

# FROM THE 2023 MILKEN GLOBAL CONFERENCE WOMEN'S LEADERSHIP AND THE FACE OF THE MODERN C-SUITE

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**Katie O'Reilly:** I want to go to Sophie for a minute on some of these stats, but how many of you, within your organizations, you feel like you still sense skepticism at the leadership level when you're trying to implement DEI policies? Hanneke, or Judy, maybe.

**Hanneke Smits:** So I don't sense it. I feel very fortunate that I'm part of an organization where DEI is a very important part of running the business. It's also why I took on the role as chair of the 30% Club, because I think as CEO of the investment management division of BNY Mellon I do think it's important to pay it forward and be a role model and keep shining a light on the lack of diversity in boardrooms and in the C-suite, notwithstanding the progress that has been made. I don't – and I took on this role with the very clear support of the CEO of BNY Mellon, Robin Vince, who is very committed to diversity – so I'm not seeing it in my organization, it's very tied into – we're going to talk about this a little bit later – into how we appraise people, it's in scorecards, there's a great commitment to it, but it's also about culture. And not every organization is the same.

**Katie O'Reilly:** Women often don't get the type of feedback that they need because there's a perception they won't be able to handle it. But then you couple it with not being in the office regularly, not having the chance to build those relationships. I don't know, Hanneke, how do you think about that in terms of leading your organization and how to give women those opportunities and how to train managers to do this and think about it?

**Hanneke Smits:** So it's a really important topic. We have a hybrid model where we're asking people to be in the office three days a week and two days they can work remotely or actually choose to come into the office as well. And, on the whole, we've chosen this model because we want to both balance flexibility for all men and women, but also because we do believe that it's very important to be in the office to come together. For managers to lead – and part of leadership really means giving feedback, right – and for the younger generation to actually to be able to watch their managers in meetings, to get quick feedback, you know, it's about going – I remember I learned most in the very early part of my career, I actually sat in the office, shared an office, with my then line manager who was a woman, and sometimes I look back on that choice, by the way, and wonder if, unconsciously, I ended up in that first job because my first line manager was female. And that trend somewhat continues in my career. But I remember sitting in her – sharing her – office for two and a half years, so I was aware, I was in every conversation, in every meeting she was in, I was of course doing the notes and all the analysis and really learned on the job. That is very – in the services business, in the investment world that I'm in – that's very hard to replicate virtually. I don't know how you replicate that. I don't know how you give that live

some feedback. So I think it's very important for both men and women to come back into the office, to have that training and for us also to invest in the training to give feedback. Giving feedback is an art. Receiving feedback is also something that I think as a manager you need to continue to be open to so you're sort of a learning organization and, like, your organization is safe for everyone to receive that feedback. So I think there's a lot here to unpack, it does appear that some women have experienced a bit of a setback in COVID. And I think there's some stats out there that suggest that perhaps flexible working has meant that they're picking up more than perhaps their fair share of the housework, which of course is not something as organizations we can solve, but what we can do is make sure that we have an environment in which they can foster and learn and progress.

**Katie O'Reilly:** But Hanneke, tell us about the 30% Club, because I know that's an important initiative that takes on much of this. Are these – this blueprint of accountability, how does it resonate with you based on the 30% Club and what you're trying to do there and just tell everyone about the organization?

**Hanneke Smits:** Well, thank you for that. So the 30% Club is a campaign which had its origins in the UK in 2010 when it was launched to really shine a light on the lack of diversity by gender on boards of publicly listed companies. At the time, in the UK, women held just 12% of the non-executive board positions, and the aim was to increase that to 30%. And there was sort of two reasons for that. One is you want to see, you know, when you start at 12%, you want to have a goal that is both ambitious as well as realistic, but actually what was really important is that we've done some research that showed that it's really important to get to a minimum sort of percentage or proportion of any underrepresented group in a team for their voices to be heard. And that percentage is at 30%. So it's targeted because, when – say there's a board of ten people and three are women, it's at that point the voices of those three women are heard. It's very important to know it's a floor, it's not a ceiling. And we are now in 20 countries around the world. In five of them we have surpassed the 30% in non-executive roles, and we're now in the past parity is sort of the next push, but the other next push is really to get more diversity by gender and other types of diversity as well in the C-suite. Some of the points you were making, John, earlier, there are just still – while there are perhaps more female CEOs than men named John, there's still only ten in the S&P 100 and nine in the FTSE 100 so I do think we still have a bit of work to do. So how do we do it? More than just the campaign, we also work in partnership with an organization called Moving Ahead that delivers a mentoring program that gets us the sponsorship. We've now had – about 16,000 pairs have gone through this program and what we've seen – and this is a cross-company program – so listed companies are members of the 30% Club, they can put women through this mentoring program, but they also contribute mentors. We as BNY Mellon contribute mentors to this program. And what happens – because now you're typically more likely than not a male mentor because there are still more men in leadership roles than women – and it's opened their eyes to what might be happening in their own organization and how actually important it is to also be a sponsor to women in their own organizations. So we've had, there's been sort of reverse mentoring that's come out of this program, which I think has been hugely beneficial. I took on this role in early 2023 when the previous chair – and Karen's stepping down from the role – and the reason I'm doing it is because I do think there's still a lot more to do. I think it's a business issue. I do think it's something that needs to be owned – to your point, Cheryl – by CEOs of organizations. It can, of course, be very much supported by HR, but you can't just say, oh, it's my DEI officer that leads this, you need to demonstrate, as a leader, that it's really helping you to become a better company. And to us as an investment manager, ultimately, it's also about building diverse teams so we generate better returns to our clients.

**Katie O'Reilly:** Maybe just very briefly, the difference between mentorship and sponsorship, so everyone understands. What's a sponsor versus a mentor?

**Hanneke Smits:** Yes, so a sponsor is someone who really picks someone and sponsors them for the next opportunity. A mentor is someone you can engage with and talk about how you make progress in your career in terms of behaviors, in terms of skills and development. It's more like a coach. A sponsor is someone who will proactively identify promising people, in this case, women in their organization, and

ensure that they're made aware of opportunities that they should actually be going for. And that's been really important for women, in particular, because we talked about the confidence or lack of confidence on the part of women. It's too often that women don't apply for certain promotions. I can tell you I'm guilty as charged. I've been approached in the past for certain roles where I come home, I said to my husband, "Gosh, I got this phone call for this really cool job, and I wonder why they called me." And my husband's like, "You got six out of ten, at least" – to your point, Cheryl – "don't worry about the other three or four." So I think you talked about framing, John, and I do think it's very important that we frame why diversity matters, which we do as an asset manager. A lot of our firms that we own engage with companies to, again, focus on diversity or, at times, the lack thereof on their boards and in the C-suite, because there's plenty of studies out there that show – McKinsey gets the most cited – that show that companies that are led by more diverse teams lead to better outcomes and better shareholder returns. And that's going to be good for everyone. It's going to be good for pensions, for savers. So I think I have found if you engage on that level – and we do it through the 30% Club, I do it through my own organization – it can work. We've actually had a lot of support from male chairs and CEOs, and, let's face it, that's still 90% of the leadership out there so it is really important to engage. I was also struck that there are not that many here in the room. But I do think we need to keep focusing on this and engaging with them, but in a way that they can connect with.

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