years have you been either an independent or non-independent director of any organisations?
X 0 to 3 years  X 4 to 7 years  X 8 to 11 years
X 12 to 15 years  X 16 years or more

11. Do you self-identify as being from a demographically diverse background?
X No
X Yes  If yes, please select from the options below that you identify with

X Under 40 years old
X Having mental health issues
X From a different race/ethnic background
X Gay, lesbian, bisexual, transgender or intersex
X From Aboriginal and Torres Strait Islander descent
X Differences in marital or family status
X Having a physical or sensory impairment
X From a different religious or cultural background
X Female
X Other
SECTION C – Organisation demographic details

1. Approximately, how many years has your organisation been operating?
   X 1 to 5 years  X 6 to 10 years  X 11 to 15 years
   X 16 to 20 years  X 20 years and over  X Do not know

2. How is your organisation classified?
   X Profit
   X Not-for-profit
   X Government Either Statutory or GOC
   X Do not know

3. What is the make-up of your BoD? (numerical)?
   Box Independent non-executive directors
   Box Non-independent directors
   X Do not know

4. How often does the entire board of directors meet face-to-face to discuss the running of your organisation?
   X Fortnightly  X Monthly  X Bi monthly  X Quarterly
   X Six monthly  X Annually

5. Which geographical location does your organisation represent?
   X Darwin
   X Alice Springs
   X Other parts of the Northern Territory
   X All of the Northern Territory
   X Other

6. To which industry group does your organisation belong?
   X Agriculture, Forestry and Fishing
   X Mining
   X Manufacturing
   X Electricity, Gas, Water, Waste Services
   X Construction
   X Retail Trade
   X Wholesale Trade
   X Health Care and Social Assistance
   X Arts and Recreation Services
   X Accommodation and Food Services
   X Transport, Postal and Warehousing
   X Administrative and Support Services
   X Rental, Hiring and Real Estate Services
   X Information Media and Telecommunications
   X Financial and Insurance Services
   X Professional, Scientific and Technical Services
   X Education and Training

7. How many employees does your organisation have?
   X Employment of fewer than 20 persons (small employing business)
   X Employment of 20 to fewer than 200 persons (medium employing business)
X  Employing 200 or more persons (large employing business)
X  Do not know

8.  How many males and females on your board of directors? (numerical)?
Females  Box
Males  Box
‘X’  Box

9.  Given the definition of demographic diversity for this study, do you consider your boardroom to be demographically diverse? (see definition here)
X  Yes
X  No
X  Do not know

Next
SECTION D – General opening questions

1. Should only privileged upper and middle class white middle-aged men be independent non-executive directors?
   X Yes  X No  X Undecided

2. Is your board of directors connected to the old ways of doing business in the boardroom including maintaining the ‘old boy’s network’?
   X Yes  X No  X Undecided

3. In the space provide below please list the messages you believe are being sent from Australian society to you as a director regarding diversity in the boardroom

4. Should there be equality of opportunity and a ‘fair go’ for all people wishing to become independent non-executive directors regardless of their demographic characteristics?
   X Yes  X No  X Undecided

5. Should your boards’ independent non-executive directors be more demographically diverse?
   X Yes  X No  X Undecided

6. In your time as a director with this organisation, have you or any of the other directors deliberated on the diversity of your independent non-executive directors?
   X Yes  X No  X Undecided

7. Please select those demographic characteristics represented in your boardroom (numerical).
   X Women  X People under 40
   X People from Aboriginal and Torres Strait Islander descent
   X People with a physical or sensory disability
   X People from a different race or ethnic background
   X People who are gay, lesbian, bisexual, transgender and intersex people
   X People from a different religious or cultural background
   X Other

8. Does your organisation have a director induction pack and/or training process?
   X Yes  X No  X Do not know

If yes, Does the director induction pack and/or training program cover diversity in the workplace and diversity in the boardroom?

9. Does your organisation have a policy on diversity in the workplace?
   X Yes  X No  X Currently developing  X Do not know

10. Does your organisation have a formal policy on demographic diversity in the boardroom?
    X Yes  X No  X Currently developing  X Do not know

Next
SECTION E – Policy barriers

Below is a list of statements about your boards’ policy, Independent Non-Executive Directors (INEDs) and diversity within your boardroom. Please indicate whether you agree or disagree with each statement by selecting the phrase that best represents your answer.

Yes, have a formal policy

1. Your policy adequately reflects modern societal views on the demographic diversity of your boards INEDs

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

2. Your policy incorporates an inclusive holistic approach to the demographic diversity of your boards INEDs (see definition here)

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

3. Your policy prompts you to think about the demographic diversity of your boards INEDs

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

4. Your policy has measurable objectives for the demographic diversity of your boards INEDs

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

5. Your policy has increased the demographic diversity of your boards INEDs

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

6. Your policy creates barriers for INEDs from demographic diverse backgrounds being appointed to your board of directors

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

7. Are there any other comments you would like to make about your board’s policy to do with the diversity of your INEDs?
Below is a list of statements about board policies on diversity in the boardroom, Independent Non-Executive Directors (INEDs) and diversity within your boardroom. Please indicate whether you agree or disagree with each statement by selecting the phrase that best represents your answer.

**No, do not have a formal policy**

8. Not having a policy inhibits your board in reflecting modern societal views about the demographic diversity of your INEDs
   
   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

9. Not having a policy creates barriers to you thinking about the demographic diversity of your INEDs
   
   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

10. Not having a policy creates barriers to your organisation recruiting INEDs from demographic diverse backgrounds
    
    Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

11. Not having a policy creates barriers for people from demographically diverse seeking appointment as an INED to your board
    
    Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

12. Not having a policy creates barriers to your boards INEDs becoming more demographically diverse
    
    Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

13. Your board should consider developing a policy to promote and encourage diversity in your boardroom
    
    Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

14. Are there any other comments you would like to make about your board not having a policy to do with the diversity of your INEDs?
SECTION F – Values barriers

Below is a list of statements about values, Independent Non-Executive Directors (INEDs) and diversity within your boardroom. Please indicate whether you agree or disagree with each statement by selecting the phrase that best represents your answer.

1. The personal, cultural and/or religious values of the other directors creates barriers to the demographic composition of your INEDs
   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

2. The boardroom culture creates barriers to the demographic composition of your INEDs
   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

3. Your cultural and/or religious values create a barrier to the demographic composition of your INEDs
   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

4. The values and culture of your organisation creates barriers to the demographic composition of your INEDs
   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

5. Australia’s values and culture creates barriers to the demographic composition of your INEDs
   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

6. Your personal values create a barrier to the demographic composition of your INEDs
   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

7. Are there any other comments you would like to make about values and/or culture to do with the diversity of your INEDs?

   Next
SECTION G – Awareness barriers

Below is a list of statements about awareness, Independent Non-Executive Directors (INEDs) and diversity within your boardroom. Please indicate whether you agree or disagree with each statement by selecting the phrase that best represents your answer.

1. Your boards level of awareness of modern societal views on diversity in the boardroom creates barriers to the demographic make-up of your INEDs
   
   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

2. Your boards level of awareness of the risks involved with not having a diverse board creates barriers to the demographic make-up of your INEDs
   
   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

3. Your boards level of awareness of the business needs for a diverse board creates barriers to the demographic make-up of your INEDs
   
   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

4. Your boards level of awareness of the benefits and rewards of a diverse board creates barriers to the demographic make-up of your INEDs
   
   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

5. Your boards level of awareness of the complexities of operating a diverse board creates barriers to the demographic make-up of your INEDs
   
   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

6. Your boards level of awareness of how your organisation manages diversity in the workplace creates a barrier to the demographic make-up of your INEDs
   
   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

7. Are there any other comments you would like to make about your board’s level of awareness to do with the diversity of your INEDs?

   Next
**SECTION H – Skill barriers**

Below is a list of statements about *skills*, Independent Non-Executive Directors (INEDs) and diversity within your boardroom. Please indicate whether you agree or disagree with each statement by selecting the phrase that best represents your answer.

1. Your board's language and communication skills creates barriers to the demographic composition of your INEDs

<table>
<thead>
<tr>
<th>Agree strongly</th>
<th>Agree</th>
<th>Non-committal</th>
<th>Disagree</th>
<th>Disagree strongly</th>
</tr>
</thead>
</table>

2. Your board's interpersonal communication skills creates barriers to the demographic composition of your INEDs

<table>
<thead>
<tr>
<th>Agree strongly</th>
<th>Agree</th>
<th>Non-committal</th>
<th>Disagree</th>
<th>Disagree strongly</th>
</tr>
</thead>
</table>

3. Your board's conflict management skills creates barriers to the demographic composition of your INEDs

<table>
<thead>
<tr>
<th>Agree strongly</th>
<th>Agree</th>
<th>Non-committal</th>
<th>Disagree</th>
<th>Disagree strongly</th>
</tr>
</thead>
</table>

4. Your board's diversity management skills creates barriers to the demographic composition of your INEDs

<table>
<thead>
<tr>
<th>Agree strongly</th>
<th>Agree</th>
<th>Non-committal</th>
<th>Disagree</th>
<th>Disagree strongly</th>
</tr>
</thead>
</table>

5. Your board's self-awareness skill creates barriers to the demographic composition of your INEDs

<table>
<thead>
<tr>
<th>Agree strongly</th>
<th>Agree</th>
<th>Non-committal</th>
<th>Disagree</th>
<th>Disagree strongly</th>
</tr>
</thead>
</table>

6. Your board needs to undergo training to acquire new skills in being able to work with INEDs from demographic diverse backgrounds

<table>
<thead>
<tr>
<th>Agree strongly</th>
<th>Agree</th>
<th>Non-committal</th>
<th>Disagree</th>
<th>Disagree strongly</th>
</tr>
</thead>
</table>

7. Are there any other comments you would like to make about your board's skills to do with the diversity of your INEDs?

   Next
SECTION I – Fear barriers

Below is a list of statements about fears, Independent Non-Executive Directors (INEDs) and diversity within your boardroom. Please indicate whether you agree or disagree with each statement by selecting the phrase that best represents your answer.

1. Your boards fear of the unknown of working with people who are different from them creates barriers to the demographic make-up of your boards INEDs

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

2. Your boards fear of the potential for increased conflict in working with people who are different from them creates barriers to the demographic make-up of your INEDs

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

3. Your boards fear of needing to be politically correct in working with people who are different from them creates barriers to the demographic make-up of your INEDs

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

4. Your boards fear of protracted decision making in working with people who are different from them creates barriers to the demographic make-up of your INEDs

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

5. Your boards fear of increased workload in working with people who are different from them creates barriers to the demographic make-up of your INEDs

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

6. Your boards fear of the loss of power, privilege and income resulting from your board becoming more diverse creates barriers to the demographic make-up of your INEDs

   Agree strongly   Agree   Non-committal   Disagree   Disagree strongly

7. Are there any other comments you would like to make about fears to do with the diversity of your INEDs?

Next
SECTION J – Resource barriers

Below is a list of statements about board resources. Independent Non-Executive Directors (INEDs) and diversity within your boardroom. Please indicate whether you agree or disagree with each statement by selecting the phrase that best represents your answer.

1. The administrative, financial and time resources necessary to create a diversity policy, recruit and induct people from diverse backgrounds creates barriers to the demographic composition of your INEDs

Agree strongly    Agree    Non-committal    Disagree    Disagree strongly

2. The financial resources required to manage a diverse board creates barriers to the demographic composition of your INEDs

Agree strongly    Agree    Non-committal    Disagree    Disagree strongly

3. The time resources required to manage a diverse board creates barriers to the demographic composition of your INEDs

Agree strongly    Agree    Non-committal    Disagree    Disagree strongly

4. The time and financial resources required to educate non-diverse directors on diversity in the boardroom creates barriers to the demographic composition of your INEDs

Agree strongly    Agree    Non-committal    Disagree    Disagree strongly

5. Your board’s budget creates barriers to the demographic composition of your INEDs

Agree strongly    Agree    Non-committal    Disagree    Disagree strongly

6. Your board is adequately resourced to undertake the process of increasing the demographic composition of your INEDs

Agree strongly    Agree    Non-committal    Disagree    Disagree strongly

7. Are there any other comments you would like to make about your boards resources to do with the diversity of your INEDs?

Next
SECTION K – Geographical barriers

Below is a list of statements about the geography of the Northern Territory, Independent Non-Executive Directors (INEDs) and diversity within your boardroom. Please indicate whether you agree or disagree with each statement by selecting the phrase that best represents your answer.

1. The remoteness of the Northern Territory creates barriers to your board recruiting INEDs from demographic diverse backgrounds

   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

2. The demographic diversity of the Northern Territory population creates barriers to the demographic composition of your INEDs

   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

3. The values and culture of your local community creates barriers to the demographic composition of your INEDs

   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

4. The values and culture of the Northern Territory creates barriers to the demographic composition of your INEDs

   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

5. The barriers to the demographic composition of your boards INEDs would be the same for the boards in other Australian States and Territories

   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

6. The Northern Territory has very few qualified and/or experienced people from demographic diverse backgrounds which creates barriers to the demographic composition of your INEDs

   Agree strongly  Agree  Non-committal  Disagree  Disagree strongly

7. Are there any other comments you would like to make about the geography of the Northern Territory to do with the diversity of your INEDs?

   Next
1. Sending messages: Below are some of the ways Australian society has been sending messages regarding the requirement for boardrooms to be demographically diverse.

   a. Australia has invested in being a secular egalitarian society
   b. Australia’s values and norms support diversity, equality of opportunity and ‘a fair go’ for all
   c. Australia abolishing its ‘White Australia’ policy
   d. Australia developing a policy of multiculturalism
   e. Australia has progressively evolved into a diverse multicultural society and expects boards to be diverse
   f. Australia has laws in place to prevent discrimination against people who are demographically diverse
   g. Australian workplaces are demographically diverse
   h. Peak industry bodies like the Australian Institute of Company Directors and the Australian Securities Exchange advocate for diversity in the boardroom

What do you believe is stopping yours or other boards from receiving these messages so that boardrooms become more demographically diverse?

2. Would people from demographic diverse backgrounds be treated equally and be given ‘a fair go’ when seeking to become an INED of your board, regardless of their demographic characteristic?
   X Yes   X No   X Do not know

3. Does your board have a diversity goal, executive mentoring and recruitment strategy for increasing the diversity of its INEDs?
   X Yes Please summarise
   X No   X Do not know   X Currently developing

4. Does your board of directors have a succession plan
   X Yes Does this succession plan incorporate increasing the diversity of its independent non-executive directors?
   X No
   X Currently developing Does this succession plan incorporate increasing the diversity of its independent non-executive directors?
   X Do not know

5. Do you believe as a result of undertaking this survey that you would consider encouraging your board to increase the demographic diversity of its INEDs?
   X Yes   X No   X Do not know

6. At the board of director’s annual, self, peer, managerial or independent evaluation, does your board evaluate the demographic diversity of its INEDs?
   X Yes   X No   X Do not know
7. Should the demographic diversity of independent non-executive directors be restricted to only gender, ethnicity and age?
   X Yes  X No  X Do not know

8. In your opinion, does a voluntary target or mandatory quota of 40% for women in the boardroom provide equality of opportunity and ‘a fair go’ for women or do you believe a voluntary target or mandatory quota of 50% is fairer?
   X 40% is fair  X 50% is fair  X Undecided

9. There has been a lot of public debate about the lack of diversity in the boardroom, yet little change has occurred as boardrooms remain dominated by upper and middle class white middle-aged men. To bring about change and increase the number of people from demographically diverse backgrounds, would you prefer to see:
   X Voluntary targets
   X Mandatory quotas
   X Neither of these two practices should occur
   X Do not know
   X Other

10. An inclusive holistic approach to diversity in the boardroom incorporates multiple demographic characteristic(s). Please select the demographic characteristic you would support being on your board of directors (see definition here)
    X All demographic characteristics or
    X Women
    X People under 40
    X People from Aboriginal and Torres Strait Islander descent
    X People with a physical or sensory disability
    X People from a different race or ethnic background
    X People who are gay, lesbian, bisexual, transgender or intersex people
    X People with a different religious or cultural background
    X Other

Would you like to make any other comments about diversity in the boardroom relating to Northern Territory organisations?

THANK YOU

Thank you for your participation in the online survey. Your responses are very important and we thank you for your time.
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