

## DIW Female Executive Barometer 2011



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# 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.<sup>1</sup> The present survey covers the 200 commercial enterprises with the highest turnover outside the financial sector.<sup>2</sup> 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.<sup>3</sup> 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
<b>100 largest commercial enterprises (excluding the financial sector)<sup>1</sup></b>		
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
<b>101-200 largest commercial enterprises (excluding the financial sector)</b>		
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

<sup>1</sup> 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
<b>Executive/management boards</b>												
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	<b>99.0</b>	<b>92.6</b>	<b>96.9</b>	<b>95.7</b>	<b>91.6</b>	<b>89.0</b>	<b>95.4</b>	<b>91.8</b>	<b>91.1</b>	<b>91.4</b>	<b>88.7</b>	<b>88.8</b>
Total members <sup>1</sup>	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	<b>0.2</b>	<b>1.3</b>	<b>1.3</b>	<b>0.9</b>	<b>2.2</b>	<b>2.4</b>	<b>1.2</b>	<b>1.8</b>	<b>2.5</b>	<b>2.5</b>	<b>3.2</b>	<b>3.0</b>
Total chairs <sup>1</sup>	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	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.5</b>	<b>0.5</b>	<b>1.0</b>	<b>0.5</b>
<b>Supervisory/administrative boards</b>												
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	<b>25.3</b>	<b>24.4</b>	<b>22.7</b>	<b>23.1</b>	<b>29.1</b>	<b>24.4</b>	<b>35.3</b>	<b>30.4</b>	<b>26.2</b>	<b>28.1</b>	<b>29.5</b>	<b>27.6</b>
Total members <sup>1</sup>	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	<b>8.6</b>	<b>8.6</b>	<b>9.8</b>	<b>10.1</b>	<b>9.6</b>	<b>11.2</b>	<b>7.8</b>	<b>8.6</b>	<b>9.3</b>	<b>9.8</b>	<b>10.6</b>	<b>11.9</b>
Total chairs <sup>1</sup>	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	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.6</b>	<b>2.3</b>	<b>3.3</b>	<b>1.8</b>	<b>1.4</b>	<b>1.2</b>	<b>1.3</b>	<b>1.2</b>	<b>1.8</b>
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	<b>73.0</b>	<b>72.0</b>	<b>72.6</b>	<b>76.0</b>	<b>73.7</b>	<b>73.9</b>	<b>76.0</b>	<b>74.5</b>	<b>74.4</b>	<b>71.6</b>	<b>71.9</b>	<b>67.6</b>

<sup>1</sup> Only companies providing data on the composition of the relevant top-management bodies.

Source: calculations by DIW Berlin.

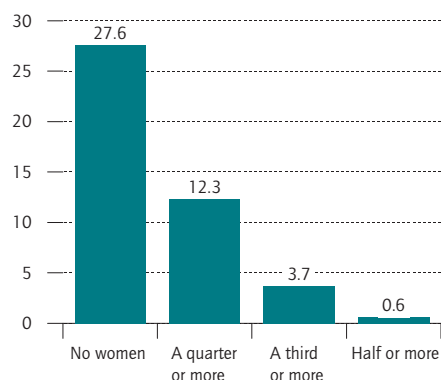
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Women executive board members are very much the exception rather than the rule.

Figure 1

**Companies by Share of Women on Supervisory Boards**

Shares in percent<sup>1</sup>



<sup>1</sup> 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 Companies<sup>1</sup> (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 <sup>2</sup>	12	3	25
42	Henkel KGaA <sup>3</sup>	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

<sup>1</sup> Only companies providing data on the composition of the relevant top-management bodies.  
<sup>2</sup> The appointment of Dr. h.c. Petra Roth means that a woman also holds the position of chair of the board in this company.  
<sup>3</sup> 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
<b>DAX-30<sup>1</sup></b>	
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
<b>MDAX<sup>2</sup></b>	
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
<b>SDAX</b>	
Air Berlin PLC	Elke Schütt
C.A.T. OIL AG	Anna Brinkmann
GfK SE	Pamela Knapp, Petra Heinlein <sup>3</sup> , Debra A. Pruent
SKW Stahl-Metallurgie Holding AG	Ines Kolmsee (Vorsitzende)
Tipp24 SE	Petra von Strombeck
zooplus AG	Andrea Skersies

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.<sup>4</sup> Among the top 101-200 companies, slightly more female shareholder representatives were appointed in 2011 than in 2010, but the proportion of employees' representatives

<sup>4</sup> 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.<sup>5</sup>

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).<sup>6</sup>

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.<sup>7</sup> 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
<b>Executive/management boards</b>						
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 <sup>1</sup>	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 <sup>1</sup>	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
<b>Supervisory/administrative boards</b>						
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 <sup>1</sup>	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 <sup>1</sup>	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

<sup>1</sup> 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

<sup>5</sup> 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).

<sup>6</sup> Dr. Angelika Dammann at SAP AG.

<sup>7</sup> 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.<sup>8</sup> 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.«<sup>9</sup>

<sup>9</sup> 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
<b>Executive/management boards</b>		
Total companies	61	60
With information on composition	60	60
With no women on executive board	51	50
Share in percent	<b>85.0</b>	<b>83.3</b>
Total members <sup>1</sup>	152	147
Men	142	135
Women	10	12
Share of women in percent	<b>6.6</b>	<b>8.2</b>
Total chairs <sup>1</sup>	54	55
Men	51	52
Women	3	3
Share of women in percent	<b>5.6</b>	<b>5.5</b>
<b>Supervisory/administrative boards</b>		
Total companies	61	60
With information on composition	54	55
With no women on supervisory board	8	13
Share in percent	<b>14.8</b>	<b>23.6</b>
Total members <sup>1</sup>	577	587
Men	472	483
Women	105	104
Share of women in percent	<b>18.2</b>	<b>17.7</b>
Total chairs <sup>1</sup>	53	53
Men	45	45
Women	8	8
Share of women in percent	<b>15.1</b>	<b>15.1</b>

<sup>1</sup> 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.

<sup>8</sup> 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.<sup>10</sup> 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.<sup>11</sup>

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

<sup>10</sup> 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.

<sup>11</sup> 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.<sup>12</sup> 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.<sup>13</sup>

### ... 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.

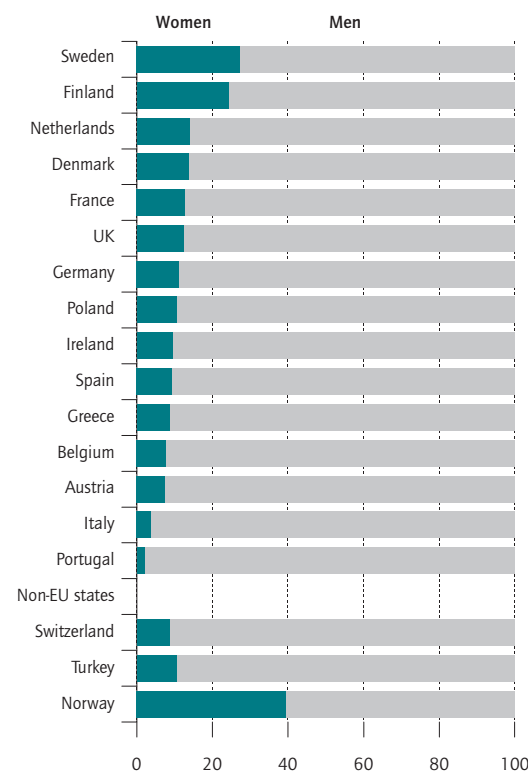
<sup>12</sup> Since 1994, the public sector has been regulated by the Act on Appointments to Federal Bodies (Bundesgremienbesetzungsgesetz, BGremBG), which legally obliges the German government to create and retain equal participation of women and men in bodies (Section 1 of the BGremBG). Within the 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.

<sup>13</sup> 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).<sup>14</sup> 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.

<sup>14</sup> 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.<sup>15</sup> 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.<sup>16</sup> 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.<sup>17</sup> 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.<sup>18</sup>

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 SPD<sup>19</sup> and The Left<sup>20</sup> parliamentary groups to introduce quotas for women in supervisory and executive boards and a bill by the Alliance 90/The Greens<sup>21</sup> 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.<sup>22</sup>

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.<sup>23</sup>

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

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

<sup>16</sup> Most recently on October 17, 2011. See [www.vdu.de/presse/presseinformationer/1789](http://www.vdu.de/presse/presseinformationer/1789).

<sup>17</sup> 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](http://www.justiz.bayern.de/imperia/md/content/stmj_internet/ministerium/ministerium/jumiko/2011/i_7_beteiligung_von_frauen.pdf).

<sup>18</sup> 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](http://www.bmfsfj.de/RedaktionBMFSFJ/Abteilung2/PdfAnlagen/frauen-in-fuehrungspositionen-status-quo-und-zielsetzungen,property=pdf,bereich=bmfsfj,sprache=de,rwb=true.pdf).

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

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

<sup>21</sup> 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](http://www.bundestag.de/bundestag/ausschuesse17/a06/anhörungen/archiv/09_Aufsichtsräte/index.html).

<sup>22</sup> Berlin Declaration, December 2011, [www.berlinererklarung.de](http://www.berlinererklarung.de).

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

boards was under consideration.<sup>24</sup> She commissioned an EU Green Paper to pave the way.<sup>25</sup> 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.<sup>26</sup> 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.<sup>27</sup> 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.«<sup>28</sup>

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.<sup>29</sup> 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.<sup>30</sup> Training programs to help management executives address these issues can open

<sup>24</sup> 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](http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/242&format=HTML&aged=0&language=DE).

<sup>25</sup> 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>.

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

<sup>27</sup> European Commission: Strategy for Equality between Women and Men 2010–2015. September 2010, [ec.europa.eu/justice/gender-equality/document/index\\_de.htm](http://ec.europa.eu/justice/gender-equality/document/index_de.htm).

<sup>28</sup> European Commission: Strategy..., 8.

<sup>29</sup> 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.

<sup>30</sup> 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.<sup>31</sup>

## 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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<sup>31</sup> 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.



PD Dr. Elke Holst, Research Director  
Gender Studies at DIW Berlin

## SIX QUESTIONS TO ELKE HOLST

# »It Seems Only Sanctions Will Help«

1. Dr. Holst, has the proportion of women in top-level management increased? The proportion of women on the executive boards of the top 200 companies is three percent—in other words, no higher than in 2010. In 2011, the proportion of women in the DAX 30 companies—which are, after all, in the public eye—was 3.7 percent, an increase of 1.5 percentage points over 2010. Companies with government-owned shares had a somewhat higher proportion at 8.2 percent.
2. Is there a higher percentage of women in top-level management in the public sector? The proportion of women on executive boards is higher in state-owned companies. But that's also because they're not directly comparable in size to other companies. Public-sector banks, however, still have a lower proportion of women than private banks: 2.5 percent compared to 3.3 percent.
3. Where are there positive developments? Things are moving in a positive direction on supervisory boards, for example. The percentage of companies with no women on their supervisory boards has dropped. The percentage of women on these boards is slightly on the rise. However, well over two-thirds of the women on supervisory boards are still employees' representatives. The proportion of women appointed to supervisory boards as shareholder representatives is increasing slightly, but the starting point was extremely low. Shareholders need to take concerted action to change this.
4. Why is it still so difficult for women to get to the top? The upper echelons work according to male norms and everyday realities: what matters here are long working

hours and the skills and personality traits that are normally attributed to men. It is very difficult for women to reach top positions under these circumstances. It is possible, however: for example, in companies where female shareholders themselves are active. But these women are so few and far between that they can hardly be seen as role models. More women on all levels would also make it easier for the next generation to move up. Men have the advantage that they already have a wide range of role models to choose from.

5. Federal Minister of Labor and Social Affairs Ursula von der Leyen is considering threatening companies with government sanctions if they don't achieve a quota of 30 percent women on their supervisory boards by 2018. Do you think this is the right step to take? When I look at the figures, I can fully understand that policy makers would like to actively promote improvements here.
6. How could political pressure be used to increase the proportion of women in top-level management? Demanding legal regulations is one thing, but we also need instruments for implementing these regulations, such as an indicator that very clearly shows where companies stand. This should give a comparative picture of what steps companies are taking to increase the proportion of women in executive management and what changes have been made. This kind of indicator could help the companies, because then they will know where to start. If it's also linked to a regulatory framework, it will of course produce faster results. In view of the figures published here, it doesn't look as if the situation will improve by itself. International comparison shows that progress is faster when rigorous sanctions are imposed.

Interview by Erich Wittenberg.

# Passed Over for Promotions: Women Still Severely Underrepresented on Financial Sector Boards

by Elke Holst and Julia Schimeta

Opportunities to increase the proportion of female board members in Germany's financial sector were missed during post-crisis period of management shakeups. As of 2011, the proportion of women on executive boards was still as low as in previous years: 3.2 percent in Germany's 100 largest banks and savings banks and 3.6 percent at 59 insurance companies surveyed. The percentage of women on supervisory boards is higher than on executive boards: women make up 16.6 percent of supervisory board members at banks and savings banks and 13.1 percent at insurance companies. At the banks, this represents an increase of 1.5 percentage points over 2006, or 0.14 percentage points per year. The higher proportion of women on supervisory boards is also the result of German codetermination law: 70.9 percent of the women on bank and savings bank supervisory boards and as much as 94.7 percent—that is, almost all—of the women on insurance sector supervisory boards were appointed to these positions as employees' representatives. Compared to the previous year, the proportion of female shareholder representatives declined again. The results also show that significant efforts are necessary in the public-sector if it is to act as a role model for the financial sector.

Even in the top financial bodies of the EU and the German federal government, women are significantly underrepresented and therefore play little to no active role in key decisions affecting the financial market. When it comes to opening up corporate leadership positions to women, the financial sector has the advantage over other sectors that the majority of its employees are women. This should allow the sector to appoint more women and increase board diversity. By opening up corporate culture to women, the financial sector has an opportunity to set an example but also to get ahead of the curve on possible government regulations that could make this obligatory.

DIW Berlin studies the representation of women in top positions (supervisory boards and executive boards) in Germany's financial sector on an annual basis.<sup>1</sup> It measures the gender composition of the executive boards of Germany's largest 100 banks and savings banks ranked by balance sheet totals, and of the largest 59 insurance companies ranked by premiums earned.<sup>2</sup> In addition, information from public-sector banks and savings banks is compared to that of private banks and cooperative banks. Furthermore, the largest 200 companies in Germany outside the financial sector, the DAX 30, MDAX, and SDAX companies, as well as 60 companies with some level of government ownership are surveyed. Findings on the situation outside the financial sector were published in this issue of the DIW Economic Bulletin.<sup>3</sup> For the current study, a total of over 500 major companies and institutions were surveyed.

## Majority of Financial Sector Employees are Women

Women have long comprised the majority of financial sector employees. In 2011, 57 percent of employees subject to social security contributions in the financial services industry were women, in the insurance industry it was 49 percent (see Table 1). According to the German

<sup>1</sup> Most recently in 2011, see E. Holst and J. Schimeta, „A squandered opportunity: Even after the financial crisis, top positions in large financial firms still largely occupied by men“ DIW Berlin Weekly Report, no. 5 (2011).

<sup>2</sup> Banks were chosen in line with H. Huck, „Die 100 größten deutschen Kreditinstitute,“ Die Bank. Zeitschrift für Bankpolitik und Praxis. 8, (2011), 50-51. The choice of largest insurance companies was based on Wolters Kluwer Deutschland GmbH, „Die großen 500. Deutschlands Top-Unternehmen,“ November 2011. Research into the gender composition of top management bodies of banks, savings banks, and insurance companies was carried out from November to late December 2011. It is based on the companies' own statements published on the Internet, in annual reports and financial statements from 2010, publications in the German Federal Gazette (Bundesanzeiger) and from inquiries with companies by DIW Berlin.

<sup>3</sup> See E. Holst and J. Schimeta, „Top-Level Management in Large Companies: Persistent Male-Dominated Structures Leave Little Room for Women“. Economic Bulletin, no. 4 (2012).

Table 1

**Proportion of Women Employees Liable for Social Insurance Contributions by Industry Sector**

In percent

	2006	2007	2008	2009	2010	2011
Provision of financial services	57.4	56.9	56.9	57.1	57.2	57.1
Central banks and financial institutions	57.8	57.2	57.3	57.6	57.6	57.6
Insurance, reinsurance and pension funds (excluding compulsory social security)	49.1	48.9	48.8	50.0	49.2	49.2
Activities related to financial and insurance services	61.1	61.6	61.5	61.2	60.9	60.8

Source: Federal Statistical Office, Federal Employment Agency; calculations by DIW Berlin.

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More than half of employees in the financial sector are female.

Savings Banks Association (Deutscher Sparkassen- und Giroverband, DSGV), almost two-thirds (nearly 63 percent) of savings bank employees were women in 2010.<sup>4</sup> Nevertheless, virtually no women are appointed to top management positions at banks, savings banks, or insurance companies.

**Banks and Savings Banks**

**Executive Boards: Women Still Almost Without a Chance**

Eighty-eight percent of executive boards are made up exclusively of men (see Table 2). Overall, the proportion of women on these executive boards is only 3.2 percent: women hold 13 out of a total of 404 board positions.<sup>5</sup> Only at Deutsche Pfandbrief Bank AG (formerly Hypo Real Estate Bank AG<sup>6</sup>) is the executive board headed by a woman (see Overview). A comparison with 2006 shows the stagnation of gender equity in the boardrooms of financial institutions: at that time, eleven of the 442 executive board positions in the 100 largest banks and savings banks were held by women. The addition of two women since 2006 represents an increase of 0.7 percentage points in five years, or 0.14 percentage points per

<sup>4</sup> See German Savings Bank Association (DSGV), Statistical Supplement to the Annual Report 2010 (Berlin, 2011), 6.

<sup>5</sup> Another board position at NordLB was filled by a woman, Ulrike Brouzi, on January 1, 2012.

<sup>6</sup> HRE Holding AG was merged with its subsidiary in 2009: the Hypo Real Estate Bank AG, responsible for financing commercial real estate and Depfa Deutsche Pfandbriefbank AG, the German public lender. See manager magazin online dated June 29, 2009 for more details, www.manager-magazin.de/finanzen/artikel/0,2828,633305,00.html. Manuela Better is also the CEO of Hypo Real Estate Holding AG.

annum. If this trend were to continue, there would be no gender parity in executive boardrooms for another 334 years. However, if companies were to set themselves the goal of increasing the proportion of women by an average of just one percentage point annually, this period would be cut to about 47 years—which is still more than two generations. Even if an average increase of two percentage points per annum were achieved, this process would still take an entire generation (at least 23 years). Against this background, it hardly seems realistic to expect that gender differences will somehow balance out automatically in the foreseeable future.

The argument that the number of women in top management cannot be increased more quickly due to continuity in board structure does not apply to the financial sector. In the wake of the financial crisis, there were numerous new appointments and successive waves of restructuring, particularly in top management. However, these opportunities were not used to increase the proportion of women at senior levels—even though women make up the majority of the financial sector workforce. This suggests a lack of career opportunities and support for women within the banks. Addressing these deficits is the best starting point toward achieving gender equality in top management. To do so will require setting very specific goals and implementing them consistently.

**Most Women on Supervisory Boards Appointed as Employee Representatives**

Women are significantly more likely to hold seats on supervisory boards than on executive boards. Eighty-eight percent of all supervisory and administrative boards (subsequently referred to collectively as »supervisory boards«) of the 100 largest banks and savings banks have at least one woman among their members; in 2006, the figure was 89 percent.

Women make up 16.6 percent of all supervisory board members in the financial sector—a higher percentage than found in the top 200 companies outside the financial sector (11.9 percent).<sup>7</sup> Four-fifths of these women were appointed as employee representatives and therefore made it into top management through emplo-

<sup>7</sup> See E. Holst and J. Schimeta, »Top-Level Management in Large Companies: Persistent Male-Dominated Structures Leave Little Room for Women«. Economic Bulletin, no. 4 (2012).



yeedetermination regulations.<sup>8</sup> Very few women are appointed from the shareholder side. It is therefore unsurprising that only two of the supervisory boards studied here are headed by women. These figures stand in stark contrast to the high proportion of female employees in the sector as a whole.

Only one bank has an equal number of men and women on its supervisory board: the German Pfandbrief Bank AG (see Table 3) mentioned earlier in connection with the only female CEO.<sup>9</sup> In all other supervisory boards surveyed, women were in the minority. Twenty-two of the 100 companies have 25 percent or more women on their supervisory boards, including eight banks and savings banks with one-third or more. Twelve of the 100 companies surveyed have no women on their supervisory boards.

### Public-Sector Banks and Savings Banks Still Not Taking the Lead

This is the second study by DIW Berlin to investigate gender parity on the boards of Germany's top banks and savings banks, examining these bodies separately by legal status (public-sector, private, and cooperative). Equal opportunity laws play a key role in the public-sector because, according to the Federal Committee Appointments Act (Bundesgremienbesetzungsgesetz, BGremBG), equal participation of men and women in boards must be achieved or maintained (Section 1, BGremBG).<sup>10</sup> Similar regulations on the composition of committees are included in gender equality legislation at the federal state level and are therefore relevant

for banks at this level. Hence, we can expect public institutions to act as role models.

However, these results show that significant efforts are necessary if the public-sector is to take the lead as a role model for other sectors. It is still a long way from doing so. At 2.5 percent, the proportion of women in executive positions in public-sector banks is lower than in private (3.3 percent) and cooperative (5.4 percent) banks (see Table 4). There are no female CEOs at any major public-sector banks, savings banks, or cooperative banks. The private sector can at least claim one female CEO.

Women are represented on most of the supervisory boards of the 53 public-sector banks and savings banks. Three have an all-male supervisory board: the Bayerische Landesbank, the Westdeutsche ImmobilienBank AG, and the Bayerische Landesbausparkasse—equivalent to 5.7 percent. The percentage is slightly higher for cooperative banks at 7.7 percent. One of the 13 cooperative banks—the Münchener Hypothekbank eG—still has no women on its supervisory board. 23.5 percent of private banks have all-male supervisory boards—well above the average of the top 100 banks and savings banks. That makes eight out of a total of 34 institutions—including the Dexia Kommunalbank Deutschland AG, the Aareal Bank AG, and the Deutsche Hypothekbank (Actien-Gesellschaft).<sup>11</sup>

Up to now, the only women chairing supervisory boards are found in public-sector financial institutions. Furthermore, both of the women currently chairing financial sector supervisory boards were appointed through the system of joint appointments (funktionsgebundene Gremienbesetzung) whereby political offices are linked to a position as supervisory board chair.<sup>12</sup>

Overall, it is clear that public-sector institutions are moving far too slowly when it comes to gender equality in the boardroom. The lagging appointments of women to board positions is therefore unrelated to the particular ownership form or business model of the banks in question. Correspondingly, the proportion of women on the boards of public-sector companies is even lower than in private companies.

**8** According to Sections 1 and 4 of the Mining Codetermination Act (Montan-Mitbestimmungsgesetz, MontanMitbestG) quoted in the Federal Law Gazette (BGBl), the supervisory boards of companies in the mining industry with more than 1000 employees must have parity between the number of shareholder representatives and workers' representatives. According to sections 1 and 7 of the Codetermination Act (Mitbestimmungsgesetz, MitbestG) quoted in the Federal Law Gazette, corporations, limited liability companies, limited commercial partnerships and cooperatives with more than 2000 employees must also have balanced proportions of employer and employee representation on their supervisory boards. According to Sections 1 and 4 of the One-Third Participation Act (Drittelbeteiligungsgesetz, DrittelbG) quoted in the Federal Law Gazette, one third of the supervisory boards of corporations, limited liability companies, limited commercial partnerships, cooperative insurance corporations and cooperatives with more than 500 employees must be made up of female/male employee representatives. [www.boeckler.de/5543\\_33350.htm](http://www.boeckler.de/5543_33350.htm).

**9** The Hypo Real Estate Bank AG, which merged with the German Pfandbrief Bank AG in 2009, had one woman, Bettina von Oesterreich, on its board as of 2007. In 2006, both the supervisory and management boards were occupied exclusively by men.

**10** For the purposes of this act, committees are executive boards, advisory boards, commissions, committees, administrative and supervisory boards, collegial bodies, and similar groups regardless of their designation (Section 2 of the BGremBG).

**11** The remaining five are the Düsseldorf Hypothekbank AG, the DVB Bank SE, the Oldenburgische Landesbank AG, the Debeka Bausparkasse AG and the BMW Bank GmbH.

**12** Bremen's finance senator, Karoline Linnert (Alliance 90/The Greens), is head of the supervisory board of the Bremer Landesbank and the Munich district administrator, Johanna Rumschöttel (SPD), is head of the supervisory board at the Kreissparkasse München Starnberg Ebersberg.

Table 2

**Women on Executive Boards and Supervisory Boards of Major Banks, Savings Banks and Insurance Companies in Germany**

	Banks and savings banks						Insurance companies					
	2006	2007	2008	2009	2010	2011	2006	2007	2008	2009	2010	2011
<b>Executive boards</b>												
Total companies	100	100	100	100	100	100	63	65	58	62	62	59
With details about the composition	100	100	100	100	100	100	63	65	58	62	62	59
No women on the board	90	91	93	91	90	88	53	52	49	51	52	45
Percentage	<b>90.0</b>	<b>91.0</b>	<b>93.0</b>	<b>91.0</b>	<b>90.0</b>	<b>88.0</b>	<b>84.1</b>	<b>80.0</b>	<b>84.5</b>	<b>82.3</b>	<b>83.9</b>	<b>76.3</b>
Total members <sup>1</sup>	442	430	414	418	408	404	394	411	372	392	399	384
Men	431	420	406	407	396	391	384	398	363	381	389	370
Women	11	10	8	11	12	13	10	13	9	11	10	14
Proportion of women in percent	2.5	2.3	1.9	2.6	2.9	3.2	2.5	3.2	2.4	2.8	2.5	3.6
Total chairs <sup>1</sup>	100	100	100	100	100	100	63	65	58	62	62	59
Men	98	98	100	100	98	99	63	65	57	62	62	59
Women	2	2	0	0	2	1	0	0	0	0	0	0
Proportion of women in percent	2.0	2.0	0.0	0.0	2.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Supervisory/administrative boards</b>												
Total companies	100	100	100	100	100	100	63	65	58	62	62	59
With details about the composition	100	100	100	100	100	100	63	65	58	62	62	59
With no women on the supervisory board	11	9	15	13	12	12	17	16	16	14	14	14
Percentage	<b>11.0</b>	<b>9.0</b>	<b>15.0</b>	<b>13.0</b>	<b>12.0</b>	<b>12.0</b>	<b>27.0</b>	<b>24.6</b>	<b>27.6</b>	<b>22.6</b>	<b>22.6</b>	<b>23.7</b>
Total members <sup>1</sup>	1 633	1 573	1 566	1 555	1 548	1 567	812	831	727	734	732	689
Men	1 387	1 331	1 324	1 294	1 295	1 307	720	726	629	643	645	599
Women	246	242	242	261	253	260	92	105	98	91	87	90
Proportion of women in percent	15.1	15.4	15.5	16.8	16.3	16.6	11.3	12.7	13.5	12.4	11.9	13.1
Total chairs <sup>1</sup>	100	100	100	100	100	100	63	65	58	62	62	59
Men	97	95	97	96	97	98	63	65	57	61	61	58
Women	3	5	3	4	3	2	0	0	1	1	1	1
Proportion of women in percent	3.0	5.0	3.0	4.0	3.0	2.0	0.0	0.0	1.7	1.6	1.6	1.7
Companies with information on employee representation	33	55	51	50	44	53	24	41	38	52	34	33
Total members	599	858	767	764	642	738	291	455	444	634	351	385
Men	496	731	654	637	549	628	256	406	390	555	319	347
Women	103	127	113	127	93	110	35	49	54	79	32	38
Female employee representatives	85	95	84	91	62	78	32	45	41	63	26	36
Proportion of women in total in percent	82.5	74.8	74.3	71.7	66.7	70.9	91.4	91.8	75.9	79.7	81.3	94.7

<sup>1</sup> Only companies providing data on the composition of the relevant top-management bodies.

Source: calculations by DIW Berlin.

88 of the 100 largest banks and savings banks have all-male boards.

**Insurance Companies: Not Much Better**

**96.4 Percent Men on the Executive Boards**

Women make up about half of the workforce in the insurance industry, but in the 59 insurance companies surveyed, women only made up 3.6 percent of the executive board members in 2011. This corresponds to 14 out of 384 positions (see Table 2). In 2007, the proportion was as low as 3.2 percent and decreased further to 2.4 percent in the following year; in 2011, precisely the same proportion of women was found on the executive boards

of Germany's 30 largest insurance companies. It would be unwise to extrapolate trends starting from such a low base. It remains to be seen what developments will take place in the coming years. Still, no woman held the position of CEO on any executive board in 2011.

**Supervisory Boards 86.9 Percent Male; Most Female Board Members Appointed as Employee Representatives**

The proportion of women on the supervisory boards of large insurance companies is 13.1 percent, still below

Overview

**Women on Executive Boards of Major Banks, Savings Banks and Insurance Companies in Germany in 2011**

Rank	Company	Name	Legal form
<b>100 largest banks and savings banks<sup>1</sup></b>			
3	KfW Bankengruppe	Dr. Edeltraud Leibrock	public-sector
12	Deutsche Pfandbriefbank AG	Manuela Better (Chair)	private
18	ING-DiBa AG	Katharina Herrmann	private
24	SEB AG	Liselotte Hjorth	private
49	HSBC Trinkaus & Burkhardt AG	Carola Gräfin v. Schmettow	private
55	Stadtsparkasse München	Marlies Mirbeth	public-sector
58	Investitionsbank des Landes Brandenburg	Jacqueline Tag	public-sector
60	Stadtsparkasse Düsseldorf	Dr. Birgit Roos, Karin-Brigitte Göbel	public-sector
64	Targobank AG & Co. KGaA	Maria Topaler	private
80	Sparda-Bank Südwest eG	Karin Ipfling	cooperative
91	BBBank eG	Gabriele Kellermann	cooperative
92	Frankfurter Volksbank e.G.	Eva Wunsch-Weber	cooperative
<b>59 largest insurance companies<sup>2</sup></b>			
5	ERGO Versicherungsgruppe AG	Dr. Bettina Anders	
11	Versicherungskammer Bayern	Barbara Schick	
13	Deutsche Krankenversicherung AG DKV	Silke Lautenschläger	
15	Zurich Deutscher Herold Lebensversicherungs-AG	Dr. Andrea van Aubel	
32	Provinzial Rheinland Konzern	Sabine Krummenerl	
35	Württembergische Lebensversicherung AG	Ruth Martin	
39	Signal Krankenversicherung a.G.	Marlies Hirschberg-Tafel	
40	HDI Gerling Lebensversicherungs-AG	Iris Klunk	
42	Cosmos Lebensversicherung-Aktiengesellschaft	Claudia Andersch	
44	Iduna Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe	Marlies Hirschberg-Tafel	
48	Alte Leipziger Lebensversicherung a.G.	Wiltrud Pekarek	
49	Provinzial Rheinland Lebensversicherung AG	Sabine Krummenerl	
51	Bayerische Beamtenkrankenkasse AG	Manuela Kiechle	
58	Württembergische Versicherung AG	Ruth Martin	

<sup>1</sup> Ulrike Brouzi joined the board of NordLB on January 1, 2012.

<sup>2</sup> Helga Jung joined the board of Allianz SE on January 1, 2012.

Source: survey by DIW Berlin.

that of the supervisory boards of major banks and savings banks. In the previous five years, the proportions fluctuated between a minimum of 11.3 percent (2006) and a maximum of 13.5 percent (2008). Of these, hardly any were shareholder representatives (5.3 percent). In other words: Almost all women were employee representatives and therefore appointed to the supervisory boards of insurance companies due to German co-determination law.

The proportion of all-male supervisory boards in the insurance industry was 23.7 percent in 2011—higher than at major banks and savings banks. Only one supervisory board had gender parity: the supervisory board of Allianz Versicherungs-AG (see Table 5).

## European Financial Market Regulations Made by Men

Women are underrepresented not only at the executive level in major financial firms, but also in the decision-making committees of the major regulatory institutions, the national central banks and regulatory authorities.

The same applies to the highest decision-making bodies of the financial institutions that determine monetary policy in Europe. The ECB Governing Council is the main decision-making body of the European Central Bank (ECB). It adopts guidelines and decisions “necessary to ensure the performance of the tasks entrusted to the Eurosystem, and to formulate monetary policy

Table 3

**Largest 100 Banks and Savings Banks<sup>1</sup> With at Least 25 Percent Women on Their Supervisory Boards in 2011**

Rank	Company	Total members	Men	Women	Percentage of women	Legal form
12	Deutsche Pfandbriefbank AG	6	3	3	50	private
45	IBB Investitionsbank Berlin	9	5	4	44	Public-sector
1	Deutsche Bank AG	19	12	7	37	private
38	Santander Consumer Bank AG	9	6	3	33	private
53	Deutsche Schiffsbank AG	6	4	2	33	private
51	Investitionsbank Schleswig-Holstein (IB)	12	8	4	33	Public-sector
69	Comdirect Bank AG	6	4	2	33	private
57	Sparkasse Hannover	18	12	6	33	Public-sector
95	Sparkasse Mainfranken	26	18	8	31	Public-sector
29	Bausparkasse Schwäbisch Hall AG	20	14	6	30	cooperative
98	Sparkasse Karlsruhe Ettlingen	30	21	9	30	Public-sector
83	Sparkasse Essen	17	12	5	29	Public-sector
86	Kreissparkasse München Starnberg Ebersberg	14	10	4	29	Public-sector
91	BBBank eG	15	11	4	27	cooperative
6	Unicredit Bank AG	12	9	3	25	private
54	Wüstenrot Bank AG Pfandbriefbank	8	6	2	25	private
84	Sparkasse Krefeld	20	15	5	25	Public-sector
2	Commerzbank AG	20	15	5	25	private
64	Targobank AG & Co. KGaA	12	9	3	25	private
99	Stadtsparkasse Wuppertal	16	12	4	25	Public-sector
11	WestLB AG	20	15	5	25	Public-sector
31	Deutsche Apotheker- und Ärztebank eG	20	15	5	25	cooperative

<sup>1</sup> Only companies providing data on the composition of the relevant top-management bodies.  
Source: calculations by DIW Berlin.

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Only one of the 100 largest banks has a supervisory board with equal gender representation.

for the euro area.<sup>13</sup> Not a single woman was represented on its 23-member board in 2011 (see Table 6). In 2010, there was one. There is one woman at the *Court of Directors*, the highest decision-making body of the Bank of England, the most important European central bank outside the eurozone.

Men are also overrepresented on the boards of the national central banks, but the percentage varies from country to country.<sup>14</sup> In the euro area, women made up an average of 15 percent of members of the highest decision-making bodies of the national central banks in 2010 (see Figure). Not a single woman was represented on the central bank boards of Germany, Cyprus, Luxembourg, or Austria—the group of countries ranking lowest in this respect in the EU. The first woman was

appointed to the executive board of the German Central Bank in 2011.<sup>15</sup>

In the EU countries outside the euro area, the proportion of women in the top management positions of the central banks is higher than within the euro area at an average of 22 percent. In 2010, not a single woman in the whole of Europe took the chair of a central bank. On average throughout all 27 EU states, the proportion of women was 18 percent in 2010 and therefore the same as in 2004.<sup>16</sup>

<sup>13</sup> European Central Bank: the ECB Governing Council, [www.ecb.int/ ECB/ orga/ decisions/ gov/ c/ html/ index. en. html](http://www.ecb.int/ ECB/ orga/ decisions/ gov/ c/ html/ index. en. html).

<sup>14</sup> At the time of writing, figures from the European Commission on the members of the main decision-making bodies of central banks in Europe were not yet available for 2011. Therefore, the figures given are for 2010.

<sup>15</sup> This was Sabine Lautenschläger.

<sup>16</sup> This comparison with 2004 includes acceding states Bulgaria and Romania, which did not join the EU until 2007.

Table 4

**Women on the Executive Boards and Supervisory Boards of Major Banks and Savings Banks in Germany in 2001, According to Legal Status**

	Surveyed banks and savings banks	Public-sector banks	Private banks	Cooperative banks
<b>Executive Boards</b>				
Total companies	100	53	34	13
With details about the composition	100	53	34	13
No women on the board	88	49	29	10
Percentage	<b>88.0</b>	<b>92.5</b>	<b>85.3</b>	<b>76.9</b>
Total members <sup>1</sup>	404	197	151	56
Men	391	192	146	53
Women	13	5	5	3
Proportion of women in percent	<b>3.2</b>	<b>2.5</b>	<b>3.3</b>	<b>5.4</b>
Total chairs <sup>1</sup>	100	53	34	13
Men	99	53	33	13
Women	1	0	1	0
Proportion of women in percent	<b>1.0</b>	<b>0.0</b>	<b>2.9</b>	<b>0.0</b>
<b>Supervisory/administrative boards</b>				
Total companies	100	53	34	13
With details about the composition	100	53	34	13
No women on the board	12	3	8	1
Percentage	<b>12.0</b>	<b>5.7</b>	<b>23.5</b>	<b>7.7</b>
Total members <sup>1</sup>	1 567	999	349	219
Men	1 307	831	291	185
Women	260	168	58	34
Proportion of women in percent	<b>16.6</b>	<b>16.8</b>	<b>16.6</b>	<b>15.5</b>
Total chairs <sup>1</sup>	100	53	34	13
Men	98	51	34	13
Women	2	2	0	0
Proportion of women in percent	<b>2.0</b>	<b>3.8</b>	<b>0.0</b>	<b>0.0</b>

<sup>1</sup> Only companies providing data on the composition of the relevant top-management bodies.

Source: calculations by DIW Berlin.

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Public sector banks and savings banks also have a considerable amount of catching up to do.

**Overrepresentation of Men Continues Even in Newly Founded EU Financial Regulators**

In the wake of the financial crisis 2011, three new EU authorities were founded to monitor European financial activities: the European Banking Authority (EBA), the European Securities Markets Authority (ESMA), and the European Insurance and Occupational Pensions Authority (EIOPA). All these authorities are predominantly controlled by men. EBA has 26 men and two women on its supervisory board; ESMA has four women and 23 men; and EIOPA has ten women and 25 men—in absolute and relative terms the most women, at 28.6 percent. There is one woman on each of the executive boards of these authorities—with the exception of ESMA, which has no women on its eight-member executive committee.

**In 2012, a German Financial Supervisory Authority Will be Headed by a Woman for the First Time Ever; Controlled by a 20-Member Male Supervisory Board**

National regulatory authorities continue to play a central role in crisis prevention in Europe. The German Federal Financial Supervisory Authority BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht) has had a female president since January 2012. All 20 members of the BaFin supervisory board, however, are men. Only one woman is represented on BaFin’s 24-member advisory board.

To combat the financial crisis that started in 2008, the German Federal Agency for Financial Market Stabilisation (FMSA) was founded in 2008 with three governing bodies: a three-member management board, a steering committee consisting of five representatives of the fede-

Table 5

**Insurance Companies<sup>1</sup> With at Least 25 Percent Women on Their Supervisory Boards in 2011**

Rank	Company	Total members	Men	Women	Percentage of women
10	Allianz Versicherungs-AG	6	3	3	50.0
59	DBV Deutsche Beamtenversicherung Lebensversicherung Aktiengesellschaft	9	5	4	44.4
23	Debeka Lebensversicherungsverein a.G.	9	6	3	33.3
25	Allianz Private Krankenversicherungs-AG	6	4	2	33.3
4	Talanx AG (Group)	16	11	5	31.3
36	Talanx International AG	16	11	5	31.3

<sup>1</sup> Only companies providing data on the composition of the relevant top-management bodies. Source: calculations by DIW Berlin.

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Only one of the 59 largest insurance companies has a supervisory board with equal gender representation.

ral government, and a parliamentary control committee consisting of nine party representatives. Only one woman has been appointed to any of these bodies so far: she holds a seat on the steering committee.<sup>17</sup>

**Increasing Visibility: Women in Key Positions**

The first important steps have been taken with the recent appointments of two women to top positions at BaFin

<sup>17</sup> This is the state secretary, Dr. Birgit Grundmann, from the Federal Ministry of Justice.

and the German Central Bank. When talking of women in key positions, the appointment of former French Finance Minister, Christine Lagarde, as the new director of the International Monetary Fund (IMF) in 2011, should not go unmentioned. Looking back to the financial crisis of 2008 she said: “I wish that there were more women in finance—I think it would be much healthier.”<sup>18</sup> Christine Lagarde received worldwide media attention and was often cited as a role model for young women.

**What Needs to be Done at Financial Institutions to Improve the Situation?**

There should be ample opportunities to improve gender equity in the financial sector thanks to the higher proportion women employed here than, for example, in industries outside the service sector. As a result, the potential and know-how for creating conditions that promote women’s access to top leadership positions are readily available and widely known. Consequently, financial institutions should focus on opening up corporate culture to female executives. The long-term involvement and support of existing management executives is a crucial component of this process, particularly because of their role in recruiting and hiring new executives. Promising young women should be offered support in career planning from the outset. They also need more female role models to follow. Currently, only men can look up to a wide range of top managers of their own gender as role

<sup>18</sup> Gillian Tett, „Power with Grace,” FT Magazine, December 9, 2011, www.ft.com/cms/s/2/2277d682-1fc4-11e1-991600144feabdc0.html axzz1iOXX-gu0d.

Table 6

**Members of the Governing Bodies of European Financial Institutions and Regulators in 2011**

	Total members	Women	Percentage of women	Total members	Women	Percentage of women
European Central Bank (ECB)	ECB Governing Council			ECB Executive Board		
	23	0	0.0	6	0	0
Bank of England	Court of Directors			Executive Team		
	12	1	8.3	13	1	7.7
European Banking Authority (EBA)	Supervisory Board			Management Board		
	28	2	7.1	6	1	16.7
European Securities Markets Authority (ESMA)	27	4	14.8	8	0	0
European Insurance and Occupational Pensions Authority (EIOPA)	35	10	28.6	8	1	12.5

Source: research by DIW Berlin.

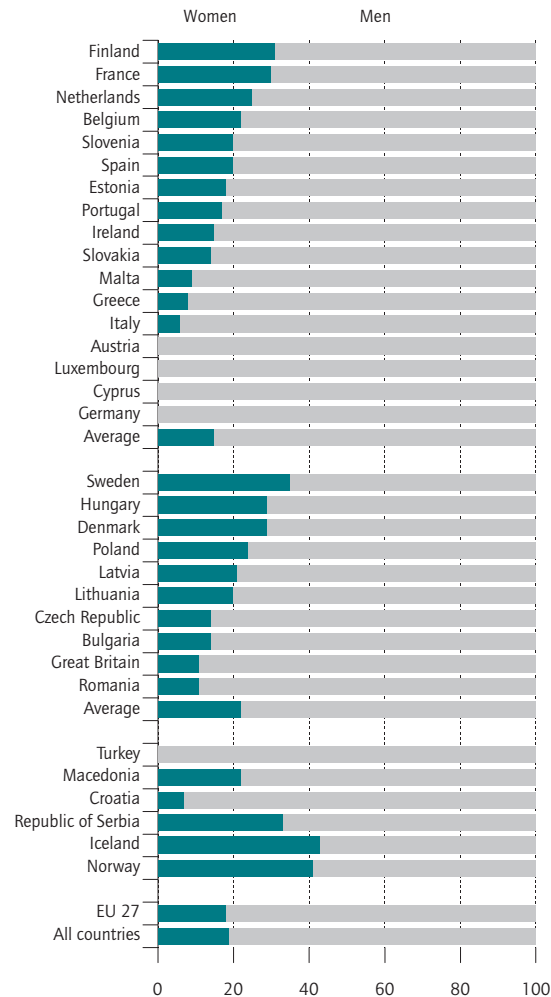
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Women are also significantly underrepresented in the decision-making bodies of European financial institutions.

Figure

**Members of Key Decision-Making Bodies of Central Banks in Europe in 2010<sup>1</sup>**

In percent



<sup>1</sup> Countries were classified according to their membership in the euro area. This was done for content reasons. The central banks of European countries may not make independent monetary policy; they have to follow the guidelines of the European Central Bank (ECB). They therefore have less influence than central banks outside the euro area.

Source: European Commission, database on women in decision-making processes.

© DIW Berlin 2012

In 2010, Germany was still bottom of the list in Europe for the number of women in the highest decision-making committees of its central bank.

models. Making the achievements of women more visible would also improve their career prospects and ensure that companies can hold onto their talent. The use of communication tools, management training, and a mentoring system could also drive this process. In everyday operations, more flexibility and self-determination are

needed to overcome barriers to gender equality such as policies that make it difficult to balance family and career. Designing more flexible career paths will enable women and men to achieve a better work-life balance—without this leading to career disadvantages.

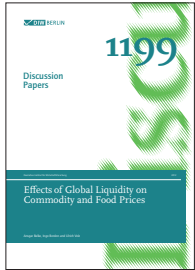
**Conclusion**

While women make up the majority of the workforce in the Germany’s financial sector, they are almost never represented on executive boards. Men still hold the majority of decision-making power and influence. They still determine company regulations as well as the rules of conduct within the sector overall. Public financial institutions are no exception. Without German code-termination regulations and the female employee representatives appointed as a result, the supervisory boards of financial sector companies would be just as male-dominated as the executive boards. Two women chair the supervisory boards of public-sector banks—but both thanks to the system of joint appointments, whereby the position of supervisory board chair is automatically granted to the holder of a certain political office. Both longstanding financial institutions and new national and EU financial oversight authorities are run largely by men, with very few exceptions.

The high persistence of male “monocultures” in financial sector boardrooms is both a problem and a reason for the continued and substantial under-representation of women: women are not visible either in the boardrooms or in the pool of potential candidates for future board membership. Yet, paradoxically, women represent the majority of employees in the financial sector overall. The potential and know-how for creating conditions that promote women’s access to top leadership positions are readily available. Now it is a question of opening up corporate culture—and senior levels of management—to women. Only a clear timetable and consistent plan of implementation can ensure promising young women a future in leading positions.

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## Effects of Global Liquidity on Commodity and Food Prices

This paper investigates the relationship between global liquidity and commodity and food prices applying a global cointegrated vector-autoregressive model. We use different measures of global liquidity and various indices of commodity and food prices for the period 1980-2011. Our results support the hypothesis that there is a positive long-run relation between global liquidity and the development of food and commodity prices, and that food and commodity prices adjust significantly to this cointegrating relation. Global liquidity, in contrast, does not adjust, it drives the relationship.

JEL-Classification: E52, E58, C32

Keywords: Commodity prices, food prices, global liquidity, cointegration, CVAR analysis

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Pia S. Schober



## Parental Leave Policies and Child Care Time in Couples after Childbirth

This research explores how different parental leave reforms in West Germany impacted on the time mothers and fathers in couples spent on child care. I investigate indirect effects through mothers' labor market return decisions more in detail than previous studies and also examine potential direct associations of reforms of the leave period and benefits with maternal and paternal care time. The analysis uses multilevel multiprocess models for 1299 couples with a first or second birth based on data from the German Socio-Economic Panel (1984-2009). I estimate simultaneously the timing and extent of mothers' labor market return, selection into childbearing, and maternal and paternal child care time over the years following a first or second birth. The findings suggest that the extensions of the maximum period of low-paid or unpaid leave between 1986 and 1992 and the introduction of shorter well-paid leave and two 'daddy months' in 2007 indirectly affected maternal and paternal child care through changes in mothers' work return decisions. Even after controlling for these indirect effects and fathers' take-up of leave, the parental leave extensions were directly associated with longer maternal care time on weekdays, whereas father involvement in child care increased after the 2007 reform.

Keywords: Child care, gender division of unpaid work, maternal employment, parental leave policy, parenting

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