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Business

Wellington appointment of its first female CEO is still a rarity in the fund management world

By Jon Chesto
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When Jean Hynes entered the money management field nearly 30 years ago, she was drawn by a curiosity about the factors that moved stocks up and down, the reasons for the market's daily gyrations.

Her curious intellect paid off in spades as she rose up the ranks during the past three decades at Wellington Management Co., a deliberately low-profile company that has become one of the 15 biggest asset managers in the world, with \$1.1 trillion under management. But there's one thing she didn't have at the time she joined the Boston company, fresh out of Wellesley College: female role models.

Now Hynes is 51 and poised to be the first female chief executive in the firm's nearly 90-year history. Wellington announced last month that Hynes would replace CEO Brendan Swords upon his retirement at the end of June. She'll oversee a workforce of about 2,700 employees, including roughly 1,900 in Greater Boston.

"Wellington has been on a journey in the last 10 years, being much more deliberate about diversity," Hynes said. "I hope to continue that journey . . . when I'm CEO."

Part of that journey will involve actively supporting women and people of color after they are hired, to ensure they stick around, she said.

Hynes downplays the significance of reaching such a high position in a field whose top ranks remain dominated by men. So do the people who know her: They cite her proven investment acumen with Wellington's health care portfolio and her leadership skills, empathy, and humility as reasons why Hynes is the logical choice to take over. (Her path toward the CEO role became more likely in 2014, when she was named one of three managing partners at the firm.)



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JEAN HYNES (above), soon-to-be chief executive, Wellington Management Co.

But it's hard to miss the historic significance that Wellington will be led by a woman.

Even as recruitment efforts help draw women into the lower rungs of the industry's corporate ladders, the CEO jobs still tend to go to men. One of the notable exceptions: Abigail Johnson became chief executive at Boston-based Fidelity Investments, an even bigger fund manager than Wellington, in 2014.

Hynes said one of her missions will be to increase Wellington's gender and racial diversity. More than one-third of the senior leaders are women. And about 20 percent of Wellington's partners are

women — an increase from 14 percent in 2014, she said, but still not enough.

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Swords said he has noticed Hynes stepping up to be that much-needed role model for younger women at the firm, to fill the gap she faced when she started out. That includes regularly taking a group of female investors out to dinner, in the pre-pandemic days.

"It means a lot that they could have an investment dialogue with one of the giants in our industry," Swords said of Hynes's out-

ings. “They can ask her anything, including about raising four daughters, and having an intense job. . . . She is a great coach.”

Vanguard Group chief executive Tim Buckley has worked alongside Hynes for years; the index fund giant is one of Wellington’s biggest clients, a relationship that can be traced back to Vanguard’s formation by former Wellington leader Jack Bogle in the 1970s. Buckley praises her decision-making skills and her deep industry expertise. Biopharma executives have regularly called her for insight about their business, he said.

Buckley said he notices the commitment to diversity at Wellington. “They don’t want group-think,” Buckley said. “Diversity isn’t just the right thing to do for them. It’s to drive different ways of thinking.”

There’s no question the mutual fund industry still has some catching up to do. Part of the problem is that the portfolio management side of the business, an enduring feeder system for C-level executives, remains largely the province of white men. Fund tracker Morningstar reports that 14 percent of fund managers were women at the end of 2000. By the end of 2019, that percentage remained the same: 14 percent.

“In varying ways, firms are starting to tackle this, but it certainly has not shown up in the numbers, from what we can see for portfolio managers,” said Sarah Bush, who leads North American manager research at Chicago-based Morningstar. “This isn’t limited to asset management, but I think it’s pretty stark when you’re starting to look at the numbers we see in the asset management industry.”



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Still, some progress has been made among the top ranks. Bush noted that Johnson’s ascension at Fidelity has helped lift other women at that company. She also pointed to Jenny Johnson, who runs Franklin Resources, and Mary Callahan Erdoes, who oversees JPMorgan Chase’s asset and wealth management business. She also noted several smaller boutique firms that are led by women.

“It is absolutely encouraging to see a woman in charge [at Wellington],” Bush said. “I do think a lot of firms are taking this seriously. I just think there’s a lot of work to be done.”

Hynes envisions Wellington tackling more private equity investing, and an

increasing focus on environmental, social, and corporate governance funds, particularly with regard to addressing climate issues. Wellington, she said, will also continue expanding its global reach, hopefully adding to its 2,200 clients and 14 offices around the world. But mostly, she wants to be a responsible steward of the company, like the chief executives who preceded her.

“I’ve spent 29 years here, my whole career,” Hynes said. “I want to give back in the broadest possible way.”

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