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Article

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Weekly Report

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Weekly Report

Top Posts in Big Companies Firmly in Male Hands

Women hold only 7.8% of the supervisory board posts in the 200 biggest companies (Top 200) in Germany – outside finance -, and three of four (76.0%) are worker's representation delegates. More than one third of these companies do not have a woman on the supervisory board at all. The share of women on management boards is even smaller. In the 100 biggest companies (Top 100) there is only one woman on a management board. There are only eleven in the Top 200, a share of a good one percent. These figures show that the aim of equality of opportunity for men and women in top influential posts in large firms is still a long way off.

Among European countries Norway is in the lead with women accounting for just under one third of the seats on the decision-making bodies of the 50 biggest companies traded on the stock exchange. The other Scandinavian countries are also above the average, as are the East European EU member states. Germany is in the middle with 11%. According to information from the European Commission Germany is at the lower end of the scale of countries in the share of women in more broadly defined management posts, with around one quarter. Even countries with a relatively low percentage of women in employment, like Spain and Italy, have clearly higher shares of women on this level of the hierarchy than Germany, with just under one third each.

DIW Berlin has made a quantitative study of the share of women in management positions (supervisory board/administrative board and management board/management posts) in the 100 and 200 biggest companies outside the financial sector by turnover.¹ The main function of the supervisory board is to supervise the management of the company and to appoint the board of managing directors. Important business plans and decisions also often have to be approved by the supervisory board. The task of the management board is to direct the company's operations and represent it. In larger companies the management board consists of a chair person and several members, e.g. the heads of the various production divisions. So a seat on either of these decision-making organs is of immense importance.

¹ This report is based on Holst, E. and Stahn, A.-K. In: Wochenbericht des DIW Berlin, Nr. 7/2007. The research was carried out between July and December 2006 on companies excluding banks and insurance. The selection of the Top 200 companies for the research was based on "Die großen 500. Deutschlands Top-Unternehmen, 2006". Of the 100 (200) biggest companies 13 (30) gave no information on the composition of their supervisory board. 97 (195) companies could be included in the analysis of management boards. The figures given in this report only cover the companies which provided information. A similar study was carried out for the financial sector, cf. for the results in details, Holst, E. and Stahn, A.-K.: 'Too Few Women in Top Posts in the Big Banks and Insurance Companies'. In: Weekly Report, no. 7, and Holst, E. and Stahn, A.-K.: 'Zu wenige Frauen in Spitzenpositionen der großen Banken und Versicherungen'. In: Wochenbericht des DIW Berlin, Nr. 26/2007.

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Women mostly delegated to supervisory boards under the codetermination regulations

In the 100 biggest companies in Germany by turnover the share of women with supervisory board posts is currently 8.5%. Only one third of the companies have a share of at least 10%, and only five reach a share of 25% and more (table 1). Only two women head a supervisory board or are partners: Maria-Elisabeth Schaeffler in INA Schaeffler Holding and Bettina Würth of the Würth-Gruppe. These wo-

men occupy a special position in that they are both shareholders. So not a single woman has reached the position of chairwoman of a supervisory board in one of the 100 biggest companies in Germany without the appropriate financial background.

Most women on supervisory boards (73.0%) were delegated from worker's representations. Without these seats, that are secured by codetermination rights, the number of companies in the Top 100 without a woman on the supervisory board would, purely arithmetically, rise from the present 22 to

Table 1

The 100 Biggest Companies by Turnover in Germany according to Share of Women on the Supervisory Board/Administrative Board

Company	Ranking by turnover	Total number of seats on board	Of which: Women	Of which: worker's representation delegates	Share of seats held by women in %	Share of worker's representation delegates in seats held by women in %
INA Holding Schaeffler KG	71	2	1	0	50.0	0
IBM Deutschland GmbH	99	16	5	3	31.3	60
Fresenius AG	70	12	3	2	25.0	66.7
Deutsche Post World Net AG	8	20	5	5	25.0	100
Karstadt Warenhaus AG	98	20	5	5	25.0	100
AVA Allgemeine Handelsgesellschaft der Verbraucher AG	100	18	4	4	22.2	100
E.ON Ruhrgas AG	36	19	4	1	21.1	25
Oetker-Gruppe	79	5	1	0	20.0	0
TUI AG	29	20	4	k.A.	20.0	k.A.
Deutsche Telekom AG	4	20	4	3	20.0	75
Metro AG	5	20	4	4	20.0	100
KARSTADT QUELLE AG	33	20	4	4	20.0	100
Henkel KGaA	49	16	3	1	18.8	33.3
SAP AG	66	16	3	1	18.8	33.3
Infineon Technologies AG	72	16	3	1	18.8	33.3
adidas AG	78	11	2	2	18.2	100
TOTAL Deutschland GmbH	38	6	1	1	16.7	100
Tech Data Germany AG	55	6	1	1	16.7	100
SPAR Handels-AG	82	12	2	2	16.7	100
Merck KGaA	94	12	2	2	16.7	100
Thüga-Gruppe	47	12	2	k.A.	16.7	k.A.
RWE AG	9	20	3	0	15.0	0
Shell Deutschland Oil GmbH	17	20	3	1	15.0	33.3
Lufthansa Air Plus Servicekarten GmbH	58	7	1	k.A.	14.3	k.A.
REWE-Handelsgruppe	10	16	2	1	12.5	50
Franz Haniel & Cie. GmbH	22	16	2	2	12.5	100
Würth-Gruppe	85	9	1	0	11.1	0
Wintershall AG	95	9	1	1	11.1	100
VALEO GmbH	53	9	1	k.A.	11.1	k.A.
EWE AG	86	19	2	1	10.5	50
E.ON AG	6	20	2	2	10.0	100
BASF AG	14	20	2	2	10.0	100
Otto Versand GmbH & Co	35	20	2	2	10.0	100
Companies with at least 10% of supervisory board seats held by women (33 companies)	x	484	85	54	17.6	65.5
Companies with fewer than 10% of supervisory board seats held by women (32 companies)	x	579	34	24	5.9	70.6
Companies without a woman on the supervisory board (22 companies)	x	331	x	x	x	x
All companies	x	1394	204	132	14.6	64.7

Table 2

Number and Share of Women on Supervisory Boards/Administrative Boards and Management Boards/Management in the 200 Biggest Companies by Turnover in Germany according to Ranking Groups¹

	Top10	Top100	Top101–200	Top200
Supervisory Board/Administrative Board (SB/AB)				
Number of companies	10	87	83	170
Number of companies with at least one woman on the SB/AB	9	65	45	110
Share of women in total number of seats on SB/AB in %	11.8	8.5	7.0	7.8
Number of women	23	119	78	197
Of which: worker's representation delegates	17	78	55	133
Share of worker's representation delegates in total number of women on SBs/ABs in %	73.9	65.5	70.5	57.4
Number of women chairing an SB/AB	0	2	1	3
Share of women in total number chairing SBs/ABs in %	0	2.3	1.2	1.8
Number of companies without a woman on the SB/AB	1	22	38	60
Share of companies without a woman on the SB/AV in all companies in %	10.0	25.6	45.8	35.3
Management Board/Management (MB/M, Top 200, altogether 533 seats)				
Number of companies with at least one woman on the MB/M ²	0	1	8	9
Share of companies with at least one woman on the MB/M in %	0	1.0	8.3	4.6
Number of women on the MB/M	0	1	10	11
Share of women in all members of the MB/M in %	0	0.2	2.4	1.2

¹ Only companies providing information are included

² Companies with at least one woman on the management board: Deutsche Bahn AG (Margret Suckale). Hewlett-Packard GmbH (Regine Stachelhaus). Fujitsu-Siemens Computers Deutschland GmbH (Barbara Schädler). Schering AG (Karin Dorrepaal). DB Regio AG (Dr. Bettina Volkens). DB Netz AG (Dagmar Haase). Actebis Holding GmbH (Bärbel Schmidt). Roche Diagnostics GmbH (Silvia Ayyoubi and Tiffany Olson). dm-Drogeriemarkt GmbH & Co. KG (Petra Schäfer and Gerlinde Sulzmaier).

Sources: Information from companies on the Internet; research between July and December 2006; calculations by DIW Berlin

DIW Berlin 2007

59.² The companies that do not, at time of the study, have a woman on the supervisory board include the biggest company in Germany, Daimler Chrysler AG, Thyssen Krupp AG (No. 12 on the size ranking list) and Audi AG (No. 21).

The share of women on supervisory boards rises with the size of the company (table 2). It is highest among the Top 10 at 11.8%, only 8.5% in the Top 100 and only 7% in the Top 101-200. It must be borne in mind here that the share of women sent by worker's representations in the Top 101-200 companies is higher than in the Top 100 (80.9% compared with 73.0%). However, that does not mean that women in companies lower down the ranking list have a better chance of a supervisory board seat. Almost every second company in the Top 101-200 list does not have a woman on the supervisory board, whereas in the Top 100 list this "only" applies to every fourth company.

Very few women on management boards

The inequality between the women and men is even more stark on top management level, on the management board and in general management. Of the total of 533 management boards seats in the 100

² Cf. Holst, E.: Führungskräfte im international Vergleich: Frauen in Aufsichtsräten in Deutschland meist von Arbeitnehmervertretungen entsandt. Wochenbericht des DIW Berlin, No. 35/2005.

biggest companies only a single one is occupied by a woman.³ That gives women a share of 0.2%. The number of women on management boards does rise to eleven in the Top 200, but even that only gives women a share of 1.2%. Altogether only nine companies in the Top 200 have a woman on the management board.

The aim of equality for men and women in top influential positions is, as these figures dramatically show, still a long way off.⁴

³ Margret Suckale is on the management board of Deutsche Bahn AG, a former state enterprise; she is also head of the personnel department, which is not a very influential position. At the end of November 2006 another attempt was made to give the post of personnel director, with a seat on the management board, to a woman. The supervisory board of Telekom AG and Verdi wanted to appoint Regine Büttner. Faced with heated criticism - among other things her suitability for the post was called in question - she withdrew her candidature at the beginning of December 2006. Karl-Gerhard Eick is now the personnel director with a seat on the management board. See Louven, S.: Schwindende Gefolgschaft. In: Handelsblatt, 11.12.2006, www.handelsblatt.com/news/Unternehmen/Firmen-Rankings/default-201312.aspx.

⁴ DIW Berlin also examined the 30 DAX companies. Here, too, the management board seats are exclusively held by men. But the share of women on supervisory boards is 12%, above the average for the 100 companies with the biggest turnover. That is largely because the seven banks and insurance companies included in the DAX have an average share of women on the supervisory board of 17%.

The international comparison – Norway in the lead

A survey by the European Commission on the composition of the top decision-making organs in the 50 biggest traded companies in 30 European countries in 2006 showed Norway in the lead with women accounting for one third of these positions (figure 1). The other Scandinavian countries and the East European EU member states were also above the average; Germany was in the middle field with 11%.

The high share of women in Norway⁵ is partly due to the legislation in force there, which prescribes a minimum of 40% women or men on supervisory boards.⁶ Not every company to which the law applies has so far been able to reach the 40% target for their share of women. Nevertheless, it is clear that statutory regulations are worthwhile; in 2004 the share of women was still only 18%.

Spain has followed Norway's example and in a law on equality of opportunity for men and women passed in 2006 (Ley de Igualdad) required the share of women on the supervisory boards of the biggest companies to be raised to 40% within eight years.⁷ So as a country that is near the bottom of the list of European countries for the share of women in the top decision-making organs of companies Spain is facing big challenges.

Women in management posts – Germany below the European average

The share of women holding more broadly defined management posts (ISCO Codes 12 and 13) in 2005 was around 30% in Europe (a comparison of 25 countries, figure 2). With 26% Germany was below the average.⁸ Even Spain and Italy have higher

⁵ Norway is also in the lead for share of women on supervisory boards in 2006 on a comparison of the 300 biggest joint stock companies in Europe (FTSEurofirst300); it is followed by Sweden, Finland and Denmark. Germany is in the middle field. See Egon Zehnder International: Women on European Boards: Scandinavia Extends its Lead, www.egonzehnder-knowledge.com/knowledge/content/articles/index.php?article=2426.

⁶ However, the law only covers state enterprises and about 500 privately owned public limited companies, which only make up a small part of the more than 160,000 companies in Norway. See European Professional Women's Network: Women on Boards: The Inside Story of Norway's 40% Target, www.europeanpwn.net/tht_wob/articles/story_on_norway.html. See also Holst, E.: Führungskräfte, loc. cit.

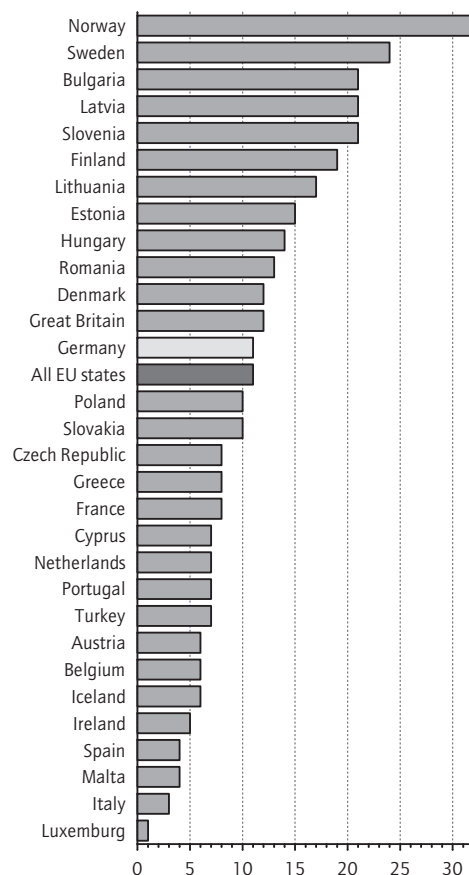
⁷ Morales, P.A., Diaz, A.R.: Fostering Caring Masculinities (FOCUS). Spanish National Report, Girona/Spain, August 2006; Spanish Embassy in Germany: The Equality Law, www.info-spanischebotschaft.de/multimedia/pdf/LEY_DE_IGUALDAD.pdf, 23 June 2006. In 2005 Norway's positive example encouraged a number of other countries to take similar initiatives, see Zechner, A.K.: Frauen per Gesetz in die Verwaltung von Aktiengesellschaften? - Aktuelle Maßnahmen zur Stärkung der Präsenz von weiblichen Vorstands- und Aufsichtsratsmitgliedern, in: Aufsichtsrat aktuell 3/2005, 10-12; and Frauenquoten in Aufsichtsräten, GenderKompetenzZentrum 2005, www.genderkompetenz.info/w/files/gkopzpdf/frauenquoten_in_aufsichtsräten/pdf.

⁸ See Holst, E., Schrooten, M.: Führungspositionen: Frauen geringer ent-

Figure 1

The Share of Women in the Top Decision-Making Organs of the 50 Biggest Companies Traded on the Stock Markets in European Countries¹

In %



¹ Biggest by market capitalisation (i.e. number of shares issued multiplied by the share price) and quoted on the national stock exchange.

Source: European Commission, Data Bank on Women and Men in Decision-Making, 2006
DIW Berlin 2007

shares of women in management posts with 32% each. The situation is also clearly better in the East European EU states and France (38%) and in the United Kingdom (34%). Latvia (44%) and Lithuania (43%) are in the lead, while no figures are available for Norway.

French women most frequent in top international positions

In keeping with the low share of women in top posts in companies in Germany there is not a German woman among the 50 most important women ma-

loht and nach wie vor seltener vertreten. Wochenbericht des DIW Berlin, No. 25/2006.

nagers worldwide.⁹ However, there are nine French women, seven British, two Turkish and one Pakistani woman. A lack of big German companies cannot be the reason for the lack of German women on top management level. According to a list drawn up by the Handelsblatt¹⁰ there are 27 companies from Germany among the 50 largest European private sector companies by turnover, but only four from France.

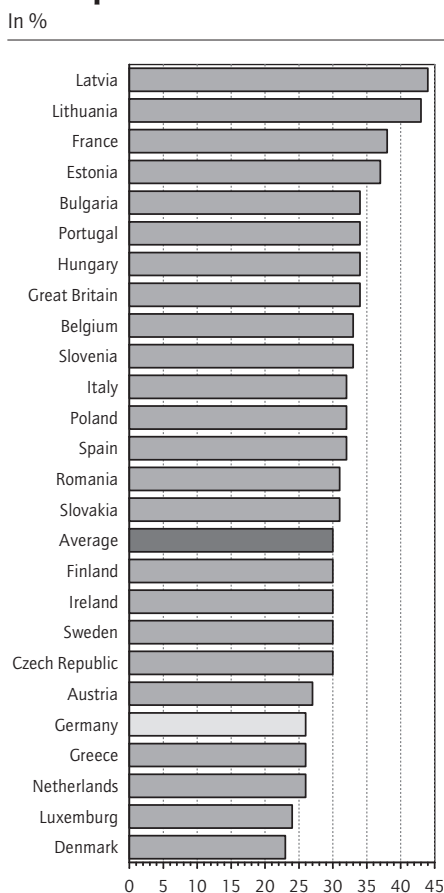
Conclusion

Supervisory boards and management boards in Germany are still firmly in male hands. Germany is rather at the lower end of the scale of the share of women in management positions by European comparison. The voluntary agreement reached in 2001 between the German business federations and the Federal Government to promote equality of opportunity for men and women in companies has not, so far, brought the desired result of reducing the gap between the shares of men and women in top positions in big companies or in management posts generally.¹¹

By European comparison Norway is in the lead with women accounting for a share of about one third of the top posts in the private sector. Norway has introduced a regulation that 40% of the seats on supervisory boards must be filled by women. Despite, or perhaps precisely because there are few women in top posts in Spain it followed Norway's example and introduced the same ratio in its law on equality of opportunity in 2006.

Figure 2

The Share of Women in Management Posts¹ in European Countries



¹ Managers and heads of division in big companies and directors of small firms (ISCO Codes 12 and 13).

Source: European Commission, Data Bank on Women and Men in Decision-Making, 2006

DIW Berlin 2007

⁹ Cf. CNNMoney.com: FORTUNE 50 Most Powerful Women in Business, money.cnn.com/magazines/fortune/mostpowerfulwomen/2006/international/, 11.01.2007

¹⁰ Handelsblatt: Die 50 grössten Privatunternehmen, www.handelsblatt.com.

¹¹ Vereinbarung zwischen der Bundesregierung und den Spitzenverbänden der deutschen Wirtschaft zur Förderung der Chancengleichheit von Frauen und Männern in der Privatwirtschaft, 2.7.2001, www.bmfsfj.de/Politikbereiche/gleichstellung,did=6408.html.

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