

40:40^{VISION}



Gender balance is good for business

Event Summary

16 March 2021

| HESTA |





HESTA's 40:40 Vision campaign gained momentum when a panel of senior women leaders from across the country outlined the steps needed to ensure more women attain executive roles in Australia.

HESTA's 40:40 Vision is an investor-led campaign that aims to see women fill at least 40 per cent of executive roles in the ASX200 by 2030. The webinar discussed challenges, opportunities and actions that will transform the 40:40 Vision into reality.

Panellists



Debby Blakey
CEO, HESTA
(Moderator)



Sam Mostyn
President,
Chief Executive
Women (CEW)



Louise Davidson
CEO, Australian Council
of Superannuation
Investors (ACSI)



Colleen Harris
Group Chief People
Officer, Ramsay
Health Care

Why 40:40 Vision matters

40:40 Vision is calling on ASX200 companies to include 40 per cent of executive leaders who identify as women, 40 per cent who identify as men, and 20 per cent who identify as any gender.

Already, the initiative is supported by more than \$4 trillion in funds under management or advice.

“We are joining today with a common purpose and focus of seeing this incredibly important work carried out. This work is not just for the women of Australia – this is for all Australians – and it is important because of the enormous benefit that diversity at board and executive level will bring for the future of Australia,”

Debby Blakey

Glacial pace of change

Gender equality and diversity in executive leadership is critical. While some progress has been made, that progress is happening at ‘glacial’ pace, particularly at CEO and C-suite level.

CEW’s annual 2020 Chief Executive Women ASX200 Senior Executive Census found the number of women reaching senior leadership positions in ASX200 companies flatlined in the year leading to publication of the report. Out of 25 CEO appointments that year, only one female CEO was appointed to an ASX200 company. The number of female CEOs leading ASX200 companies also fell to ten, down from 12 in 2019.

Material benefits and stronger decision-making

Greater gender balance on boards and the C-suite brings stronger governance, more informed decision-making, greater productivity and profitability, less risk and an enhanced workplace culture.

“We think diversity has a material benefit to governance and that it strengthens decision-making,”

Louise Davidson

“If we don’t do this, we give up on some of the most important assets for success that we have in our organisations. Australia needs to do this to remain competitive and it can be done with good leadership,”

Sam Mostyn

Quotas and merit

The appointment of women based on quotas can lead to questions about merit. Sam Mostyn pointed out that when looking at men for recruitment purposes, the merit argument is rarely heard.

How leadership talks about a decision to implement quotas can set the tone. For example, backhanded comments that suggest quotas have to be introduced because investors said so can lead to negative consequences and perceptions for those appointed via a quota system.

“Targets are critical in this business. If it doesn’t get measured, it doesn’t get done,”

Louise Davidson

“We have to have targets but what supports those targets and how do we make sure that is embedded in recruitment processes, talent planning and leadership development and succession planning?”

Colleen Harris

The pipeline and barriers

Maintaining a pipeline of future female leaders is challenging due to the barriers that stand in the way of gender equity in executive roles. Still being seen as the family's primary caregiver impacts on the ability of women to rise through companies. Changing organisational structures and abandoning the gendered language that surrounds ambition is key.

"It helps if an organisation can say 'this woman is returning, as many people are returning to work. She is operating flexibly as many men operate flexibly, and she wants to continue through a pipeline to be supported to more senior roles. The pipeline should continue irrespective of the changes in a woman's life,'"

Sam Mostyn

"For us, maintaining the pipeline is about talent, succession planning, development for people and making sure we have a diverse group in our leadership programs,"

Colleen Harris.

The impact of COVID-19

The mass migration to working from home offers opportunities and obstacles for women in terms of gender equity and executive roles. For women, has working from home while juggling home schooling and the care of family embedded an expectation that women will continue to do this?

"Many men have spent more time with their family during the past year and they don't want to let that go, so I think we will see some change at quite senior levels in organisations. But we need to be careful that it's not just women who keep working from home and so are not in the room when there are conversations about progression and ambition,"

Louise Davidson

The issue of respect

Some companies are recognising and acting on female participation at the most senior levels of business. But anecdotal and statistical evidence, such as violence by intimate or former intimate partners, bullying and sexual harassment, illustrate that women do not receive the respect deserved of any human being.

The Respect@Work report of the National Inquiry into Sexual Harassment in Australian Workplaces from March 2020 is an important overview of the challenge of embedding respect in the workplace.

"If you continue to reward men who have been sexual harassers and you let women who have been harassed quietly leave the organisation, you are not building a sustainable and inclusive culture,"

Louise Davidson

"How do we build respect for women across society and in workplaces and release the talent that is currently held back by unsafe workplaces and poor practices? It's a big agenda, but it should be an ambition we have for the country,"

Sam Mostyn

Government and policy support

Recovery from the economic decline triggered by the pandemic cannot be achieved without the full participation of women in the workforce. Policy support needs to focus on encouraging women to stay at work.

"Women still retire with about 40 per cent less super than men which shows how big our unfinished business is in this area. So many HESTA members who accessed super early during COVID-19 are women in the 25 to 35-year age group. Those are the same women likely to take breaks from paid work and to work part-time at some point, so that 40 per cent gap in retirement incomes could get worse,"

Debby Blakey

Final words...

“I am confident we can encourage other ASX200 companies to pledge to achieve gender equity in their industries at senior management levels,”

Colleen Harris

“Leadership, pathways, a commitment to language change and to structural change will ensure we get the best of those women who want to grow their skill base and leadership opportunities,”

Sam Mostyn

“Some companies are doing strong work on increasing diversity in their organisations. But there are still companies that struggle to understand the benefit that all types of diversity bring to their organisation and I don't think those companies will have the input of ideas that they will need to succeed in the future,”

Louise Davidson

“This is the opportunity we must not miss. With the enormous support of investors across Australia, we see this as the moment to create change. Borrowing from the words of President John F Kennedy, ‘If not us, who? And if not now, when?’ If not us, who will lead this work? And if not now in the 2020s, then when?”

Debby Blakey

How can you support the Vision?

Get in touch at 4040vision@hesta.com.au
or visit hesta.com.au/4040Vision