HESTA puts investment manager gender diversity under microscope

HESTA is surveying 70 of its Australian and international investment managers about their workplace gender diversity as part of a broader program to encourage greater diversity across the Fund’s entire investment process.

The $43 billion super fund, dedicated to those working in health and community services, is expanding its focus on gender diversity across its ‘investment value chain’. This includes internal investment operations, external investment partnerships as well as the companies in which it invests.

Last year, HESTA CEO Debby Blakey wrote to S&P/ASX 200 companies calling on them to set specific targets and timeframes for the number of women at senior executive level.

The investment manager survey will measure rates of gender diversity across a broad range of investment decision-making roles with the aim of encouraging more opportunities for women in the investment management industry.

“At HESTA we’re committed to gender equality and that commitment goes much further than just talking about it. We want our actions to help drive long-term, meaningful change. It’s what we call the HESTA impact,” Ms Blakey said.

“This is a great opportunity to extend the dialogue we’re having about gender diversity to our investment partners as we explore ways of increasing diversity across the entire investment process.”

The survey will cover listed and unlisted investment managers and will explore gender diversity across a range of roles from Investment Analyst through to the make-up of the Investment Committee.

Ms Blakey explained the Fund sees diversity as an accurate indicator of a well-run company which is more likely to deliver strong performance results.

“There is considerable evidence showing greater diversity increases the quality of decision making.

“We want to ensure our investment managers, and by extension our members, are benefiting from this diversity,” Ms Blakey said.

“Historically, the investment management industry has an under-representation of women. Given the number of women in our society, it’s crucial organisations have in place processes to ensure they’re identifying the best talent and building strong, inclusive teams with a broad range of perspectives.”

More than 80% of HESTA’s over 840,000 members are women and the Fund is a strong advocate of measures to address gender inequality and create greater opportunities for women.

“Gender equality directly impacts the financial interests of HESTA members. Encouraging more inclusive work cultures that celebrate diversity creates greater career opportunities for women which, over the long-term, can also increase their retirement savings,” Ms Blakey said.

HESTA Chief Investment Officer, Sonya Sawtell-Rickson, wrote to HESTA’s investment management partners this week encouraging them to complete the online survey. The results will be reported to the HESTA Investment Committee and Board.
HESTA will share the aggregate results with its managers and track progress on an annual basis.

“We’re seeking to engage with our investment managers on initiatives they’re championing to improve diversity and equal opportunity in their teams. Equally, we want to share our approach with them,” Ms Sawtell-Rickson said.

“The aim is to collaborate with managers to develop case studies which demonstrate industry-leading practices that can be shared more broadly.”

Last year, HESTA announced a new five-year investment strategy which included strengthening relationships with investment managers as well as developing in-house investment capabilities.

Ms Sawtell-Rickson said HESTA’s respectful and inclusive culture, and its focus on encouraging diversity were key to the Fund’s employer proposition.

The Workplace Gender Equality Agency (WGEA) has recognised HESTA as an Employer of Choice for Gender Equity and acknowledged the Fund’s organisation-wide flexible work practices, its tailored parental leave policies to support use by women and men and programs to encourage diversity.

Ms Blakey has been a WGEA Pay Equity Ambassador since 2016.

HESTA

*HESTA is an industry superannuation fund dedicated to those working in the Health and Community Services Sector. HESTA has over 840,000 members and manages more than $43 billion of members’ assets. Please note that HESTA is an acronym and should be capitalised.*