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SEVEN QUESTIONS TO ELKE HOLST

Executive Boards of Large Companies Remain Male-Dominated Monocultures

1. Dr. Holst, how has the share of women on the executive boards of major German corporations developed in 2014? This area has seen virtually no improvement whatsoever. In fact, a downward trend has even been observed. At the end of 2014, the top 200 companies had just over five percent women on their executive boards. The corresponding figure for MDAX companies was less than three percent. The best results (seven percent) were observed in the DAX 30, a group of companies that are very much in the public eye when it comes to women’s representation in senior management. As you can see, the executive boards of German corporations remain male-dominated monocultures, which is not a particularly positive outcome in light of the obligation toward increasing the representation of women in senior management made by the leading associations of the German business community in 2001.

2. What’s the situation like on the supervisory boards? A little better. The share of women on the supervisory boards of the top 200 companies was a good 18 percent, having increased by three percentage points in the last year. The average annual growth in this area between 2006 and 2014 was 1.3 percentage points. The highest share of women on supervisory boards was 25 percent in the DAX 30, compared with less than 14 percent in SDAX companies.

3. What groups of companies had the best results? Regarding the supervisory boards, the TecDAX, top 200, and DAX 30 companies ranked best, showing an increase of around three percentage points from 2013 to 2014. Companies with government-owned shares — although the comparability of these companies is somewhat limited — displayed an even greater increase of 5.5 percent to almost 24 percent female representation. In this group, strong increases in the figures were also observed for female executive board members. In the other company groups examined, in comparison, there was very little progress in the number of female executive board members. In fact, in the company group comparison, the top 200 companies secured first place with an increase of just one percentage point. In MDAX, SDAX, and TecDAX companies, the figures developed negatively compared with the initial level which was already extremely low. DAX 30 companies remained just below the level reached in 2012.

4. What companies ranked worst? All the company groups in the study displayed an increase in female representation on their supervisory boards over the previous year — unlike on the executive boards. MDAX and SDAX companies ranked bottom with barely one percentage point.

5. How has the representation of women in the highest decision-making bodies of companies in the finance sector developed? The situation here is similar to that in the corporate sector, despite the fact that the majority of the workforce in the finance sector is female. This would appear to suggest that in the finance sector very few women are able to penetrate upper management.

6. The German Federal Cabinet adopted draft legislation for gender equality in senior management. What do you think about this bill? The pending legislation contains sanctions for supervisory boards only. In the case of executive boards and senior management, targets are to be set. We will see whether this is enough to achieve anything resembling equal representation in the highest decision-making bodies in the near future. It is hoped that setting targets for women’s representation on executive boards and on two management levels below the board will contribute to facilitating women’s ascent up the corporate ladder to senior positions. This could help reduce the high number of resignations by women on executive boards, who are currently often appointed externally.

7. How would you rate the overall development? Given the ongoing discussions on this issue over many years, the developments observed fall short of expectations, although improvements and positive signals have been seen on supervisory boards. As to the executive boards, the failings are as clear as day—in fact, next to nothing has happened here.

Interview by Erich Wittenberg