



# Spotlight on gender diversity in profit- to-member super funds

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AUSTRALIAN INSTITUTE of  
SUPERANNUATION TRUSTEES



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## Executive summary

- The majority of **16** funds surveyed had formal policies and strategies in place to support gender equality in recruitment, retention, performance management processes, succession planning, training and development and in the resignation process.
- **ONE THIRD** of funds expressly supported gender equality by having key performance indicators for managers that related to gender equality within their spheres of management.
- **80%** of fund chairs and co-chairs were male compared with 90% in the finance sector.<sup>1</sup>
- Approximately **65%** of fund directors were male compared with 75% in the finance sector.<sup>2</sup>
- **75%** of surveyed funds had formal selection policies or strategies designed to promote gender equality for board members compared with 62% of finance sector organisations.
- An analysis of the talent pipeline within superannuation funds revealed that funds hired more males than females in senior positions overall. However, small and medium funds hired more females than males in non-managerial positions.
- **ALL** funds surveyed had a formal remuneration policy or strategy in place.
- **HALF** of the funds surveyed had policies or strategies on remuneration that expressly included objectives for gender pay equity. This compares with less than one third of organisations in the finance sector, according to a Workplace Gender Equality Agency (WGEA) survey. WGEA is a government statutory agency that aims to improve gender equality within Australian workplaces and they collect data from non-public sector employers with more than 100 employees through an annual questionnaire.
- **56%** of funds surveyed undertook a gender pay gap analysis within 12 months of 31 March 2016 and most of these funds took action as a result of the pay gap analysis.
- **ALL** funds had policies and strategies in place for flexible working arrangements and most provided paid parental leave to primary and secondary carers (above the minimum government entitlements). About two thirds of funds surveyed provided non-leave based measures to support employees with family or caring responsibilities, slightly less than companies in the broader financial services.
- **MOST** funds surveyed did not have a formal policy or strategy in place to *directly* support employees experiencing family or domestic violence. However most funds had measures, other than a formal policy or strategy, in place to support these employees.
- **ALL** funds had a variety of employment terms, conditions and practices available for their employees to support gender equality within the workplace.
- **MOST** large and medium-sized funds consulted their staff on issues concerning gender equality. By contrast, most small funds did not consult.
- **ALL** funds had a formal policy or strategy on sex-based harassment and discrimination and all funds also had a formal harassment and discrimination grievance process.
- Approximately **HALF** of the funds surveyed did not collect employee satisfaction data on gender diversity.
- The **MAJORITY** of funds surveyed had no mechanism in place to address superannuation accumulation imbalance. Approximately 30% of funds paid superannuation to staff when they were on maternity leave with no conditions, and 2 funds paid it on maternity leave up until 12 months.
- Almost **90%** of funds did not require their outsourced providers to support gender equality and those funds that did only had requirements within recruitment functions and outsourced investment functions.

1 Due to the moderate sample size of this research and potential for selection bias, the data may not be illustrative of the practices of the profit-to-member superannuation sector as a whole. Caution must be taken when making comparisons between the wider superannuation sector and the sample.

2 Due to the moderate number of superannuation funds that participated in this research, the data is not illustrative of the practices of the profit-to-member sector as a whole. For example AIST research in 2015, that included approximately 60 member funds, revealed that the percentage of female directors on boards was 27%. The reported figure in this survey is significantly higher, at 35%.

## Introduction

In late 2016 and early 2017 AIST launched a Gender Diversity Research Project to explore the gender diversity practices of the profit-to-member superannuation industry. There is a groundswell of evidence that suggests gender diversity within businesses can bring about a number of benefits. Research from Catalyst, a global not-for-profit organisation with a goal to accelerate female progression through workplace inclusion, suggests that there is a strong correlation between gender diversity on boards and a company's return on equity; companies with more women on their boards outperform those with fewer women.<sup>3</sup> Research by McKinsey & Company that looked at senior management, not just boards, found that companies perform better financially when women are strongly represented at senior levels of the organisation.<sup>4</sup>

The work of Workplace Gender Equality Agency (WGEA) highlighted that:<sup>5</sup>

- Gender diversity within the workplace and leadership teams assists in successful decision making.
- Gender equality and diversity contributes to companies having a better understanding of how to appeal to both genders as customers.<sup>6</sup> This can be particularly relevant for superannuation funds, that act in the best interests of all of their members, which includes males and females.
- Organisations that promote gender diversity and inclusion are able to attract, and retain talent.

In light of the numerous benefits that gender diversity can bring to an organisation, AIST believes it is important to examine the diversity practices of superannuation funds.

*“Companies perform better financially when women are strongly represented at senior levels.”*

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3 Joy, L., Carter, N., Wagner, H. and Narayanan, S. (2007). *The Bottom Line: Corporate performance and Women's Representation on Boards*. [online] Catalyst. Available at: <http://tinyurl.com/pu2f26l> [Accessed 21 Aug. 2017] ; EY (2014). *Women on Boards: Global Approaches to Advancing Diversity*. [online] p.1. Available at: <http://tinyurl.com/y9bt6evb> [Accessed 22 Aug. 2017].

4 McKinsey & Company (2007). *Women Matter: Gender Diversity, a Corporate Performance Driver*. [online] p.3. Available at: <http://tinyurl.com/y6vlljlo> [Accessed 22 Aug. 2017].

5 Workplace Gender Equality Agency (2013). *How to Set Gender Diversity Targets: Guidelines for Setting and Meeting Targets to Increase Gender Diversity in the Workplace*. [online] p.7. Available at: <http://tinyurl.com/hkttc88> [Accessed 22 Aug. 2017].

6 Workplace Gender Equality Agency (2013). *How to Set Gender Diversity Targets: Guidelines for Setting and Meeting Targets to Increase Gender Diversity in the Workplace*. [online] p.7. Available at: <http://tinyurl.com/hkttc88> [Accessed 22 Aug. 2017].

## About the project

### PURPOSE OF THE REPORT:

In early 2017 AIST surveyed 16 member funds to determine their gender diversity and inclusion practices. AIST undertook the research project to understand what profit-to-member superannuation funds were doing to promote gender diversity within their organisations and to draw broader insights from the data. AIST's Gender Diversity Research Project aims to provide a snapshot of the gender diversity practices of the participating AIST member funds and, where applicable, compare them with the broader financial services sector.

It is hoped that this report, while limited by its sample, can serve as a useful tool for organisations within the superannuation system to examine their own gender diversity and inclusion practices. The report provides an opportunity for organisations to review or update their own practices and gain a better understanding of where they sit relative to a sample of the profit-to-member superannuation industry.

### SAMPLE SIZE AND COMPARISON GROUP:

A total of 16 AIST member funds participated in the survey. Where appropriate, the findings from the sample group are compared with organisations in the financial and insurance services sector that have reported their gender diversity practices to WGEA.

Table 1: Sample size

Category	Number of organisations in sample
Superannuation funds	16
Financial and insurance services sector organisations	232

The 16 member funds in the sample were grouped into three separate categories based on the number of individuals employed by the fund.

Table 2: Allocation to small, medium and large fund category

Category	Criteria	Number of organisations in sample
Small funds	Fund employs 100 or fewer staff	5
Medium funds	Fund employs between 101-400 staff	7
Large funds	Fund employs over 400 staff	4

## IMPORTANT INFORMATION:

The project is intended to provide a high-level view of what profit-to-member superannuation funds are doing to contribute towards gender diversity, how the funds' internal operations are structured and to assess whether those funds effectively promote and support gender diversity.

While the information in this report can serve as a useful indicator of the practices of some superannuation funds, we have been careful not to draw wider insights about the diversity practices of the superannuation sector overall.<sup>7</sup> This is due to the fact that the report does not include data from all sectors of the profit-to-member superannuation industry, the sample size was relatively small and participation was voluntary. The report may therefore contain an element of selection bias.

Notwithstanding this, the report provides a useful snapshot of the practices of a number of superannuation funds that collectively employ over 4,500 staff.

## REPORT METHODOLOGY:

A written questionnaire was provided to participating funds. The questions were derived from the *Workplace Gender Equality Agency 2016 Reporting Questionnaire* to allow for a comparison between the sample and 232 organisations in the finance and insurance services sector that reported to WGEA in 2015.

This research questionnaire includes questions regarding:

- Gender diversity practices and policies.
- Employee satisfaction with the fund's approach to gender diversity and inclusion.
- The steps being taken to address superannuation imbalance between males and females.
- Personnel appointments, promotions and exits at defined organisational levels within the fund.
- The fund's expectations of key service providers in regards to their gender diversity practices and policies.

The data was taken as of 31 March 2016 in order to ensure consistency with WGEA data and to allow for a comparison between the financial and insurance services sector.

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<sup>7</sup> For example AIST research in 2015, that included approximately 60 member funds, revealed that the percentage of female directors on boards was 27%. The reported figure in this survey is significantly higher, at 35%. The discrepancy may be explained by selection bias as the sample is not a randomised representation of the entire superannuation sector but instead a selection of funds that volunteered to be included in the research.

# Workplace support for gender equality

This part of the report shows the portion of participating funds that had formal policies and strategies in place at 31 March 2016 to support gender equality in a number of key areas. Some of these figures are then compared with the WGEA results for the finance sector. Where appropriate, the report lists a number of initiatives that funds may wish to consider adopting to improve overall performance.

The research revealed:

- The majority of super funds had formal policies and strategies in place to support gender equality in recruitment, retention, performance management processes, succession planning, training and development and in the resignation process.
- However, only one-third of funds expressly supported gender equality by having key performance indicators for managers that related to gender equality within their spheres of management.
- Approximately 80% of superannuation fund chairs and co-chairs were male and approximately 65% of fund directors were male, with 35% being female.<sup>8</sup>
- 75% of funds had formal selection policies or strategies designed to promote gender equality for the selection of board members, compared to 62% of organisations in the finance sector.

## RECRUITMENT:

A majority of surveyed funds had formal policies and strategies on recruitment that may have covered elements such as:

- Recruitment campaigns that are designed to access each gender.
- Developing a diverse selection panel.
- Applying equal employment principles (if appropriate).
- Taking steps to remove recruitment bias.

## RETENTION:

Just over half of surveyed funds expressly supported gender equality in retention. Gender equality in retention refers to policies and strategies that are focused on building a positive work environment that encourages employee commitment to their jobs, and thus a willingness to stay with the organisation.

Superannuation funds wishing to enhance gender equality in retention may consider:

- Developing a policy or strategy to help ensure that gender equality and diversity principles are applied throughout the organisation.
- Enhancing training and development programs.
- Engaging with employees while they are on parental leave.
- Providing ongoing training to all staff.
- Monitoring the internal labour market to review employee outflows and identify any leakages where necessary.

## PERFORMANCE MANAGEMENT PROCESSES:

Approximately 70% of funds expressly supported gender equality in their performance management processes.

Superannuation funds wishing to enhance their performance management processes can consider:

- Reviewing policies and strategies that relate to the enhancement of employee accountability measures and productivity. The policy or strategy could be framed to ensure that any performance management processes are equitable across genders.

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<sup>8</sup> Due to the limited number of superannuation funds that participated in this research, the data is not illustrative of the practices of the profit-to-member sector as a whole.

## PROMOTIONS:

Approximately 75% of superannuation funds and finance sector organisations offered an equal level of support to employees in the promotions process. A policy or strategy may have included a clear outline of the requirements for promotions as well as support for staff during the transition.

## IDENTIFICATION OF HIGH POTENTIALS:

70% of finance sector organisations and superannuation funds offered an equal level of support to employees in the talent identification process.

Superannuation funds wishing to enhance their ability to identify high potentials may consider:

- Outlining the equality principles that will be applied during the task of identifying high potentials among staff.

## SUCCESSION PLANNING:

Approximately 70% of organisations in the finance sector and superannuation funds had a formal policy or strategy that supported gender equality in succession planning. For the superannuation funds that did not have the policy or strategy, approximately half said that it was currently under development.

Superannuation funds wishing to enhance their succession planning may consider:

- Developing or amending a policy or strategy that articulates the gender equality principles to be applied to the succession planning process.
- Ensure both genders are considered in succession planning for each role, and the plan is aligned with diversity and gender equality strategies.

## TRAINING AND DEVELOPMENT:

Approximately 77% of superannuation funds and organisations in the finance sector expressly supported gender diversity in training and development.

## RESIGNATIONS:

While there is room for improvement across the board, superannuation funds provided greater support (62%) to gender equality in the resignation process compared with organisations in the finance sector more generally (56%).

Superannuation funds wishing to tailor their resignation framework to enhance gender equality may consider:

- Developing a policy or process that seeks to elicit the reasons for a staff member's resignation, by gender. The collection of data on a gendered approach can allow for tracking and comparison as well as easier identification of issues that may cause one gender to exit the workplace at a higher frequency than another.

## KEY PERFORMANCE INDICATORS:

Approximately 70% of superannuation funds and financial sector organisations did not expressly support gender equality by having key performance indicators for managers that relate to gender equality within their spheres of management. However, a number of funds were developing a strategy or policy.

## GENDER EQUALITY OVERALL:

A majority of organisations in the finance sector and superannuation funds had a policy or strategy that supported gender equality overall.

# Gender composition of the board

This part of the report details the gender composition of the boards of superannuation funds that participated in this research project. The data has been categorised based on the number of employees in order to facilitate a more meaningful comparison, as well as providing an insight into how organisation size can affect gender diversity practices.<sup>9</sup>

The research indicates that:

- 80% of fund chairs and co-chairs were male compared with 90% in the finance sector.
- Approximately 65% of fund directors were male compared with 75% in the finance sector.<sup>10</sup>
- 75% of superannuation funds surveyed had formal selection policies or strategies designed to promote gender equality for board members compared with 62% of finance sector organisations.

### CHAIRS, CO-CHAIRS AND DEPUTY CHAIRS:

- Approximately 20% of fund chairs and co-chairs were female.
- Only 13% of fund deputy chairs were female and the only funds that had deputy chairs were medium funds; no small or large funds employed female deputy chairs.
- Approximately 35% of superannuation fund directors were female<sup>11</sup> (excluding chairs, co-chairs and deputy chairs).
- The funds surveyed had greater gender diversity than the finance sector, as only 24% of finance sector board members were female.

### FORMAL SELECTION POLICY OR STRATEGY FOR BOARD MEMBERS:

A greater percentage of funds had formal selection policies or strategies designed to promote gender equality for board members (75%) compared with finance sector organisations (62%). Interestingly, approximately half of large superannuation funds did not have such a policy or strategy, whereas over 80% of small and medium funds had a policy or strategy.

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<sup>9</sup> It is not intended for the data in this part to be used for comparison with the finance sector because the sample size is not representative of profit-to-member superannuation funds as a whole. For example, AIST research in 2015 revealed that of 60 profit-to-member funds, the percentage of women on boards was 27%, not 35% like the data in this part would suggest.

<sup>10</sup> AIST research in 2015 revealed that the percentage of female directors on the boards was 27%. The reported figure in this survey is significantly higher and this may be explained by selection bias.

<sup>11</sup> This figure excludes chairs, co-chairs and deputy chairs.

# The talent pipeline

This part of the report details staff movements within a fund, tracking those who entered, moved within and exited the fund at six defined business levels. This information can be useful for funds to determine the organisational levels that may be affected by significant staff exits, and tracks the movements of each gender throughout the organisation. By identifying the stage at which employees exit funds are better equipped to maintain a talent pipeline.

The data shows that small funds hired and retained significantly more female non-managers than male. The number of female staff hired for senior positions was less than that of males and this trend continued throughout the increasing levels of seniority.

The six organisational levels are as follows:

1. Chief Executive Officer – person with the ultimate responsibility for making managerial decisions.
2. Key management personnel – persons with authority and responsibility for planning, directing or controlling the activities of the fund directly or indirectly (typically executive managers).
3. General managers – persons responsible for the equivalent of a department or business units (typically sit alongside, or under the executive).
4. Senior managers – persons charged with one or more functions, departments or outcomes (typically involved in strategic and operational aspects of management).
5. Other managers – persons that plan, organise, direct and coordinate an operational functions (typically accountable for a defined business outcome, which includes management of functions or people – line managers).
6. Non-managers – all staff who do not fit within one of the managerial categories above.

This part covers movements in the 1 April 2015 – 31 March 2016 time period.

# GENDER DIVERSITY IN PROFIT-TO-MEMBER SUPER FUNDS

## SMALL FUNDS (100 OR FEWER STAFF):

Chart 1: Male talent pipeline in small funds

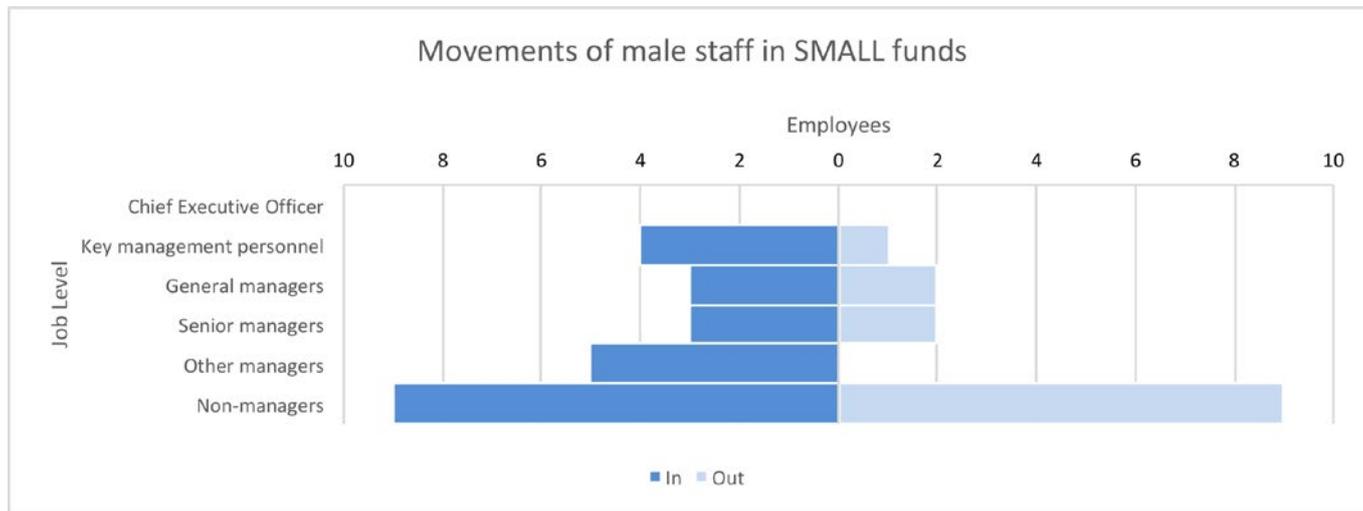
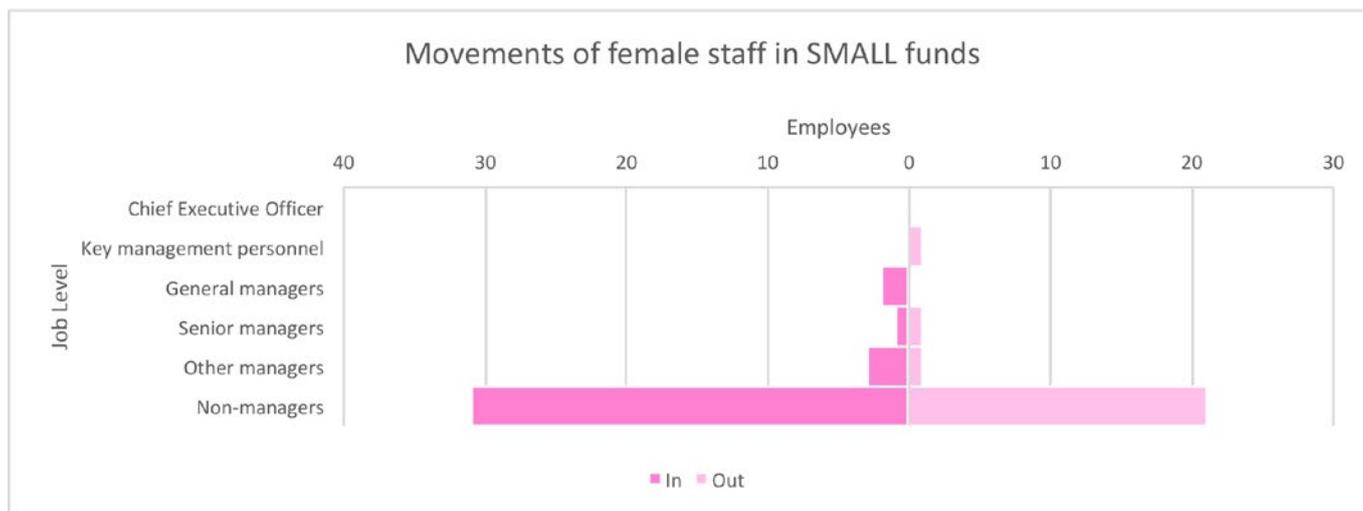


Chart 2: Female talent pipeline in medium funds



**Key findings include:**

- Small funds hired over three times more female than male staff at the non-manager level.
- The number of females that entered (includes promotions and external hires) at senior manager, general manager and key management personnel levels was less than the number of males that entered. This suggests that the recruitment and promotion of female staff members reduced as seniority within the organisation increased.

## MEDIUM FUNDS (101-400 STAFF):

Chart 3: Male talent pipeline in medium funds

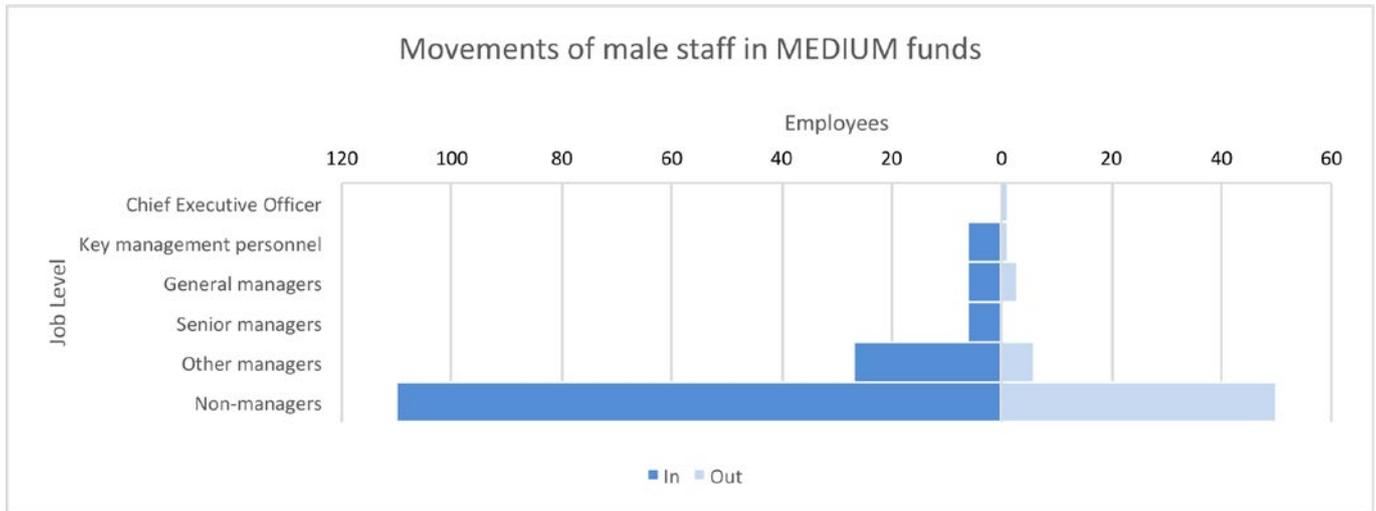
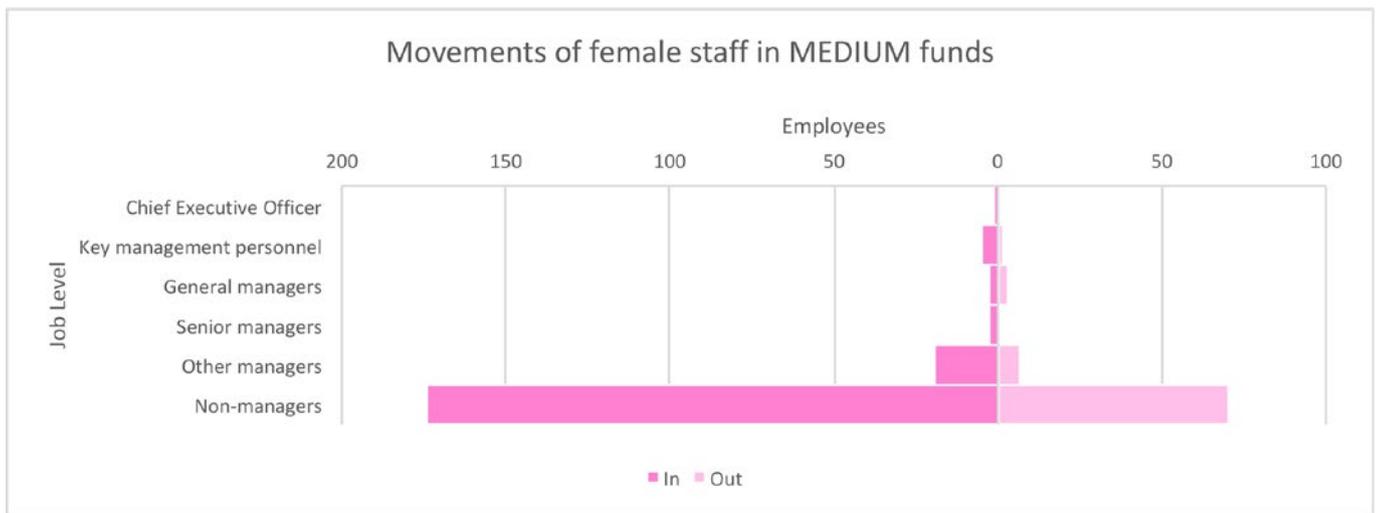


Chart 4: Female talent pipeline in medium funds



**Key findings include:**

- The number of non-manager female employees who entered the organisation exceeded that of males, with approximately 58% more females entering than males.
- The number of males who entered (includes promotions and external hires) at senior and general manager levels doubled that of females, and the exit rates were identical.

# GENDER DIVERSITY IN PROFIT-TO-MEMBER SUPER FUNDS

## LARGE FUNDS (400+ STAFF):

Chart 5: Male talent pipeline in large funds

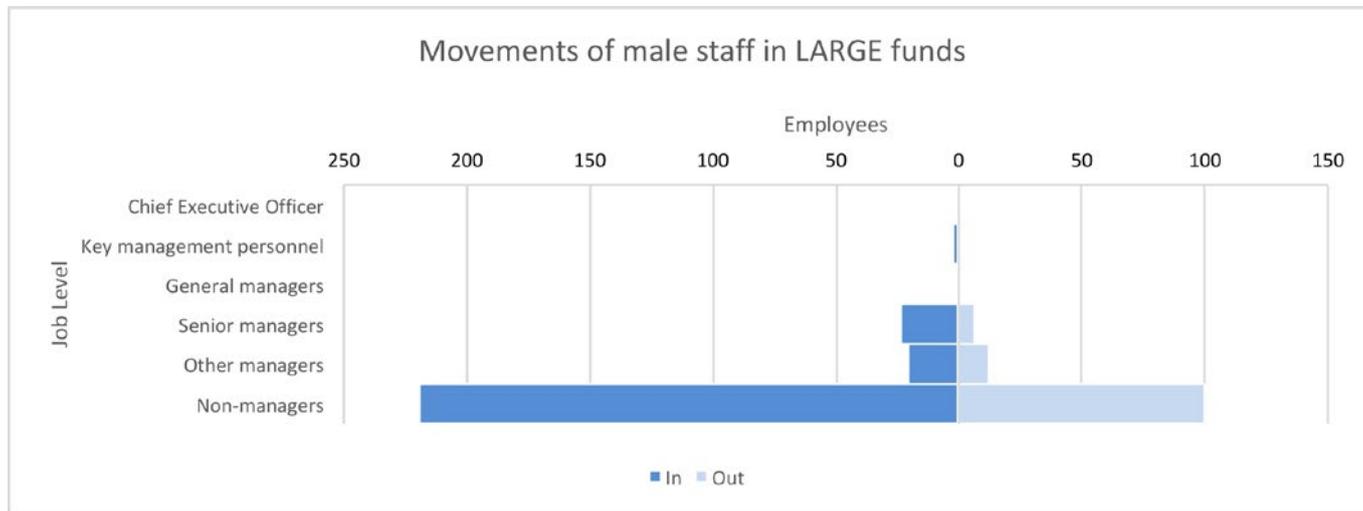
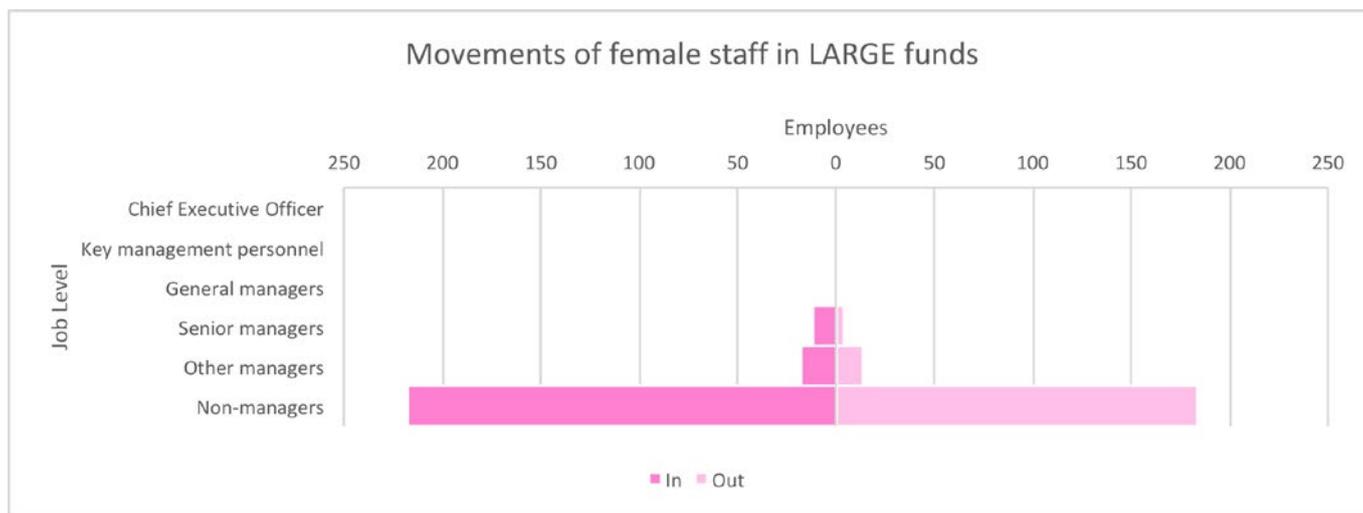


Chart 6: Female talent pipeline in large funds



**The data illustrates that:**

- The number of female and male non-managers who entered the organisation were very similar, however the retention of male staff was almost double that of female staff.
- The number of males who entered at the senior manager level doubled that of females.

## Remuneration

This part of the report details remuneration practices among funds and finance sector organisations. The data suggests that:

- Each fund in the sample had a formal remuneration policy or strategy in place.
- Half of the funds surveyed had policies or strategies on remuneration that expressly included objectives for gender pay equity compared with less than one third of organisations in the finance sector.
  - Large funds were more likely to have gender pay equity objectives, with small funds being least likely – however small funds were still more likely than finance sector organisations to have these objectives.
- Half of the funds undertook a pay gap analysis within 12 months of 31 March 2016 compared with 46% of organisations in the finance sector. Furthermore, 90% of funds took action as a result of the pay gap analysis whereas only 40% of organisations in the finance sector did.
  - Of the funds that did not perform the gap analysis, the reasons offered included:
    - Non-award staff were paid market rates.
    - Analysis was currently under development.
    - Fund does not have the expertise to perform the analysis.
    - The workforce was too small, meaning any analysis would be of limited utility.
  - The actions taken by funds were diverse, in the light of the fact that fund operations differ – actions included:
    - Creation of a pay equity strategy or action plan.
    - Identification of the causes of the gap.
    - Review of remuneration decision making processes.
    - An analysis of commencement salaries to reduce pay gaps.
    - An analysis of performance ratings to minimise gender bias.
    - An analysis of performance pay to minimise gender bias.
    - Reporting of pay equity metrics to the board and executive.

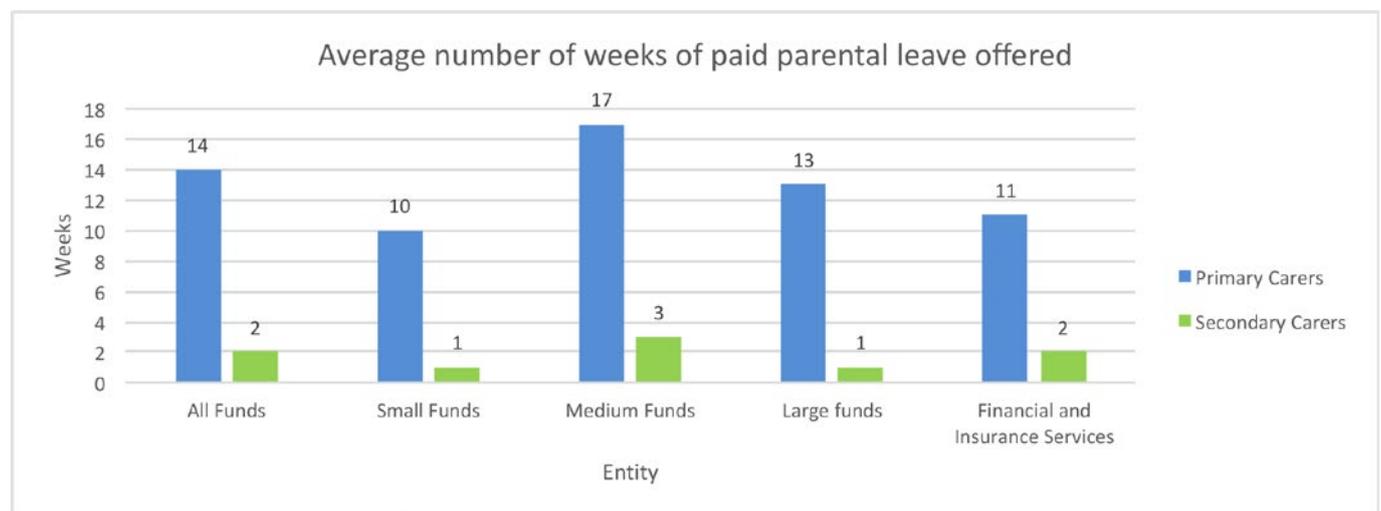
# Flexible working arrangements

This part of the report contains details on the types of working arrangements employed by funds and organisations in the finance sector that support employees. All funds had policies and strategies in place for flexible working arrangements.

### PAID PARENTAL LEAVE:

- 90% of funds provided paid parental leave to primary and secondary carers (above the minimum government entitlements) compared with approximately 70% of organisations in the finance sector.
  - All medium and large funds provided leave, with only 60% of small funds providing it.
- Most funds provided paid parental leave to primary and secondary carers (above the minimum government entitlements).

Chart 7: Number of paid parental leave weeks offered to staff



Medium funds offered the highest number of paid parental leave weeks for both primary and secondary carers, followed by large funds, the finance sector, then finally small funds.

### NON-LEAVE BASED MEASURES TO SUPPORT EMPLOYEES WITH FAMILY OR CARING RESPONSIBILITIES:

- About two-thirds of funds provided *non-leave based measures* to support employees with family or caring responsibilities, which was slightly less than companies in the broader financial services.
  - None of the smaller funds provided *non-leave based measures*, and medium funds typically provided greater support than large funds.
  - The three most common types of *non-leave based measures* were:
    - Breastfeeding facilities.
    - Referral services supporting families and carers.
    - Coaching for employees on returning to work from parental leave.

### FORMAL POLICIES OR STRATEGIES TO SUPPORT EMPLOYEES WITH FAMILY OR CARING RESPONSIBILITIES:

- Approximately 90% of funds had formal policies or strategies in place to support employees with family and caring responsibilities, compared with approximately 80% of organisations in the finance sector.

# Support for employees experiencing family or domestic violence

- While a number of funds signaled that a *formal policy or strategy* to support employees experiencing family or domestic violence was in development, a large percentage of funds and organisations in the finance sector did not have anything in place to directly support employees experiencing family or domestic violence. However over 90% of funds and 87% of finance sector organisations had measures other than a formal policy or strategy in place to support these employees.
- There is scope for the development of policies and strategies to support these employees. Support for employees sends a positive message and recognises that family and domestic violence can be a significant issue within Australia and that the workplace can play a role in creating a safe place for victims.

The most common support measures, other than a formal policy or strategy, for funds were:

- Employee assistance programs.
- Training of key personnel.
- Access to unpaid leave.
- Confidentiality arrangements.
- Protection from adverse action or discrimination based on disclosure of domestic violence.
- Flexible working arrangements.

*“There is scope to develop policies to support those experiencing family or domestic violence.”*

## Employment terms, conditions or practices available for employees

This section contains data on the employment terms, conditions and practices (conditions) that were available to employees of participating funds and organisations in the finance sector.

The most common and least common conditions are presented below in the following categories:

- Formal conditions for managers.
- Informal conditions for managers.
- Formal condition for non-managers.
- Informal conditions for non-managers.

Table 3: Formal conditions for managers

Condition	Female		Male	
	Fund	Finance sector	Fund	Finance sector
Carers leave	94%	96.98%	94%	96.98%
Flexible hours of work	94%	80.60%	94%	80.17%
Compressed working week	44%	42.67%	44%	42.67%
Job sharing	56%	52.59%	56%	52.59%

Only 44% of funds offered their employees the option of taking a compressed working week – however the reasons for this may be varied. For example, it may not be necessary to offer a compressed working week in light of the fact that many employees have access to a wide variety of other conditions.

Table 4: Informal conditions for managers

Condition	Female		Male	
	Fund	Finance sector	Fund	Finance sector
Flexible hours of work	69%	63.79%	69%	64.66%
Time-in-lieu	63%	65.09%	63%	65.09%
Compressed working week	19%	33.62%	19%	33.62%
Job sharing	19%	23.71%	19%	23.71%

The portion of funds offering informal compressed working weeks, job sharing, and purchased leave was low, therefore it may be worthwhile to consider whether it is appropriate to offer these conditions. The offering of the conditions will depend on the size and complexity of the fund, and may be unnecessary given that many funds had formal mechanisms in place for job sharing and purchased leave, however only 44% of funds had formal arrangements in place for a compressed working week.

# GENDER DIVERSITY IN PROFIT-TO-MEMBER SUPER FUNDS

Table 5: Formal conditions for non-managers

Condition	Female		Male	
	Fund	Finance sector	Fund	Finance sector
Carers leave	94%	97.41%	94%	96.98%
Flexible hours of work	94%	83.19%	94%	82.76%
Compressed working week	44%	43.97%	44%	43.97%
Job sharing	63%	63.36%	63%	60.78%

The condition with the least amount of uptake by funds was job sharing, with only 63% of funds offering this to non-managers. There may be scope for funds to improve this.

Table 6: Informal conditions for non-managers

Condition	Female		Male	
	Fund	Finance sector	Fund	Finance sector
Flexible hours of work	63%	62.07%	63%	62.50%
Time-in-lieu	63%	63.79%	63%	63.36%
Compressed working week	19%	33.62%	19%	33.62%
Carers leave	25%	23.28%	25%	23.71%

The condition with the least amount of uptake by funds compressed working weeks, followed by carers leave. However, the low update for carers leave is because most funds offer this as a formal, rather than informal condition.

## Consulting on gender equality

This part of the report assesses whether organisations consulted with employees on issues related to gender equality.

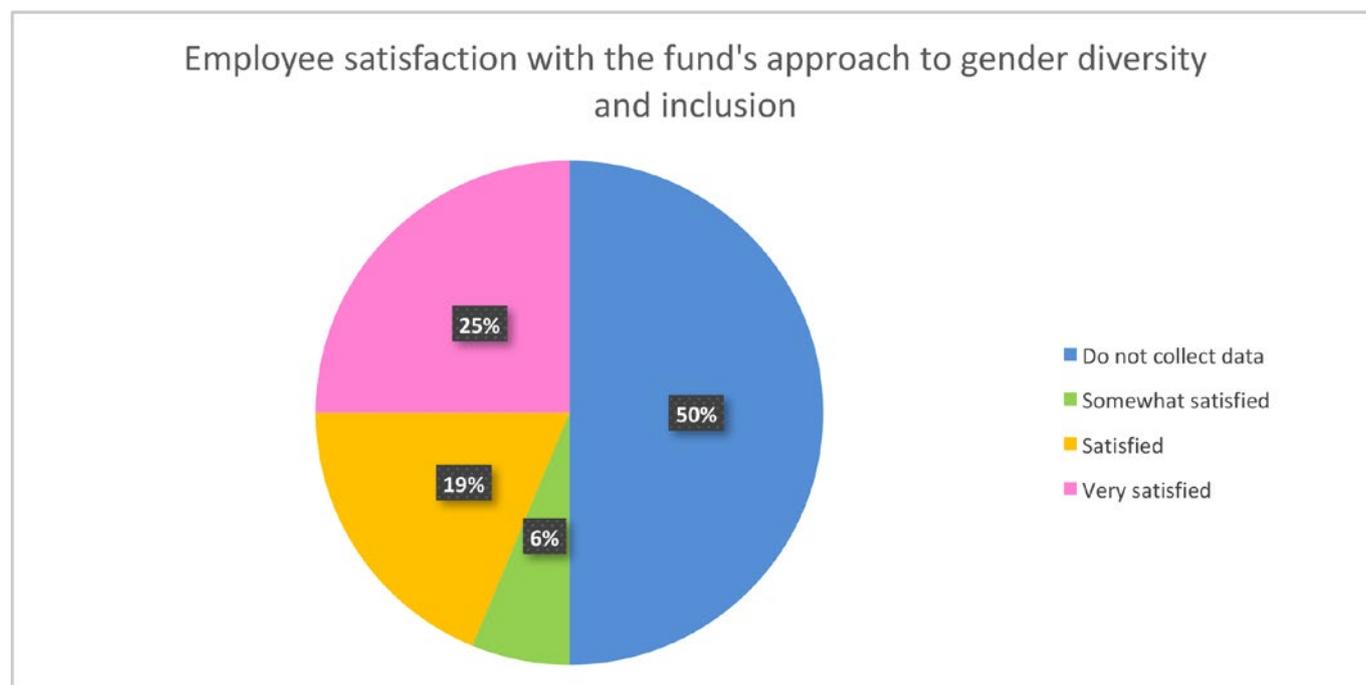
- Approximately 70% of superannuation funds consulted their employees on issues regarding gender equality.
  - All large funds, 70% of medium funds, and 40% of small funds consulted their employees.
- The three most common ways in which funds consulted were by:
  - Survey.
  - Focus groups.
  - Exit interviews.

# Sex-based harassment and discrimination

- All funds had a formal policy or strategy on sex based harassment and discrimination and all funds also had a formal harassment and discrimination grievance process.
- All funds provided harassment and discrimination training to their managers. The training provided to managers varies, with the majority of funds providing the training on induction, approximately half on an annual basis, and a third every one to two years.

# Fund employee satisfaction with gender diversity and inclusion

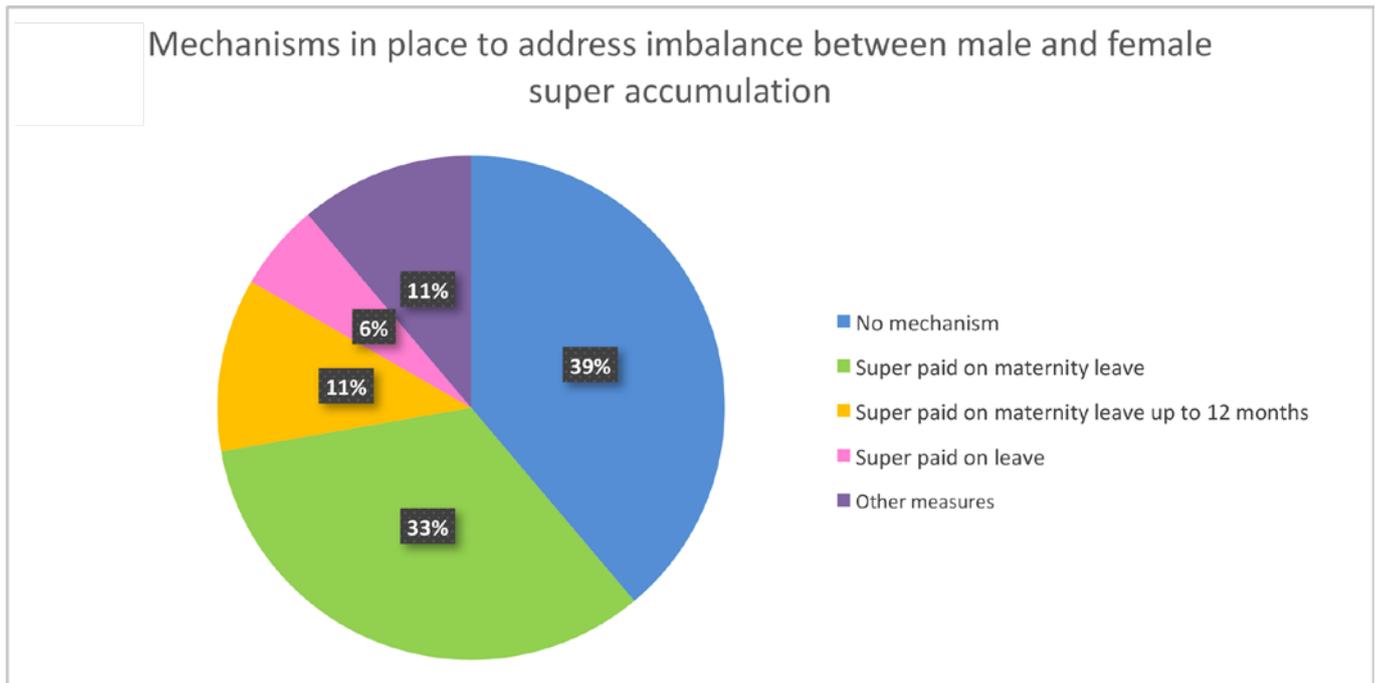
This part of the report assesses how satisfied fund employees are with the fund's approach to gender diversity and inclusion practices (GD&I).



Approximately half of the funds did not collect employee satisfaction data on gender diversity, presenting an opportunity for greater data collection. Collecting satisfaction data is a useful way to develop a baseline that can be used to assess the impact of any new initiatives or projects. It also has potentially positive impacts on workplace culture as employees will feel that they have a direction conduit with management on key issues such as GD&I.

# Mechanisms in place to address imbalance between super accumulation

This part of the report examines what funds had in place to address differences in super accumulation between genders.

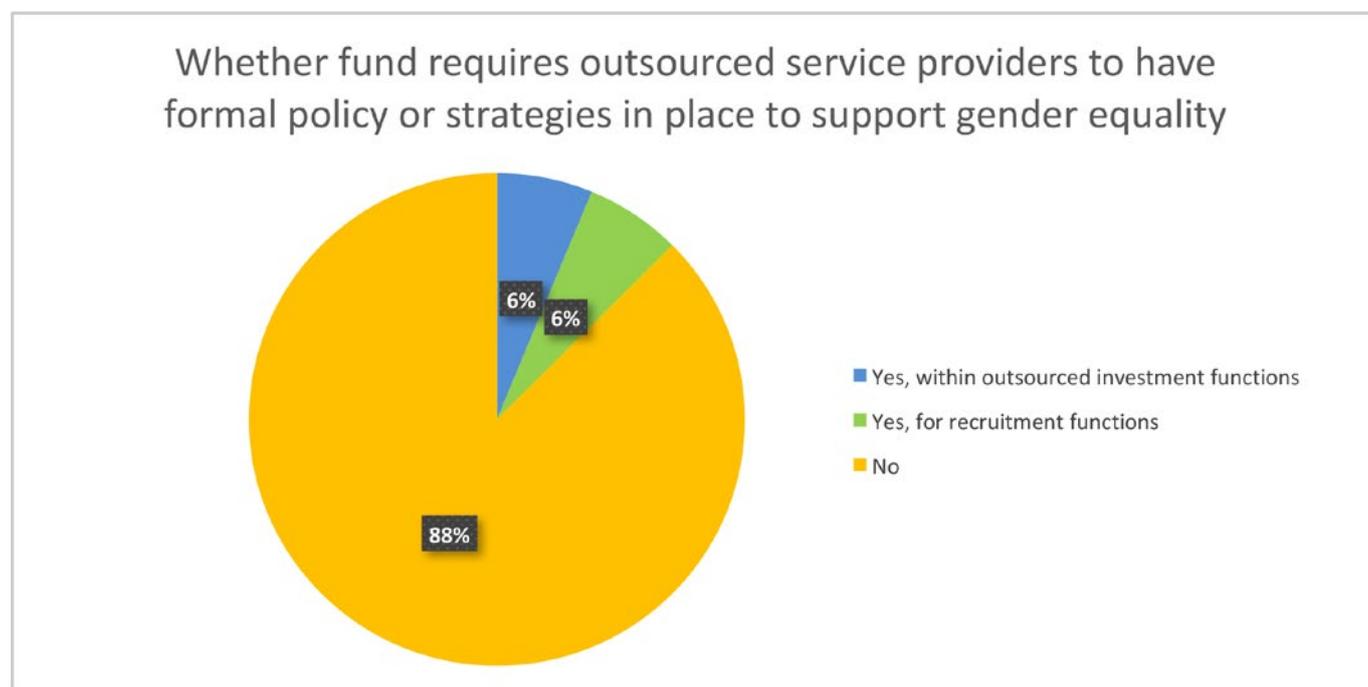


The majority of funds had no mechanism in place to address super accumulation imbalance. Approximately 30% of funds paid superannuation to staff when they were on maternity leave with no conditions, an extra 10% paid it on maternity leave up until 12 months.

# Fund requirements of outsourced service providers

It is common for funds to outsource functions to external service providers. Typically funds will consider outsourcing:

- Account administration.
- Asset consulting.
- Investment management.
- Insurance services.
- Internal and external auditing.



Almost 90% of funds did not require their outsourced providers to support gender equality and those funds that did only had requirements within recruitment functions and outsourced investment functions. Funds provided a multitude of explanations as to why they do not require this of their service providers and the reasons include:

- Engagement is contractually based.
- Providers are still in the process of developing policies and strategies.
- Limited internal resources.
- Not a priority.
- Work in progress.

It may be open for funds to consider the appropriateness of including requirements around gender equality when engaging with service providers.

# Conclusion

This research reveals that many superannuation funds are taking positive steps towards achieving gender diversity and implementing changes to ensure each gender is equally supported, and able to thrive within the organisation.

The superannuation funds that participated in the survey generally have better processes, policies, strategies and procedures in place to support gender diversity in the workplace when compared to organisations in the finance sector. For example 90% of funds provided paid parental leave to primary and secondary carers (above the minimum government entitlements) compared to 70% of organisations in the finance sector.

The report also identifies a number of areas where funds can improve their diversity practices, for example some funds may consider developing formal policies or strategies to support employees experiencing family or domestic violence, and conducting a regular gender pay gap analysis.

Discussions with human resource executives of participating funds revealed that it is an ongoing challenge to achieve, and maintain, a good diversity balance, particularly within investment management and information technology teams.

Even in light of these challenges it is clear that funds are continuing to move towards building diverse and inclusive workforces and it is hoped that this report will provide some useful guidance for funds wishing to enhance their own diversity practices.

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