

Top-Level Management in Large Companies: Persistent Male-Dominated Structures Leave Little Room for Women

by Elke Holst and Julia Schimeta

The aim of recruiting more women into top-level management positions in business is attracting increasing interest among the general public and policy-makers alike. Calls for a quota for women and the widely publicized appointment of four women to the executive boards of DAX 30 companies in 2011 still does not detract from the fact that women continue to play a marginal role in the most important economic decision-making processes in Germany's largest companies. Again in 2011, only three percent of executive board members in Germany's top 200 companies were women. In the same year, women held an 11.9 percent share of seats on supervisory boards, and over two-thirds of them were employees' representatives. There has been barely any change in the top 200 companies in comparison with previous years. The proportion of women in high-ranking positions in MDAX and SDAX companies is similarly low. The percentage of women in the prominent DAX 30 companies was 3.7 percent in 2011, which represents an increase of 1.5 percentage points from the previous year. In companies with government-owned shares—some of which are considerably smaller—8.2 percent of executive board members and 17.7 percent of supervisory board members are women. This goes to prove that women are also far from achieving gender equality in the boardroom. In comparison with 2010, the percentage of exclusively male supervisory boards even significantly increased: by 8.8 percentage points to 23.6 percent in 2011.

The growing realization among policy-makers, business, and civil society that greater gender diversification in the boardroom is needed has yet to lead to the breakthrough hoped for in the appointment of women to executive and supervisory boards.

For some years now, DIW Berlin has been conducting regular analyses of the representation of women on the executive and management boards (henceforth executive boards) and also the supervisory and administrative boards (henceforth supervisory boards) of Germany's largest commercial enterprises.¹ The present survey covers the 200 commercial enterprises with the highest turnover outside the financial sector.² DAX 30, MDAX, and SDAX companies were analyzed separately, and 60 companies with German government-owned shares were also included in the survey. For an in-depth treatment of the different segments of the financial sector, another survey of the top-level boards of Germany's 100 largest banks and 59 largest insurance companies was conducted, and comparisons were drawn between the public and private sectors. In addition, the top management positions on supervisory and decision-making bodies in the financial sector were analyzed on both the EU and the national level.³ In total, the top management positions of significantly more than 500 companies and institutions were considered.

1 Most recently in 2011, see E. Holst and J. Schimeta, „Twenty-Nine Women to 906 Men: Continuing Gender Inequality on the Boards of Germany's Top Companies“ DIW Berlin Weekly Report, no. 4 (2011).

2 The selection was based on Wolters Kluwer Deutschland GmbH, „Die großen 500. Deutschlands Top-Unternehmen,“ November 2011. Research on the composition of top-level management bodies in the Germany's largest 500 companies was carried out between November and the end of December, 2011. Information is based on the companies' own statements published on the Internet, in annual reports and accounts from 2010, articles in the German Federal Gazette (Bundesanzeiger) and on inquiries with companies by DIW Berlin.

3 For findings on this, see E. Holst and J. Schimeta, „Passed Over for Promotions: Women Still Severely Underrepresented on Financial Sector Boards“. Economic Bulletin, no. 4 (2012).

Overview 1

Women on Executive Boards in Germany in 2011

Position	Company	Name
100 largest commercial enterprises (excluding the financial sector)¹		
2	Daimler AG	Dr. Christine Hohmann-Dennhardt
3	E.ON AG	Regine Stachelhaus
4	Siemens AG	Brigitte Ederer, Barbara Kux
6	BASF SE	Margret Suckale
7	Deutsche Telekom AG	Claudia Nemat
38	Bayer Healthcare AG	Erica L. Mann
42	Henkel KGaA	Kathrin Menges
44	Adam Opel AG	Rita Forst, Susanna Webber
73	Vodafone D2 GmbH	Dr. Susan Hennesdorf
74	Volkswagen Leasing GmbH	Dr. Heidrun Zirfas
100	dm-Drogerie Markt GmbH & Co. KG	Petra Schäfer
101–200 largest commercial enterprises (excluding the financial sector)		
115	Telefónica O2 Germany GmbH & Co.OHG	Rachel Empey, Andrea Folgueiras
120	Anton Schlecker	Christa Schlecker, Meike Schlecker
131	Basell Polyolefine GmbH*	Rita Geissel
138	IBM Deutschland GmbH	Martina Koederitz (Vorsitzende)
145	Air Berlin PLC & Co. Luftverkehrs KG	Elke Schütt
146	ALSO Actebis GmbH	Maija Strandberg
148	Galeria Kaufhof GmbH*	Claudia Reinery
154	IKEA Deutschland Verkaufs-GmbH & Co. Einrichtungs KG	Zuzana Poláková, Claudia Willvonseder, Angela Zhu
157	Dirk Rossmann GmbH	Alice Schardt-Roßmann
160	Tchibo GmbH	Wioletta Rosolowska
167	DOUGLAS HOLDING AG	Anke Giesen

¹ Furthermore, on January 1, 2012, Dr. Marion Helmes became a member of the Celesio AG executive board and Elke Strathmann of the Continental AG executive board. In addition, during the course of 2012, it is expected that Marion Schick at Deutsche Telekom AG and Angela Titzrath at the Deutsche Post AG will follow.

* In 2010, these companies, which had not previously been in the top 200, were included for the first time.

Source: survey by DIW Berlin.

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No Change on Executive Boards of Germany's Top 200 Companies: Male-Dominated Corporate Cultures Prevail

In 2011, almost all seats on the executive boards of Germany's top 200 companies were held by men. Of a total of 942 positions on executive boards, 28 were held by women (see Overview 1). This is equivalent to three percent and shows that women on executive boards are still very much the exception (see Table 1). There is no evidence of improvement since 2010. As in previous years, there is still not a single woman executive board chair among the top 100 German companies. Among the companies ranked between 101 and 200 in order of turnover, only one executive board is chaired by a woman. Almost 90 percent of the boards analyzed were exclusively male. Hopes for a new trend towards an increased number of female appointments to executive boards have, according to these figures, not been fulfilled within the top 200 companies.

Supervisory Boards: Still Over Two-Thirds of Female Members are Employees' Representatives

In 2011, the share of women on the supervisory boards of the top 200 companies was 11.9 percent. This represents a slight increase of 1.3 percentage points compared to 2010. Since 2006, a slow trend towards more board diversity seems to be emerging here. The percentage of all-male supervisory boards decreased by almost two percentage points from 2010 but was still more than a quarter in 2011. More than two-thirds of the women on supervisory boards are employees' representatives, meaning that they were appointed to the board be-

Table 1

**Women on Executive and Supervisory Boards in the Largest 200 Companies in Germany
(Excluding the Financial Sector)**

	Top 100						Top 200					
	2006	2007	2008	2009	2010	2011	2006	2007	2008	2009	2010	2011
Executive/management boards												
Total companies	100	100	100	100	100	100	200	200	200	200	200	200
With information on composition	97	95	96	92	95	100	195	184	191	187	195	197
With no women on executive board	96	88	93	88	87	89	186	169	174	171	173	175
Share in percent	99.0	92.6	96.9	95.7	91.6	89.0	95.4	91.8	91.1	91.4	88.7	88.8
Total members ¹	531	536	526	441	490	533	953	893	934	833	906	942
Men	530	529	519	437	479	520	942	877	911	812	877	914
Women	1	7	7	4	11	13	11	16	23	21	29	28
Share of women in percent	0.2	1.3	1.3	0.9	2.2	2.4	1.2	1.8	2.5	2.5	3.2	3.0
Total chairs ¹	97	95	96	92	97	100	195	184	191	187	195	198
Men	97	95	96	92	97	100	195	184	190	186	193	197
Women	0	0	0	0	0	0	0	0	1	1	2	1
Share of women in percent	0.0	0.5	0.5	1.0	0.5							
Supervisory/administrative boards												
Total companies	100	100	100	100	100	100	200	200	200	200	200	200
With information on composition	87	86	88	78	86	90	170	145	168	153	166	163
With no women on supervisory board	22	21	20	18	25	22	60	44	44	43	49	45
Share in percent	25.3	24.4	22.7	23.1	29.1	24.4	35.3	30.4	26.2	28.1	29.5	27.6
Total members ¹	1389	1373	1385	1166	1263	1326	2500	2268	2466	2175	2293	2268
Men	1270	1255	1249	1048	1142	1178	2304	2074	2236	1961	2050	1999
Women	119	118	136	118	121	148	196	194	230	214	243	269
Share of women in percent	8.6	8.6	9.8	10.1	9.6	11.2	7.8	8.6	9.3	9.8	10.6	11.9
Total chairs ¹	87	86	88	78	87	91	170	145	168	153	167	167
Men	85	84	86	76	85	88	167	143	166	151	165	164
Women	2	2	2	2	2	3	3	2	2	2	2	3
Share of women in percent	2.3	2.3	2.3	2.6	2.3	3.3	1.8	1.4	1.2	1.3	1.2	1.8
Companies with information on employee representation	81	71	66	58	58	62	123	108	129	103	110	105
Total members	602	1180	1035	968	835	912	2206	1773	1910	1732	1506	1567
Men	487	1087	940	868	759	824	2023	1616	1742	1563	1360	1391
Women	115	93	95	100	76	88	183	157	168	169	146	176
Female employees' representatives	84	67	69	76	56	65	139	117	125	121	105	119
Total share of women in percent	73.0	72.0	72.6	76.0	73.7	73.9	76.0	74.5	74.4	71.6	71.9	67.6

¹ Only companies providing data on the composition of the relevant top-management bodies.

Source: calculations by DIW Berlin.

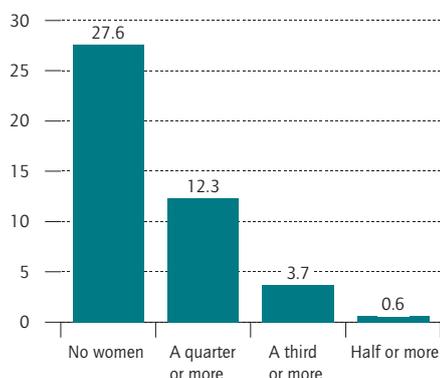
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Women executive board members are very much the exception rather than the rule.

Figure 1

Companies by Share of Women on Supervisory Boards

Shares in percent¹



¹ In 55.8 percent of companies, the share of women on supervisory boards is more than zero but less than a quarter. These companies are not shown on the graph. Source: calculations by DIW Berlin.

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More than a quarter of the top 200 companies do not have a single woman on their supervisory boards.

Table 2

Largest 200 Companies¹ (Excluding Financial Sector) With at Least 25 Percent Women on Their Supervisory Boards in 2011

Rank	Company	Total members	Of which: women	Share of women in percent
167	DOUGLAS HOLDING AG	16	8	50
152	NOWEDA eG Apothekergenossenschaft	9	4	44
138	IBM Deutschland GmbH	12	5	42
161	Karstadt Warenhaus GmbH	20	7	35
173	PROCTER & GAMBLE GmbH	20	7	35
95	Beiersdorf AG	12	4	33
12	Deutsche Post World Net AG	20	6	30
175	Stadtwerke Leipzig GmbH	19	5	26
11	REWE-Handelsgruppe	20	5	25
30	E.ON Ruhrgas AG	16	4	25
32	Thüga Aktiengesellschaft ²	12	3	25
42	Henkel KGaA ³	16	4	25
63	Otto GmbH & Co KG	20	5	25
70	Merck KGaA	16	4	25
73	Vodafone D2 GmbH	16	4	25
93	Hapag-Lloyd AG	12	3	25
117	Sanofi-Aventis Deutschland GmbH	12	3	25
130	Andreae-Noris Zahn AG (ANZAG)	12	3	25
181	SMS Group	12	3	25
192	Envia Mitteldeutsche Energie AG	20	5	25

¹ Only companies providing data on the composition of the relevant top-management bodies.
² The appointment of Dr. h.c. Petra Roth means that a woman also holds the position of chair of the board in this company.
³ The appointment of Dr. Simone Bagel-Trah means that a woman also holds the position of chair of the board in this company.
 Source: calculations by DIW Berlin.

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Only very few supervisory boards have a quarter or more female members.

Overview 2

Women on Executive Boards of Listed Companies in Germany in 2011

Company	Name
DAX-30¹	
Siemens AG	Brigitte Ederer, Barbara Kux
E.ON AG	Regine Stachelhaus
Daimler AG	Dr. Christine Hohmann-Dennhardt
Henkel AG & Co. KGaA	Kathrin Menges
Deutsche Telekom AG	Claudia Nemat
BASF SE	Margret Suckale
MDAX²	
Deutz AG	Dr. Margarete Haase
Douglas Holding AG	Anke Giesen
Gerry Weber International AG	Doris Strätker
Gildemeister AG	Kathrin Dahnke
RHÖN-KLINIKUM AG	Dr. Irmgard Stippler
SDAX	
Air Berlin PLC	Elke Schütt
C.A.T. OIL AG	Anna Brinkmann
GfK SE	Pamela Knapp, Petra Heinlein ³ , Debra A. Pruent
SKW Stahl-Metallurgie Holding AG	Ines Kolmsee (Vorsitzende)
Tipp24 SE	Petra von Strombeck
zooplus AG	Andrea Skersies

¹ Furthermore, since January 1, 2012, Helga Jung has been a member of the Allianz SE board. During the course of 2012, Marion Schick at Deutsche Telekom AG and Angela Titzrath at Deutsche Post AG will follow.

² On January 1, 2012, Elke Strathmann was appointed to the positions of Director of Human Resources and executive board member responsible for human resources at Continental AG, making her the first female executive board member in the company; Marion Helmes became the executive board member responsible for finance at Celesio AG.

³ Petra Heinlein resigned from the GfK SE executive board on January 1, 2012.

Source: survey by DIW Berlin.

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cause of German codetermination regulations.⁴ Among the top 101-200 companies, slightly more female shareholder representatives were appointed in 2011 than in 2010, but the proportion of employees' representatives

⁴ According to Section 1 and Section 4 of the Coal, Iron and Steel Codetermination Act (Montan-Mitbestimmungsgesetz, MontanMitbestG), quoted in the Federal Law Gazette (BGBl), in coal, iron, and steel companies with more than 1,000 employees, the supervisory board has to have an equal number of shareholders' and employees' representatives. According to Section 1 and Section 7 of the Codetermination Act (MitbestG), quoted in the Federal Law Gazette, public limited companies (AGs), limited companies (GmbHs), limited partnerships (KG a.A.s) and cooperatives (Genossenschaften) with more than 2,000 employees are also obliged to have equal representation of shareholders and employees on their supervisory boards. According to Sections 1 and 4 of the One-Third Participation Act (Drittelbeteiligungsgesetz, DrittelbG), quoted in the Federal Law Gazette, public limited companies (AGs), limited companies (GmbHs), limited partnerships (KG a.A.s), insurance companies (Versicherungsvereinen a.G.), and cooperatives (Genossenschaften) with more than 500 employees are obliged to appoint a third of employees' representatives to their supervisory boards, www.boeckler.de/5543_33350.htm.

in the top 100 companies remained a steady 74 percent. Here, three women chair supervisory boards.⁵

27.6 percent of the top 200 companies do not have a single woman on their supervisory boards (see Figure 1). Only on 12.3 percent of supervisory boards do women hold a quarter or more of the seats. Women rarely represent a third or more of the board members (3.7 percent). Douglas Holding takes the top position in the best practice ranking, with a 50 percent share of women (see Table 2), followed by NOWEDA eG Apothekergenossenschaft, where four of the nine supervisory board seats are held by women.

In the Public Eye: DAX Companies

96.3 Percent of Executive Board Members at DAX 30 Companies are Male

From 2010 to 2011, the percentage of women on executive boards increased by 1.5 points to 3.7 percent. In 2008 and 2009, women only had a 0.5 percent share. The appointment of four women to DAX 30 executive boards in 2011 received wide media coverage. This brought the total number of women on the executive boards of DAX companies in 2011 to seven, since one woman resigned (see Overview 2).⁶

On the whole, we are beginning to see a slight glimmer of hope in the DAX 30 companies. However, this should not detract from the extremely poor starting point. Women in DAX 30 companies are still very much the exception rather than the rule. In 2011, 96.3 percent of board seats were held by men. On 24 of the 30 executive boards, men occupied every seat, and all board chairs were male (see Table 3). However, even if the welcome improvements do not overcome the overwhelming predominance of men, something in the DAX 30 companies appears to be shifting. A possible explanation for this might be public pressure and the threat of introducing a quota for women.⁷ There is no evidence of such a change in those of the top 200 companies that are less frequently in the public eye.

Table 3

Women on Executive and Supervisory Boards in Listed Companies

	DAX-30				MDAX	SDAX
	2008	2009	2010	2011	2011	2011
Executive/management boards						
Total companies	30	30	30	30	50	50
With information on composition	30	30	30	30	50	50
With no women on executive board	29	29	27	24	45	44
Share in percent	96.7	96.7	90.0	80.0	90.0	88.0
Total members ¹	183	183	182	187	213	168
Men	182	182	178	180	208	160
Women	1	1	4	7	5	8
Share of women in percent	0.5	0.5	2.2	3.7	2.3	4.8
Total chairs ¹	30	30	30	30	50	50
Men	30	30	30	30	50	49
Women	0	0	0	0	0	1
Share of women in percent	0.0	0.0	0.0	0.0	0.0	2.0
Supervisory/administrative boards						
Total companies	30	30	30	30	50	50
With information on composition	30	30	30	30	50	50
With no women on supervisory board	3	3	4	4	15	29
Share in percent	10.0	10.0	13.3	13.3	30.0	58.0
Total members ¹	527	513	502	479	581	346
Men	458	448	436	404	515	309
Women	69	65	66	75	66	37
Share of women in percent	13.1	12.7	13.1	15.7	11.4	10.7
Total chairs ¹	n/a	30	30	30	50	50
Men	n/a	29	29	29	50	50
Women	n/a	1	1	1	0	0
Share of women in percent	n/a	3.3	3.3	3.3	0.0	0.0
Companies with information on employee representation	24	n/a	22	24	35	41
Total members	423	n/a	369	395	397	282
Men	367	n/a	317	334	358	260
Women	56	n/a	52	61	39	22
Women employees' representatives	41	n/a	37	43	28	19
Total share of women in percent	73.2	n/a	71.2	70.5	71.8	86.4

¹ Only companies providing data on the composition of the relevant top-management bodies.

Source: calculations by DIW Berlin.

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A slight improvement can be observed among DAX 30 companies.

Men Hold 97.7 and 95.2 Percent of Executive Board Seats in MDAX and SDAX Companies, Respectively

For the first time, this study analyzed the top-level boards of small and medium-sized listed MDAX and SDAX companies in Germany. The results indicate that it is not only the largest companies that urgently need to act: in 2011, the executive boards of the 50 MDAX companies only had a 2.3 percent share of women, which is

⁵ Dr. h.c. Petra Roth at Thüga AG (rank 32) is also the Mayor of Frankfurt am Main; there are also female co-owners, Dr. Simone Bagel-Trah at Henkel KgaA (rank 42) and Bettina Würth at the Würth Gruppe (rank 76).

⁶ Dr. Angelika Dammann at SAP AG.

⁷ With this in mind, on October 17, 2011, German Minister for Women's Affairs Kristina Schröder invited the DAX 30 executive boards to a Women's Quota Summit.

the equivalent of five of the 213 total board members. Smaller companies generally have a higher percentage of women in executive management than larger ones.⁸ This pattern is also reflected in the share of women on SDAX executive boards at 4.8 percent (eight of the 168 board seats). As with the DAX 30 companies, MDAX companies do not have a single female executive board chair; across all 50 SDAX companies there is one female chair (see Overview 2). On the whole, men continue to dominate company boardrooms to an overwhelming extent. The SDAX-listed market research company, GfK SE, is a positive exception here: In 2011, three of the six executive board members at GfK SE were women. Since the beginning of 2012, following restructuring, the GfK board has had only four members, two of whom are women.

Prospects for 2012: New Appointments of Women to DAX Executive Boards

DAX companies have either already appointed or have announced the appointment of five more women to their executive boards in 2012. In MDAX companies, at the beginning of 2012, two executive board seats were taken up by women.

DAX 30 Supervisory Boards: 2.6 Point Increase in Female Membership to 15.7 Percent

In 2011, the proportion of women on the DAX 30 supervisory boards was 15.7 percent (2.6 percentage points more than in the previous year). The supervisory boards of four DAX 30 companies (Fresenius Medical Care AG, Fresenius SE, HeidelbergCement AG, and MAN SE) were still, as in 2010, occupied exclusively by men. The number of women only increased on boards that already had female representation. Conforming to the »comply or explain« principle, all four of the aforementioned companies have offered a public explanation as to why women have, to date, been disregarded by their boards and why they are not following the recommendations of the German Corporate Governance Code on this matter. Only MAN SE, which has the lowest share of women in the total labor force at 11.5 percent, set a specific and measurable objective to increase the proportion of women on its supervisory board. Fresenius SE, on the other hand, which has a 71.1 percent proportion of women in the total labor force, and Fresenius Medical Care

AG and HeidelbergCement AG have confined themselves to a »general statement of intent.«⁹

⁹ In November 2010, the MAN SE supervisory board passed a decision that, in future, two supervisory board seats should be allocated to women and, of those, at least one female position should be held by a shareholder. See Corporate Governance Report, MAN SE, 2010, 18. The HeidelbergCement AG supervisory board »supports and respects« the recommendations of the German Corporate Governance Code to consider women for top-management positions, »but refuses to be restricted by concrete objectives or quotas in its appointments.« See Declaration of Conformity (Entsprechungserklärung) according to Section 161 Para. 1 of the German Stock Corporation Act (Aktiengesetz, AktG), HeidelbergCement AG of February 10, 2011. »In order to avoid limiting the choice of suitable candidates wholesale, which would not be in the interests of the company, the supervisory board confines itself to a general statement of intent and expressly refrains from implementing concrete diversity quotas including an age limit.« See declaration by the Fresenius Medical Care Management AG Executive Board and Fresenius Medical Care AG & Co Supervisory Board. KGaA on the German Corporate Governance Code according to Section 161 AktG, December, 2011.

Table 4

Women on Executive and Supervisory Boards of Companies With Government-Owned Shares

	2010	2011
Executive/management boards		
Total companies	61	60
With information on composition	60	60
With no women on executive board	51	50
Share in percent	85.0	83.3
Total members ¹	152	147
Men	142	135
Women	10	12
Share of women in percent	6.6	8.2
Total chairs ¹	54	55
Men	51	52
Women	3	3
Share of women in percent	5.6	5.5
Supervisory/administrative boards		
Total companies	61	60
With information on composition	54	55
With no women on supervisory board	8	13
Share in percent	14.8	23.6
Total members ¹	577	587
Men	472	483
Women	105	104
Share of women in percent	18.2	17.7
Total chairs ¹	53	53
Men	45	45
Women	8	8
Share of women in percent	15.1	15.1

¹ Only companies providing data on the composition of the relevant top-management bodies.

Source: calculations by DIW Berlin.

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The vast majority of companies with government-owned shares did not have a single woman on their executive board in 2011, either.

⁸ See S. Kohaut and I. Möller, »Führungspositionen in der Privatwirtschaft: Frauen kommen auf den Chefetagen nicht voran,« IAB-Kurzbericht, no. 6 (2010).

Overview 3

Female Chairs of Supervisory Boards in Companies With Government-Owned Shares, December 2011

Company	Chairwoman	Position in federal administration
Helmholtz Zentrum München, Deutsches Forschungszentrum für Gesundheit und Umwelt GmbH	Bärbel Brumme-Bothe	Department Director, Federal Ministry of Education and Research (BMBF)
Helmholtz-Zentrum für Infektionsforschung GmbH	Bärbel Brumme-Bothe	Department Director, Federal Ministry of Education and Research (BMBF)
GSI Helmholtzzentrum für Schwerionenforschung	Dr. Beatrix Vierkorn-Rudolph	Subdepartment Director, Federal Ministry of Education and Research (BMBF)
Deutsches Institut für Entwicklungspolitik (die) gGmbH	Gudrun Kopp, MdB	Parliamentary State Secretary, Federal Ministry for Economic Cooperation and Development (BMZ)
NOW GmbH Nationale Organisation Wasserstoff- und Brennstoffzellentechnologie	Hilde Trebesch	Subdepartment Director, Federal Ministry of Transport, Building and Urban Development (BMVBS)
Kunst- und Ausstellungshalle der Bundesrepublik Deutschland GmbH	Ingeborg Berggreen-Merkel	Department Director, Federal Government Commissioner for Culture and the Media (BKM)
Transit Film Gesellschaft mbH	Ulrike Schauz	Head of Division, Federal Government Commissioner for Culture and the Media (BKM)
Gesellschaft für Anlagen- und Reaktorsicherheit mbH	Ursula Heinen-Esser, MdB	Parliamentary State Secretary, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)

Source: survey by DIW Berlin..

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Across all the DAX 30 companies, only one solitary woman holds the position of supervisory board chair. The same company also appointed its first female executive board member in 2011.¹⁰ 70.5 percent of the women on supervisory boards in DAX 30 companies are there as employees' representatives. This pattern has not changed significantly since 2010, despite the small increase in women shareholders on these supervisory boards.

MDAX and SDAX: Significant Share of Companies With Male-Only Supervisory Boards

The total share of women supervisory board members in MDAX and SDAX companies, at 11.4 percent and 10.7 percent, respectively, is significantly less than in the larger DAX 30 companies (15.7 percent). SDAX companies have reached a new low, with 58 percent of their supervisory boards having no female representation at all, while 30 percent of MDAX companies do not have a single woman on their supervisory boards.

Companies With Government-Owned Shares: Structures Similar to Those in the Private Sector

Good News and Bad News: a Higher Number of Female Board Chairs...

DIW Berlin is now able to provide detailed information about the public sector for the second time. Analyses were conducted on 60 of the companies with direct or significant indirect government ownership listed in the government's equity holdings report. These include large companies such as Deutsche Bahn AG, KfW development bank, and Deutsche Telekom AG, as well as small companies such as Bayreuther Festspiele GmbH that cannot be compared to the top 200 companies.¹¹

In December 2011, twelve of the 147 executive board positions were occupied by women (see Table 4). This is equivalent to a share of 8.2 percent (1.6 percentage points up on the previous year). At 5.5 percent, the share of female board chairs was the same in 2011 as in 2010. Furthermore, the vast majority (83.3 percent) of companies with government-owned shares still did not have one single woman on their executive board.

In the supervisory boards of companies with government-owned shares, the proportion of women in 2011

¹⁰ In Henkel AG, Dr. Simone Bagel-Trah holds the position of supervisory board chair, Kathrin Menges is the executive board member in charge of human resources.

¹¹ For an overview of the companies, see Bundesministerium der Finanzen, Die Beteiligungen der Bundes. Beteiligungsbericht 2010. Berlin: April 2011.

was 17.7 percent (0.5 percentage points down on the previous year). It is striking that there were more female supervisory board chairs in these companies, at 15.1 percent, than in the top 200 private companies—as was the case in the previous year.

On the one hand, this can be attributed to differences in company size. Smaller companies normally have a higher percentage of women at the executive level. On the other hand, effects of board appointments linked to specific political roles or functions are evident for women on supervisory boards of companies with government-owned shares. This becomes particularly apparent among supervisory board chairs: all female supervisory board chairs hold a senior position in one of the supreme federal authorities (see Overview 3). The representation of women at high levels of politics and public administration is thus clearly reflected in the composition of supervisory boards. Similarly, the higher proportions of women here can be interpreted as a possible consequence of equality legislation in the civil service.¹² However, the representation of women in executive bodies of companies with government-owned shares remains far lower than the overall share of women in the total workforce. There have been more women than men working in the German Federal Administration since as far back as 2008.¹³

... But More Companies Without One Woman on Their Supervisory Board.

There has been a significant increase in the proportion of companies without a single woman on their supervisory board (up 8.8 percentage points). At 23.6 percent of companies analyzed, the public sector is coming closer to—in a negative sense—the private sector, with proportions similar to the top 100 companies.

Nevertheless, overall in companies with government-owned shares, there is a slight trend towards increasing representation of women on supervisory boards and little to no change on executive boards.

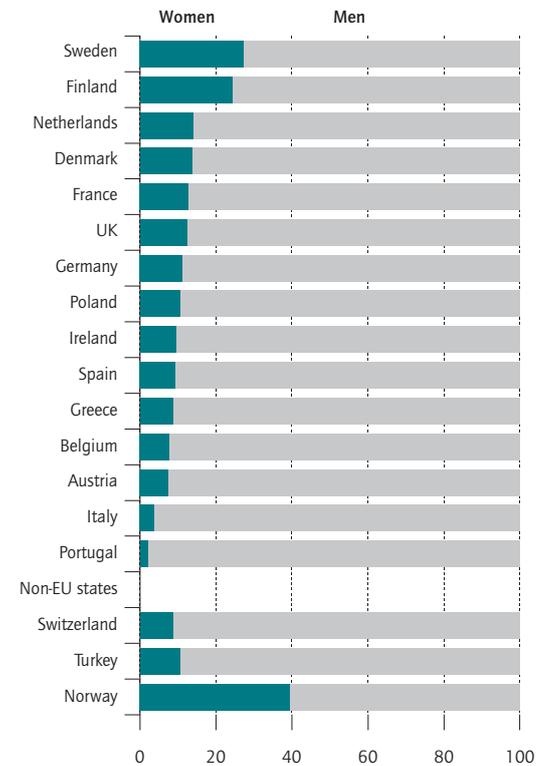
¹² Since 1994, the public sector has been regulated by the Act on Appointments to Federal Bodies (Bundesgremienbesetzungsgesetz, BGremBG), which legally obliges the German government to create and retain equal participation of women and men in bodies (Section 1 of the BGremBG). Within the meaning of this law, bodies are executive boards, advisory boards, commissions, committees, administrative and supervisory boards, collegial bodies and comparable groups irrespective of their designation (Section 2 of the BGremBG). The Federal Equal Opportunities Act (Bundesgleichstellungsgesetz, BGleiG) also provides for promoting women to top-level management.

¹³ See Bundesministerium für Familie, Senioren, Frauen und Jugend, Zweiter Erfahrungsbericht der Bundesregierung zum Bundesgleichstellungsgesetz. Berlin; 2010.

Figure 2

Share of Women in Top-Level Decision-Making Bodies of Listed Companies in Europe in 2011

Shares in percent



Source: Catalyst: Women on Boards. Global Board Seats Held by Women, 2011.

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Scandinavia and Finland are the European leaders with regard to women in the top-level decision-making bodies.

Germany in International Comparison

In a comparison of European countries, Norway remains the clear leader as regards the composition of top-level decision-making bodies in the listed companies, with 39.5 percent women (see Figure 2).¹⁴ Overall, the northern European countries head the ranking. Germany is in the upper mid-range. This relatively strong position can be attributed to the high proportion of women appointed to supervisory boards as employees' representatives. When controlling for this share, Germany falls to the same level as Portugal and Italy.

¹⁴ It was not possible to compare all EU-27 countries on the basis of Eurostat because the data were not available by the copy deadline.

Political Reactions to an (Unrealized) Corporate Objective

The objective of increasing and maintaining the number of women in executive positions is one to which the majority of German business leaders and policy makers aspire. The realization that gender relations on the management boards of German businesses will not change by themselves and that specific political measures are required is also nothing new. This topic has been a component of policy plans and projects for many years and indeed decades.

Hence, one of the objectives of the 2001 Agreement between the Federal Government and the Central Associations of German Business on Promoting Equal Opportunities for Women and Men in the Private Sector was to increase the proportion of women in executive positions. The coalition agreement between the CDU, CSU, and FDP of 2009 emphasized the call for a »substantial« increase in the proportion of women in leadership positions in both the private sector and in the civil service. A step-by-step plan aimed to increase the proportion of women on executive and supervisory boards in particular.¹⁵ The Government Commission of the German Corporate Governance Code initiated a public discussion and extended their recommendations in May 2011 to include »due consideration« of women for appointments to supervisory and executive boards. The call from various sides for a quota for women followed in 2011. The Association of German Women Entrepreneurs has been advocating this goal.¹⁶ The federal justice ministers took a majority decision that a federal gender quota for executive positions in company boards is not only permissible under the constitution but also urgently needed.¹⁷ Federal Minister of Labour and Social Affairs Ursula von der Leyen called for a quota system, Federal Minister for Family Affairs, Senior Citizens, Women and Youth, Kristina Schröder, advocated voluntary participation and, if necessary, what is known as a »flexi-quota.« On March 30, 2011, Schröder invited business leaders to a summit meeting of the DAX companies, the Women's Quota Summit. On October 17, 2011, representatives of DAX companies attended a further summit meeting held by the federal government. Here, most companies presented targets for the propor-

tion of women in executive management, but failed to provide information about the appointment of women to executive bodies.¹⁸

On November 25, 2011, North Rhine-Westphalia submitted a bill to introduce a quota for women in executive and advisory boards to the *Bundesrat*, and this was rejected. In the *Bundestag*, further motions by the SPD¹⁹ and The Left²⁰ parliamentary groups to introduce quotas for women in supervisory and executive boards and a bill by the Alliance 90/The Greens²¹ parliamentary group that was restricted to supervisory boards suffered the same fate.

Finally, in December 2011, an alliance of women from all of the parties represented in the *Bundestag* signed the »Berlin Declaration« calling for at least 30 percent women on supervisory boards.²²

The German Women Lawyers Association (Deutsche Juristinnenbund, DJB) raised corporate and public awareness of the problem in 2010 and 2011 by visiting 150 Annual General Meetings of large listed companies as part of their project »Women Shareholders Demand Gender Equality.« They inquired about the proportion of women in top management and proposed specific measures to increase this share. The DJB found that while many companies reported making efforts on their supervisory boards, they remained largely unwilling to question the gender composition of their executive boards.²³

On the European level, EU Vice-President Viviane Reding attracted a great deal of interest with her recent announcement that a quota for women on supervisory

¹⁵ Coalition agreement between the CDU, CSU, and FDP: Wachstum, Bildung, Zusammenhalt (Berlin, 2009) 74.

¹⁶ Most recently on October 17, 2011. See www.vdu.de/presse/presseinformationer/1789.

¹⁷ 82nd Conference of Ministers of Justice in Halle (Saale) on May 18 and 19, 2011. Resolution: TOP I.7. Teilhabe von Frauen in Führungs- und Kontrollgremien der Wirtschaft, www.justiz.bayern.de/imperia/md/content/stmj_internet/ministerium/ministerium/jumiko/2011/i_7_beteiligung_von_frauen.pdf.

¹⁸ See Bundesministerium für Familie, Senioren, Frauen und Jugend, Frauen in Führungspositionen – Status Quo und Zielsetzungen der DAX-30-Unternehmen, October 6, 2011, www.bmfsfj.de/RedaktionBMFSFJ/Abteilung2/PdfAnlagen/frauen-in-fuehrungspositionen-status-quo-und-zielsetzungen,property=pdf,bereich=bmfsfj,sprache=de,rwb=true.pdf.

¹⁹ Motion proposed by the SPD and passed on February 9, 2011: Quotenregelung für Aufsichtsräte und Vorstände, Bundestagsdrucksache 17/4683.

²⁰ Motion proposed by the The Left on February 22, 2011: Geschlechtergerechte Besetzung von Führungspositionen der Wirtschaft, Bundestagsdrucksache 17/4842.

²¹ Bill submitted by Alliance 90/The Greens on October 13, 2010: Entwurf für ein Gesetz zur geschlechtergerechten Besetzung von Aufsichtsräten, Bundestagsdrucksache 17/3296. A hearing on the parties' motions by the Legal Affairs Committee and the Committee on Family, Senior Citizens, Women, and Youth of the Bundestag took place on May 11, 2011. See www.bundestag.de/bundestag/ausschuesse17/a06/anhörungen/archiv/09_Aufsichtsräte/index.html.

²² Berlin Declaration, December 2011, www.berlinererklarung.de.

²³ See Deutscher Juristinnenbund e.V., Aktionärinnen fordern Gleichberechtigung – 2011. Erhöhung des Frauenanteils in Führungspositionen im europäischen Kontext (Berlin: 2011), 93.

boards was under consideration.²⁴ She commissioned an EU Green Paper to pave the way.²⁵ Prior to this, in March 2010, EU President Barroso and VP Viviane Reding had presented the EU Commission »Women's Charter« aimed at building a gender perspective into all areas of EU policy over the following five years. Another of the Charter's objectives is the balanced participation of women and men in decision-making processes.²⁶ The EU Strategy for Equality between Women and Men (2010–2015) states that the EU Commission will consider targeted initiatives to improve the gender balance in decision making and will monitor progress toward the goal of having 25 percent of leading positions in the public research sector filled by women.²⁷ Moreover, the Commission declares that it »will apply the same standards it encourages others to set by making the necessary efforts to improve its internal gender balance, especially in decision making positions.«²⁸

Some European countries have already agreed on quotas for women on supervisory boards and, in some cases, executive boards: Norway, France, Spain, Belgium, Netherlands, Italy, and Iceland. The issue of introducing quotas for women is under discussion in many other European countries including Austria, the UK, Switzerland, Sweden, and Finland.

Five Strategies to Increase the Proportion of Women in Executive Management

What can companies do to improve the situation? Five steps have been proposed: increasing the proportion of women in executive management should (1) be adopted as a *central corporate objective* applying to all levels of management. In order to achieve the objective, (2) a *binding schedule* should be drawn up with specific measurable objectives and timeframes as well as responsibilities and sanctions. This should also be reflected in the job descriptions and performance descriptions of managers and human resources managers. Here, key or-

ganizational units in the corporate governance structure that are relevant for the implementation of these goals should be identified. Reporting or strategic analysis of initial starting points and status achieved could be used as a means of monitoring the process and of identifying both successful strategies and existing problems. This would make the ongoing process transparent and verifiable. Incentives and sanctions could be used as well to manage the process. What is also important is (3) *transparency* in appointments to executive positions and, in particular, top positions. This could help expand the pool of candidates. Moreover, transparency with regard to salaries and other benefits increases the probability of equal pay for equal work and thus contributes to acceptance of female managers. Furthermore, (4) as far as *human resources development* is concerned, it should be ensured that women are included in career development from the start of working life. More flexible career paths will give both sexes the opportunity to play more than a limited gender-defined role in society. Taking advantage of family-friendly work arrangements should not be viewed as a bad career choice—increased acceptance of such policies would make them more attractive for men, too. Corporate management should encourage men to utilize these opportunities to improve the work-life balance and to reconcile work and family life. Such arrangements include, for instance, flexible working arrangements and parental leave. To make this possible requires (5) *opening up corporate culture* to women and their everyday realities. At present, executive board culture is defined by men and male realities. It works to the disadvantage of women that they are frequently viewed as deviating from this norm and that different, less »career-compatible« characteristics and skills are typically attributed to them than to men: for instance, women are often stereotyped as emotional, submissive, and cautious, and men as rational, assertive, and willing to take risks.²⁹ In the male-dominated working world, women have to first prove that they are suitable for an executive position at all. These often unconscious clichés hinder the objective assessment of women's performance and potential—thereby reducing the chances that a company will hire the most qualified employees. Here, it is important to dismantle structural and ideological barriers and to pro-actively appoint women to executive positions.³⁰ Training programs to help management executives address these issues can open

²⁴ Press release of the EU Commission dated March 1, 2011: »EU-Justizkommissarin Viviane Reding drängt auf höheren Frauenanteil in den Vorstandsetagen europäischer Unternehmen.« europa.eu/rapid/pressReleasesAction.do?reference=IP/11/242&format=HTML&aged=0&language=DE.

²⁵ See Green Paper – The EU corporate governance framework. KOM (2011) 164, April 2011, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0164:FIN:EN:PDF>.

²⁶ European Commission: A Women's Charta. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0078:FIN:EN:PDF>.

²⁷ European Commission: Strategy for Equality between Women and Men 2010–2015. September 2010, ec.europa.eu/justice/gender-equality/document/index_de.htm.

²⁸ European Commission: Strategy..., 8.

²⁹ These findings are also nothing new in German-speaking countries. See, e.g., R. Schubert, *Ökonomische Diskriminierung von Frauen. Eine volkswirtschaftliche Verschwendung* (Frankfurt am Main, 1993), 93.

³⁰ For further details, see E. Holst and A. Wiemer, »Frauen sind in Spitzengremien der Wirtschaft unterrepräsentiert – Eine Analyse der Ursachen und Handlungsansätze,« *Wirtschaftsdienst* 10, (2010): 691–699.

up new prospects for decision-makers and provide impetus for utilizing unrecognized potential.³¹

Outlook

With a 97 percent share of seats on the executive boards of Germany's top 200 companies, men remain overwhelmingly dominant. So far, the intensive public debate has produced visible effects in the companies that are in the spotlight: the DAX 30 companies. Overall, however, there has been barely any change.

It is up to the companies themselves whether they will wait to be forced to take action by government regulations or whether to undertake measures of their own accord. Five possible strategies to increase the proportion of women at the executive level have been outlined here: defining a central corporate objective, setting a binding schedule and implementing this in a transparent way, guaranteeing transparency in recruitment, gearing human resources development to begin promoting women at the start of their careers and to integrate flexible career models, and opening up corporate culture for women to take up executive positions.

What could be useful on a macro level is a traffic light indicator—still to be developed—showing companies their respective position in the competition for more women in executive positions. The indicator would be based on the above-mentioned strategies and condense a number of meaningful criteria into three categories (red, yellow, and green), which would be used to show the degree to which objectives are being met. For such an indicator to achieve widespread acceptance, it will have to be scientifically based, independent, and developed in a transparent manner. Its impact could be improved by means of incentive and sanction mechanisms that go into partial effect when the indicator is yellow and full effect when it is red.

The findings presented in this study indicate that rapid progress on increasing the numbers of women in executive management positions can only be achieved by adopting binding near-term objectives and by taking resolute action in implementing them. The proposed strategies to attract and retain the most highly qualified employees are in companies' own interests—not least against the background of the expected shortage of skilled workers resulting from demographic trends—and can help to ensure their sustainability for the future.

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³¹ For case studies, see G. Krell, R. Ortlieb, and B. Sieben, (eds.), *Chancengleichheit durch Personalpolitik. Gleichstellung von Frauen und Männern in Unternehmen und Verwaltungen*, 6th edition, 2011.



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