

## Women in Boards— Barometer



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# Slightly More Women in Germany's Corporate Boardrooms—Especially in DAX 30 Companies

by Elke Holst and Julia Schimeta

Despite the commitment that has been expressed by German companies to bringing more women into top management, at the end of 2012, only four percent of all seats on the executive boards and just under 13 percent on the supervisory boards of the top 200 companies in Germany were occupied by women. This corresponds to an increase of one percentage point on the previous year in both cases. Nevertheless, at the end of 2012, women held almost eight percent of seats on the executive boards of the DAX 30 (up 4.1 percentage points on the previous year) and over 19 percent of seats on DAX 30 supervisory boards (up 3.7 percentage points)—which may well be attributable at least in part to the public attention focused on these companies. In companies with government-owned shares, which are often smaller than the DAX 30 or the top 200 companies, the representation of women was somewhat higher at over 11 percent on executive boards and almost 20 percent on supervisory boards. Overall, employee representatives still make up the majority of women on supervisory boards. In none of the company groups studied had the strong predominance of men declined significantly. At the start of the period under investigation, the number of women on the boards was too low and the impetus for change was too weak. Within Europe, Germany is ranked sixth in terms of the percentage of women in the top-level decision-making bodies of listed companies. On the one hand, this is indicative of even more severe difficulties faced by women seeking executive positions in other countries. On the other hand, it should be noted that German firms rank relatively high because only the supervisory boards of the DAX 30 are taken into account in the European comparison. This focus on supervisory boards of DAX companies is too narrow, however, for an accurate assessment of women's opportunities in corporate boardrooms.

In this article, we analyze the representation of women on the executive and management boards (henceforth executive boards) as well as the supervisory boards and administrative councils (henceforth supervisory boards) in Germany's largest commercial enterprises based on data collected annually by DIW Berlin.<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,<sup>3</sup> and SDAX<sup>4</sup> companies were analyzed separately, and 60 companies with 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 61 insurance companies was conducted, and comparisons are drawn between the public and private sectors in a separate article in this issue of DIW Economic Bulletin.<sup>5</sup> In addition, the top management positions on supervisory and decision-making bodies in the financial sector were analyzed on both the EU and national level. Overall, the top management positions of significantly more than 500 companies and institutions were considered.

<sup>1</sup> Most recently in 2012, see E. Holst and J. Schimeta, Top-Level Management in Large Companies: Persistent Male-Dominated Structures Leave Little Room for Women, DIW Economic Bulletin, no. 4 (2012).

<sup>2</sup> The selection was based on Wolters Kluwer Deutschland GmbH, Die großen 500. Deutschlands Top-Unternehmen, (Müßig Verlag, November 2012). Research on the composition of top-level management bodies in Germany's largest 500 companies was carried out between November and the end of December 2012. Information is based on the companies' own statements published on the Internet, annual reports and accounts from 2011, articles in the German Federal Gazette (Bundesanzeiger) and on inquiries to companies by DIW Berlin.

<sup>3</sup> With regard to market capitalization and trading volume, the MDAX companies are ranked just below the DAX 30 companies (mid caps).

<sup>4</sup> With regard to market capitalization and trading volume, the SDAX companies are ranked just below the MDAX companies (small caps).

<sup>5</sup> For the findings, see E. Holst and J. Schimeta, Financial Sector: Male Dominance in Top Decision-Making Bodies Remains Overwhelming, in this issue of DIW Economic Bulletin.

Table 1

**Women on Executive and Supervisory Boards in Germany's Largest 200 Companies  
(Excluding Financial Sector) At Year End 2006–2012**

	Top 200							Top 100						
	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012
<b>Executive boards/senior management</b>														
Total number of companies	200	200	200	200	200	200	200	100	100	100	100	100	100	100
With data on composition	195	184	191	187	195	197	200	97	95	96	92	95	100	100
With women on executive board	9	15	17	16	22	22	33	1	7	3	4	8	11	19
Percentage	4.6	8.2	8.9	8.6	11.3	11.2	16.5	1.0	7.4	3.1	4.3	8.4	11.0	19.0
Total number of members	953	893	934	833	906	942	970	531	536	526	441	490	533	520
Men	942	877	911	812	877	914	931	530	529	519	437	479	520	497
Women	11	16	23	21	29	28	39	1	7	7	4	11	13	23
Percentage of women	1.2	1.8	2.5	2.5	3.2	3.0	4.0	0.2	1.3	1.3	0.9	2.2	2.4	4.4
Total number of chairpersons <sup>1</sup>	195	184	191	187	195	198	198	97	95	96	92	97	100	99
Men	195	184	190	186	193	197	196	97	95	96	92	97	100	99
Women	0	0	1	1	2	1	2	0	0	0	0	0	0	0
Percentage of women	0.0	0.0	0.5	0.5	1.0	0.5	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Supervisory boards/administrative councils</b>														
Total number of companies	200	200	200	200	200	200	200	100	100	100	100	100	100	100
With data on composition	170	145	168	153	166	163	170	87	86	88	78	86	90	92
With women on supervisory board	110	101	124	110	117	118	128	65	65	68	60	61	68	76
Percentage	64.7	69.7	73.8	71.9	70.5	72.4	75.3	74.7	75.6	77.3	76.9	70.9	75.6	82.6
Total number of members <sup>1</sup>	2,500	2,268	2,466	2,175	2,293	2,268	2,369	1,389	1,373	1,385	1,166	1,263	1,326	1,359
Men	2,304	2,074	2,236	1,961	2,050	1,999	2,064	1,270	1,255	1,249	1,048	1,142	1,178	1,186
Women	196	194	230	214	243	269	305	119	118	136	118	121	148	173
Percentage of women	7.8	8.6	9.3	9.8	10.6	11.9	12.9	8.6	8.6	9.8	10.1	9.6	11.2	12.7
Total number of chairpersons <sup>1</sup>	170	145	168	153	167	167	171	87	86	88	78	87	91	92
Men	167	143	166	151	165	164	167	85	84	86	76	85	88	89
Women	3	2	2	2	2	3	4	2	2	2	2	2	3	3
Percentage of women	1.8	1.4	1.2	1.3	1.2	1.8	2.3	2.3	2.3	2.3	2.6	2.3	3.3	3.3
Companies with data on employee representation	123	108	129	103	110	105	118	81	71	66	58	58	62	58
Total number of members	2,206	1,773	1,910	1,732	1,506	1,567	1,638	602	1,180	1,035	968	835	912	860
Men	2,023	1,616	1,742	1,563	1,360	1,391	1,438	487	1,087	940	868	759	824	753
Women	183	157	168	169	146	176	200	115	93	95	100	76	88	107
Female employee representatives	139	117	125	121	105	119	117	84	67	69	76	56	65	64
Total percentage of women	76.0	74.5	74.4	71.6	71.9	67.6	58.5	73.0	72.0	72.6	76.0	73.7	73.9	59.8

Source: calculations by DIW Berlin.

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Executive boards, in particular, have virtually no female representatives.

**Four Percent Women on Executive Boards  
of Top 200 Companies**

In recent years, some companies appointed their first ever female executive board members. However, these isolated appointments failed to result in an increase in the overall share of women on executive boards in Germany's top 200 companies: At the end of 2012, the figure remained at a very low level with only four percent

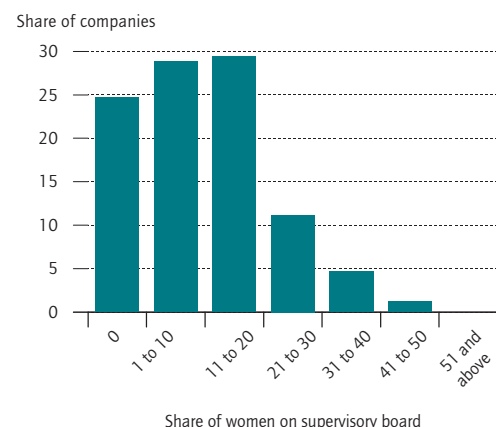
of the almost 1,000 board members being women (see Table 1). The 39 female board members (see Overview 1) were faced with an overwhelming majority of 931 male members. The share of women on the executive boards of Germany's top 200 companies was up by one percentage point on the previous year.

It has been the largest companies in particular that have recently appointed women to their executive boards.

Figure 1

### Share of Companies by Proportion of Women on Supervisory Boards

In percent



Source: calculations by DIW Berlin.

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Supervisory boards usually have up to one-fifth female members.

Overall, with their nine female executive board members, the top 10 companies account for almost one-quarter of all women on executive boards. Two of the 39 women board members in the top 200 companies also chair the board.<sup>6</sup> Representing just one percent of all executive chairpersons, women CEOs are a major exception to the rule. At the end of 2012, 83.5 percent of executive boards were exclusively male.

### Almost 13 Percent Women on Supervisory Boards

The proportion of women on supervisory boards is traditionally higher than on executive boards, not least thanks to employee co-determination. At the end of 2012, just under 13 percent of supervisory board members in Germany's top 200 companies were female (see Table 1). As with the executive boards, this represented an increase of one percentage point compared to 2011. Nowadays, it is not only the employees who delegate more women to supervisory boards but also the shareholders. However, the fact remains that the majority of female board members are employee representatives and were therefore appointed to the board on the basis of co-deter-

Overview 1

### Women on Executive Boards in Germany at Year End 2012

Rank	Company	Name
<b>100 largest commercial enterprises (excluding financial sector)</b>		
2	E.ON AG	Regine Stachelhaus
3	Daimler AG	Dr. Christine Hohmann-Dennhardt
4	Siemens AG	Brigitte Ederer, Barbara Kux
5	BASF SE	Margret Suckale
6	Bayerische Motoren Werke AG (BMW)	Milagros Caiña Carreiro-Andree
8	Deutsche Telekom AG	Claudia Nemat, Prof. Dr. Marion Schick
9	Deutsche Post World Net AG	Angela Titzrath
11	BP Europa SE	Sabine Dietrich, Claudia Joost
19	Aldi Einkauf GmbH & Co. oHG	Jeannette Thull
20	Continental AG	Elke Strathmann
22	Deutsche Lufthansa AG	Simone Menne
26	Celesio AG	Dr. Marion Helmes
39	Henkel KGaA	Kathrin Menges
42	Bertelsmann SE & Co. KGaA	Dr. Judith Hartmann, Anke Schäferkordt
45	SAP AG	Luisa Deplazes Delgado
50	Boehringer Ingelheim Unternehmensverband	Ursula Fuggis-Hahn
57	Adam Opel AG	Susanna Webber
79	Vodafone D2 GmbH	Dr. Susan Hennersdorf
86	DB Regio Aktiengesellschaft	Marion Rövekamp
<b>101 to 200 largest commercial enterprises (excluding financial sector)</b>		
104	dm-Drogerie Markt GmbH & Co. KG	Petra Schäfer
121	Dirk Rossmann GmbH	Alice Schardt-Roßmann
123	Telefónica O2 Germany GmbH & Co.OHG	Rachel Empey, Andrea Andrea Folgueiras
131	Basell Polyolefine GmbH	Rita Geissel
137	B. Braun Melsungen AG	Dr. Annette Beller
138	Dow Gruppe Deutschland	Yue Tutt
146	Faurecia Automotive GmbH	Annette Stieve
152	Air Berlin PLC & Co. Luftverkehrs KG	Dr. Martina Niemann
159	IBM Deutschland GmbH	Martina Koederitz (Vorsitz)
160	PROCTER & GAMBLE Germany GmbH	Pirjo-Marjatta Väliäho (Vorsitz)
167	Sanacorp Pharmahandel GmbH	Karin Kaufmann
169	IKEA Deutschland Verkaufs-GmbH & Co. Einrichtungs KG	Angela Zhu, Regine Buchkremer, Zuzana Polakova
177	Galeria Kaufhof GmbH	Claudia Reinery

Source: survey by DIW Berlin.

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mination legislation.<sup>7</sup> The position of chairperson (always a shareholder representative) was occupied by only four women, compared to 167 men (almost 98 percent).

<sup>7</sup> According to the Mining Co-Determination Act (Montan-Mitbestimmungsgesetz, MontanMitbestG) BGBI, Sections 1 and 4, businesses in the coal, iron, and steel industry with more than 1,000 employees must have a supervisory board with equal representation of shareholders and employees. According to the Co-Determination Act (Mitbestimmungsgesetz, MitbestG) BGBI, Sections 1 and 7, it is also mandatory for companies with more than 2,000 employees and with the legal status of an AG, GmbH, KG a.A. or cooperative to have a supervisory board with equal representation of shareholders and employees. According to the Drittelbeteiligungsgesetz (DrittelbG) BGBI [One-Third Employee Representation Act], Sections 1 and 4, in companies with more than 500 employees and with the legal status of an AG, GmbH, KG a.A, insurance association a.G., or cooperative, one-third of supervisory board members have to be employee representatives. [www.boeckler.de/5543\\_33350.htm](http://www.boeckler.de/5543_33350.htm) [December 11, 2012].

<sup>6</sup> Martina Köderitz is the CEO of IBM Germany and Pirjo-Marjatta Väliäho is the CEO of the Board at Procter & Gamble Germany.

Table 2

**Largest 200 Companies\* (Excluding Financial Sector) With More Than 20 Percent of Women on Supervisory Board at Year End 2012**

Rank	Company	Total number of members	Number of women members	Percentage of women
181	DOUGLAS HOLDING AG	16	8	50
166	NOWEDA eG Apothekergenossenschaft	9	4	44
159	IBM Deutschland GmbH	13	5	38
39	Henkel KGaA <sup>1</sup>	16	6	38
80	T-Systems International GmbH	20	7	35
160	PROCTER & GAMBLE Germany GmbH	20	7	35
112	HEWLETT-PACKARD GmbH	12	4	33
113	Beiersdorf AG	12	4	33
116	Arvato AG	3	1	33
9	Deutsche Post World Net AG	19	6	32
8	Deutsche Telekom AG <sup>1</sup>	20	6	30
168	Nestlé Deutschland AG	17	5	29
14	REWE-Handelsgruppe	20	5	25
43	Schenker AG	20	5	25
60	Otto GmbH & Co KG	20	5	25
128	DB Schenker Rail Deutschland AG	20	5	25
34	TUI AG	16	4	25
45	SAP AG	16	4	25
69	Merck KGaA	16	4	25
79	Vodafone D2 GmbH	16	4	25
143	Hella KGaA Hueck & Co.	16	4	25
153	Lufthansa Technik AG (Gruppe)	16	4	25
28	Thüga Aktiengesellschaft	12	3	25
56	Daimler Financial Services AG	12	3	25
134	Sanofi -Aventis Deutschland GmbH	12	3	25
189	freenet AG	12	3	25
194	Axel Springer Verlag AG	8	2	25
195	Praktiker Bau- und Heimwerkermärkte AG	13	3	23
104	dm-Drogerie Markt GmbH & Co. KG	18	4	22

<sup>1</sup> Here the supervisory board is also chaired by a woman.

\* Only companies providing data on the composition of their supervisory boards.

Source: calculations by DIW Berlin.

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The share of women members of supervisory boards tends to be higher among slightly smaller companies.

Over three-quarters of the top 200 companies have a minimum of one female supervisory board member. The supervisory boards in almost 60 percent of these companies comprise up to one-fifth women (see Figure 1). In 15 companies, women constitute one-quarter of the supervisory board membership (see Table 2). Only twelve companies have a higher proportion of women. So far, companies with supervisory boards comprising a third or more women remain the exception to the rule. One solitary company has equal male and female representation on its supervisory board: Douglas Holding.<sup>8</sup> Approximately one-quarter of the top 200 companies

<sup>8</sup> Here, there are eight male and eight female board members. Seven of the eight women on the supervisory board are employee representatives.

Overview 2

**Women on Executive Boards of Listed Companies in Germany at Year End 2012**

Company	Name
<b>DAX 30</b>	
Continental AG	Elke Strathmann
Daimler AG	Dr. Christine Hohmann-Dennhardt
BMW AG St	Milagros Caiña Carreiro-Andree
Henkel AG & Co. KGaA Vz	Kathrin Menges
Deutsche Post AG	Angela Titzrath
Allianz SE	Dr. Helga Jung
BASF SE	Margret Suckale
Deutsche Lufthansa AG	Simone Menne
E.ON AG	Regine Stachelhaus
SAP AG	Luisa Deplazes Delgado
Siemens AG	Brigitte Ederer, Barbara Kux
Deutsche Telekom AG	Claudia Nemat, Prof. Dr. Marion Schick
Deutsche Börse AG	Hauke Stars
<b>MDAX<sup>1</sup></b>	
ProSiebenSat.1 Media AG	Heidi Stopper
TAG Immobilien AG	Claudia Hoyer
Celesio AG	Dr. Marion Helmes
Gerry Weber International AG	Doris Strätker
Gildemeister AG	Kathrin Dahnke
<b>SDAX</b>	
Air Berlin PLC	Dr. Martina Niemann
C.A.T. OIL AG	Anna Brinkmann
Delticom AG	Susann Dörsel-Müller
Deutsche Beteiligungs AG	Susanne Zeidler
VTG Aktiengesellschaft	Femke Scholten
zooplus AG	Andrea Skersies
Schaltbau Holding AG	Elisabeth Prigge
Deutz AG	Dr. Margarete Haase
SKW Stahl-Metallurgie Holding AG	Ines Kolmsee (Vorsitz)
comdirect bank AG	Martina Palte
GfK AG	Pamela Knapp, Debra A. Pruent

<sup>1</sup> On January 1, 2013, Anke Giesen was also appointed to the executive board at Fraport AG.

Source: survey by DIW Berlin.

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studied have failed to appoint a single female supervisory board member.

**Listed Companies: DAX 30 Gather Speed While Others Lag Behind**

The DAX 30 companies are in the public and political eye when it comes to women's representation in senior management. Evidently, the high level of public attention, against a backdrop of political demands for a statutory system of quotas for women, has led to a growing number of female appointments to these companies' top boards. The number of women on the executive boards of Germany's largest DAX 30 companies had ris-

## SLIGHTLY MORE WOMEN IN GERMANY'S CORPORATE BOARDROOMS—ESPECIALLY IN DAX 30 COMPANIES

Table 3

### Women on Executive and Supervisory Boards in Listed Companies At Year End 2008–2012

	DAX 30					MDAX		SDAX	
	2008	2009	2010	2011	2012	2011	2012	2011	2012
<b>Executive boards/senior management</b>									
Total number of companies	30	30	30	30	30	50	50	50	50
With data on composition	30	30	30	30	30	50	50	50	50
With women on executive board	1	1	3	6	12	5	5	6	11
Percentage	3.3	3.3	10.0	20.0	40.0	10.0	10.0	12.0	22.0
Total number of members <sup>1</sup>	183	183	182	188	193	213	210	168	164
Men	182	182	178	181	178	208	205	160	152
Women	1	1	4	7	15	5	5	8	12
Percentage of women	0.5	0.5	2.2	3.7	7.8	2.3	2.4	4.8	7.3
Total number of chairpersons <sup>1</sup>	30	30	30	30	30	50	50	50	50
Men	30	30	30	30	30	50	50	49	50
Women	0	0	0	0	0	0	0	1	1
Percentage of women	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0
<b>Supervisory boards/administrative councils</b>									
Total number of companies	30	30	30	30	30	50	50	50	50
With data on composition	30	30	30	30	30	50	50	50	50
With women on supervisory board	27	27	26	26	28	35	42	21	21
Percentage	90.0	90.0	86.7	86.7	93.3	70.0	84.0	42.0	42.0
Total number of members <sup>1</sup>	527	513	502	479	494	581	588	346	352
Men	458	448	436	404	398	515	506	309	312
Women	69	65	66	75	96	66	82	37	40
Percentage of women	13.1	12.7	13.1	15.7	19.4	11.4	13.9	10.7	11.4
Total number of chairpersons <sup>1</sup>	N.a.	30	30	30	30	50	50	50	50
Men	N.a.	29	29	29	28	50	50	50	50
Women	N.a.	1	1	1	2	0	0	0	0
Percentage of women	N.a.	3.3	3.3	3.3	6.7	0.0	0.0	0.0	0.0
Total number of companies with data on employee representation	24	N.a.	22	24	20	35	28	41	39
Total number of members	423	N.a.	369	395	322	397	329	282	260
Men	367	N.a.	317	334	259	358	283	260	241
Women	56	N.a.	52	61	63	39	46	22	19
Female employee representatives	41	N.a.	37	43	40	28	30	19	15
Total percentage of women	73.2	N.a.	71.2	70.5	63.5	71.8	65.2	86.4	78.9

<sup>1</sup> Only companies providing data on the composition of their top management boards.

Source: calculations by DIW Berlin.

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In 2012, for the first time, two supervisory board chairwomen were appointed to German listed companies.

en from seven in 2011 to 15 at the end of 2012 (see Table 3), which corresponds to an increase of 4.1 percentage points. However, at 7.8 percent, that is, 15 out of 193 positions, the share of women executive board members remains low (see Overview 2). At the end of 2012, all executive boards were chaired by men.

An analysis of the other listed companies shows that Germany's 50 MDAX companies are lagging behind when it comes to improved gender equality in top management. At the end of 2012, only 2.4 percent of executive board members were women (compared to 2.3 percent at the end of 2011) (see Table 3). In these companies, too, there is a complete absence of women CEOs. The 50 listed SDAX companies already started at a high-

er level of almost five percent in 2011 and, by the end of 2012, had reached over seven percent. Again, Germany's 50 SDAX companies had only one woman as head of the executive board (see Overview 2).

The share of women on supervisory boards in Germany's DAX 30 companies increased by 3.7 percentage points to over 19 percent between 2011 and the end of 2012. This suggests increased momentum with regards to the delegation of women to boards—and this applies to both employee and shareholder representation. The majority of female supervisory board members continue to be employee representatives (63.5 percent). Women chairing supervisory boards are in a very small minority: At the end of 2012, there were two women (twice



as many as in 2011) chairing the supervisory board of a DAX company (6.7 percent).<sup>9</sup> Almost all of the DAX 30 supervisory boards have at least one female member, but two are still exclusively male.<sup>10</sup>

According to data from the German Women Lawyers Association, in 2012, 17 of the DAX 30 held supervisory board elections.<sup>11</sup> The result was that 72 board members on the supervisory boards of the DAX 30 were either newly elected or re-elected shareholder representatives. These positions were occupied by women in almost 21 percent of cases. However, this progress was not significant enough to bring about the more dramatic increase in the overall share of female board members that many have been calling for. To successfully tackle the prevailing gender inequality in the distribution of supervisory board positions in the near future would require both employees and shareholders<sup>12</sup> to delegate many more women.

When it comes to the share of women on supervisory boards, MDAX and SDAX companies are clearly lagging behind the DAX 30 companies: MDAX companies have an almost 14 percent share, while, among SDAX companies, it is over eleven percent. However, this share ranks the latter below the top 200 companies (12.9 percent). This is surprising since smaller enterprises generally tend to recruit more women into top management positions than larger companies.<sup>13</sup> The majority of women on the supervisory boards of MDAX and SDAX companies are also employee representatives. In contrast to the DAX 30 companies, there was not a single supervisory board chairwoman among the 100 MDAX and SDAX companies studied.

### Companies With Government-Owned Shares: Progress Made but Still No Sign of Equality

DIW Berlin recently published its third study presenting comprehensive data on public companies. The survey covered 60 of the companies with direct or significant indirect government ownership listed in the govern-

<sup>9</sup> These are Dr. Simone Bagel-Trah at Henkel AG & Co KGaA and Sari Baldauf at Deutsche Telekom AG.

<sup>10</sup> This applies to Fresenius Medical Care AG & Co. KGaA and Fresenius SE & Co. KGaA. Furthermore, both companies have exclusively male executive boards.

<sup>11</sup> German Women Lawyers Association (Deutscher Juristinnenbund e. V.), Aktionärinnen fordern Gleichberechtigung —2012, BMFSFJ, no.12 (2012).

<sup>12</sup> For a quarterly report on the development of the share of women in listed companies in Germany, see FidAR, [www.fidar.de/wob-index.html](http://www.fidar.de/wob-index.html).

<sup>13</sup> B. Schwarze et al., Hoppenstedt Studie: Frauen im Management (FiM), (Darmstadt: 2012), 7.

Table 4

### Women on Executive and Supervisory Boards in Companies with Government Shares, 2010–2012

	2010	2011	2012
<b>Executive boards/senior management</b>			
Total number of companies	61	60	60
With data on composition	60	60	60
With women on executive board	9	10	12
Percentage	15.0	16.7	20.0
Total number of members <sup>1</sup>	152	147	143
Men	142	135	127
Women	10	12	16
Percentage of women	6.6	8.2	11.2
Total number of chairpersons <sup>1</sup>	54	55	57
Men	51	52	61
Women	3	3	6
Percentage of women	5.6	5.5	10.5
<b>Supervisory board/administrative council</b>			
Total number of companies	61	60	60
With data on composition	54	55	54
With women on supervisory board	46	42	43
Percentage	85.2	76.4	79.6
Total number of members <sup>1</sup>	577	587	579
Men	472	483	464
Women	105	104	115
Percentage of women	18.2	17.7	19.9
Total number of chairpersons <sup>1</sup>	53	53	53
Men	45	45	42
Women	8	8	11
Percentage of women	15.1	15.1	20.8

<sup>1</sup> Only companies providing data on the composition of their top management boards.

Source: calculations by DIW Berlin.

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The share of women CEOs among companies with government shares almost doubled between 2011 and 2012.

ment's equity holdings report. This included companies from the transport and energy sectors and also infrastructure services for the German Armed Forces, research, and culture.<sup>14</sup> Since this group consists predominantly of small enterprises, a comparison with Germany's large companies is only possible to a limited extent.

### Share of Executive Chairwomen Almost Doubled to Over Ten Percent

At the end of 2012, over eleven percent of executive board members were women (see Table 4), which corresponds to 16 out of 143 seats and an increase of three percentage points on 2011. There was a leap forward with re-

<sup>14</sup> For an overview of the companies, see Federal Ministry of Finance (Bundesministerium der Finanzen), Die Beteiligungen des Bundes. Beteiligungsbericht 2011, (Berlin: December 2011).



## Overview 3

**Female Chairs of Supervisory Boards in Companies With Government-Owned Shares, December 2012**

	Company	Chairwoman	Function in federal administration
1	Deutsche Telekom AG	Sari Baldauf	–
2	Deutsches Institut für Entwicklungspolitik (die) gGmbH	Gudrun Kopp	Parliamentary State Secretary, Federal Ministry for Economic Cooperation and Development (BMZ)
3	Forschungszentrum Karlsruhe GmbH	Prof. Dr. Renate Schubert <sup>1</sup>	–
4	Germany Trade and Invest - Gesellschaft für Außenwirtschaft und Standortmarketing mbH	Anne Ruth Herkes	State Secretary, Federal Ministry of Economics and Technology (BMWi)
5	Gesellschaft für Anlagen- und Reaktorsicherheit mbH	Ursula Heinen-Esser	Parliamentary State Secretary, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)
6	GSI Helmholtzzentrum für Schwerionenforschung	Dr. Beatrix Vierkorn-Rudolph	Subdepartment Director, Federal Ministry of Education and Research (BMBF)
7	Helmholtz Zentrum München, Deutsches Forschungszentrum für Gesundheit und Umwelt GmbH	Bärbel Brumme-Bothe	Department Director, Federal Ministry of Education and Research (BMBF)
8	Helmholtz-Zentrum für Infektionsforschung GmbH	Bärbel Brumme-Bothe	Department Director, Federal Ministry of Education and Research (BMBF)
9	NOW GmbH Nationale Organisation Wasserstoff- und Brennstoffzellentechnologie	Hilde Trebesch	Subdepartment Director, Federal Ministry of Transport, Building and Urban Development (BMVBS)
10	Transit Film Gesellschaft mbH	Ulrike Schauz	Head of Division, Federal Government Commissioner for Culture and the Media (BKM)
11	VIFG Verkehrsinfrastrukturfinanzierungsgesellschaft mbH	Dr. Martina Hinricher	Department Director, Federal Ministry of Transport, Building and Urban Development (BMVBS)

<sup>1</sup> Head of the Institute for Environmental Decisions of the Swiss Federal Institute of Technology Zurich.  
Source: survey by DIW Berlin.

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gard to chairperson appointments: The share of women appointed to these positions almost doubled between 2011 and 2012 with an increase of five percentage points to 10.5 percent. This means that the companies with state ownership top the ranking of the groups of organizations studied. However, even for these companies, gender parity is still a long way off: At the end of 2012, almost 90 percent of executive boards were still chaired by men.

According to another study, in terms of female appointments to top management boards, with a 15 percent share of women, municipal enterprises in the capital cities of the German Länder are performing better than nationally owned enterprises.<sup>15</sup>

### Women Make Up One-Fifth of Supervisory Boards

Women held almost one-fifth (19.9 percent) of seats on the supervisory boards of companies with government-owned shares in 2012 (see Table 4). The proportion of women on these boards was up 2.2 percentage

points on the previous year. Not only in the executive boards studied but also in the supervisory boards, there is a noticeable increase in the share of chairwomen of supervisory boards (5.7 percentage points), now at almost 21 percent. It is even slightly higher than the overall proportion of women on the supervisory boards.

Here, it should be noted that many of the supervisory board chairperson positions are assigned automatically to officials appointed to top posts in German federal ministries (see Overview 3). While for nine of the eleven female chairs of the supervisory boards this mechanism has served as a »stepping stone« into a supervisory board, for the other 79.2 percent, it merely increased the predominance of men. An increase in the share of women in politics and public administration is therefore an essential prerequisite for the appointment of more women as chairs of supervisory boards. But despite the Federal Equal Opportunities Act (Bundesgleichstellungsgesetz), even the core administration of the German government is still a long way from gender equality in its leading positions.<sup>16</sup>

The government has a varying degree of influence on appointments to individual positions on the supervisory boards of companies with government-owned sha-

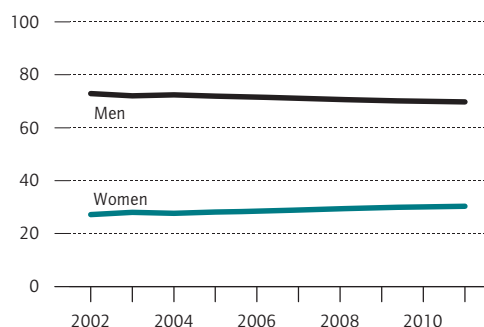
<sup>15</sup> U. Papenfuß and M. Schrader, Frauen im Topmanagement öffentlicher Unternehmen. Die Follow-up-Studie weist niedrige und regional stark schwankende Repräsentation aus, »Zeitschrift für Corporate Governance (ZCG) 3 (2012): 122–125, 124.

<sup>16</sup> Kienbaum, Frauen – Macht – Regierung. Eine Studie über den Anteil von Frauen in Führungspositionen der Bundesregierung (2012).

Figure 2

**Women and Men in Leadership Positions<sup>1</sup> in Germany (2002–2011)**

In percent



<sup>1</sup> Here, leadership positions include the senior management of small and large companies and/or heads of divisions of large companies as well as senior administrative positions.

Source: German Federal Statistical Office, *Frauen und Männer auf dem Arbeitsmarkt. Deutschland und Europa*. (Wiesbaden: 2012): 27.

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The overall share of women in leadership positions is only rising very slowly.

res. There were far fewer women among the supervisory board members directly appointed or delegated by the government than by the other shareholders. In 2011, the share of women delegated by the former was only 14 percent.<sup>17</sup> Of particular significance at federal government level is the Act on Appointments to Federal Bodies (Bundesgremienbesetzungsgesetz, BGremBG) of 1994, which obliges the government to establish or to maintain equal participation of women and men on committees (Section 2 of Act on Appointments to Federal Bodies). Apparently, however, this act has had only a limited impact to date.<sup>18</sup> Here again, a comparison with the municipal enterprises also shows that the federal government is lagging behind. On the supervisory boards of the Länder capitals the level of representation of women was already almost 28 percent in 2009.<sup>19</sup>

If public companies want to set an example in the appointment of women to top-level management positions, they still have a lot of catching up to do—particularly at federal government level.

<sup>17</sup> Bundestag printed paper no. 17/6790 dated August 12, 2011.

<sup>18</sup> For an overview of the legal basis for promoting women to leadership positions in public companies, see J. Schimeta, *Einsam an der Spitze. Frauen in Führungspositionen im öffentlichen Sektor* (Berlin: Friedrich-Ebert-Stiftung, 2012).

<sup>19</sup> U. Papenfuß and M. Schrader, *Frauen in Topgremien öffentlicher Unternehmen. Ergebnisse der ersten repräsentativen Längsschnittstudie*, *Zeitschrift für Corporate Governance (ZCG)*, 6 (2011): 258–263, 260.

**Virtually No Overall Change in the Number of Women in Senior Management of German Companies**

If the study is extended to also include management boards of smaller and large enterprises as well as to heads of divisions in large companies and senior positions in the civil service, then, at just over 30 percent overall, the share of women in leadership positions is significantly higher than on the executive and supervisory boards analyzed in the present report (see Figure 2). This figure reported by the German Federal Statistical Office has only slightly increased over the years: It was already just over 27 percent in 2002.

**International Comparison: Norway the Clear Leader**

In comparison to other EU member states with regard to the proportion of women in the top decision-making bodies of companies, Germany is in a respectable position (ranked 6th), on level pegging with the UK, Denmark, and Bulgaria (see Figure 3)—as was already the case in 2011. With 16 percent women overall, these countries are slightly above the EU average. It should be noted, however, that the majority of women are appointed to the boards as a result of German co-determination legislation and only the DAX 30 companies were included in the comparison.<sup>20</sup> The Nordic countries Sweden and Finland are still at the top of the rankings, along with Latvia. Norway remains the only country in Europe to have almost achieved gender equality (45 percent women) on its supervisory boards.

In 2012, the EU Commission compiled an overview of the development of the share of women on supervisory boards in the European member states from 2004 to 2012 and correlated this to the measures taken to improve the situation. It was found that in countries that had adopted legislation on quotas, the proportion of women on supervisory boards had increased by an average of 12 percentage points. In countries where no legal initiatives had been taken, the share of women on supervisory boards had increased by one percentage point on average.<sup>21</sup>

<sup>20</sup> It should also be noted that the number of listed companies analyzed in the individual countries ranges from 50 in the UK and Turkey to 10 in Luxembourg, Macedonia, and Slovakia and 8 in Iceland. A total of 715 companies were included, 588 of which are in the EU-27 countries.

<sup>21</sup> European Commission, *Women on boards – Factsheet 2: Gender equality in the Member States*, Figure 2.2: [http://ec.europa.eu/justice/gender-equality/files/womenonboards/factsheet-general-2\\_en.pdf](http://ec.europa.eu/justice/gender-equality/files/womenonboards/factsheet-general-2_en.pdf) [December 20, 2012].

From the short-term development of the proportion of women from October 2010 to January 2012, it was also evident that countries with statutory quotas on women, such as France and Iceland, were the frontrunners (see Figure 4). Growth was moderate in Norway and appeared to slow down as soon as the stipulated quota was reached.

The trend towards more women in the top positions did not continue in all countries. In some Eastern European countries such as Romania, Hungary and Slovakia, the proportion decreased by eight to eleven percentage points during the observation period. It is perhaps surprising that in Denmark and Sweden growth appeared to stagnate and even slightly decrease. Sweden recently declared that it was opposed to the introduction of a quota for women, after the country had previously threatened to introduce new legislation on this if the share of women on supervisory boards did not reach 36 percent by 2014.<sup>22</sup> Denmark also declared that it was opposed to such a quota and, in November 2010, it launched *Operation Chain Reaction*, developed by the *Committee on Corporate Governance* and based on the voluntary involvement of companies. This was a joint initiative by the government and Danish trade and industry associations.<sup>23</sup>

## Political Initiatives at EU and National Levels

### EU Commission Increases Pressure: Draft Directive for Statutory Quota for Women Passed

On 14 November 2012, the EU Commission approved a quota for women of 40 percent for supervisory boards of listed companies.<sup>24</sup> The EU Commission's draft directive stipulates that private companies must reach the target by 2020; public companies have until 2018.

<sup>22</sup> Aufsichtsräte: Brüssel einigt sich auf Frauenquote, "FAZ", November 23, 2012. <http://m.faz.net/aktuell/wirtschaft/wirtschaftspolitik/aufsichtsrate-bruesseleinigtsich-auffrauenquote-11959756.html> [December 20, 2012]. Der Norden macht's vor, TAZ, March 16, 2012. [www.taz.de/1/archiv/digitaz/artikel/?ressort=sw&dig=2010%2F03%2F16%2Fa0036&cHash=f63c365371dd130d5f0c86e7a7ea13f3](http://www.taz.de/1/archiv/digitaz/artikel/?ressort=sw&dig=2010%2F03%2F16%2Fa0036&cHash=f63c365371dd130d5f0c86e7a7ea13f3) [December 20, 2012].

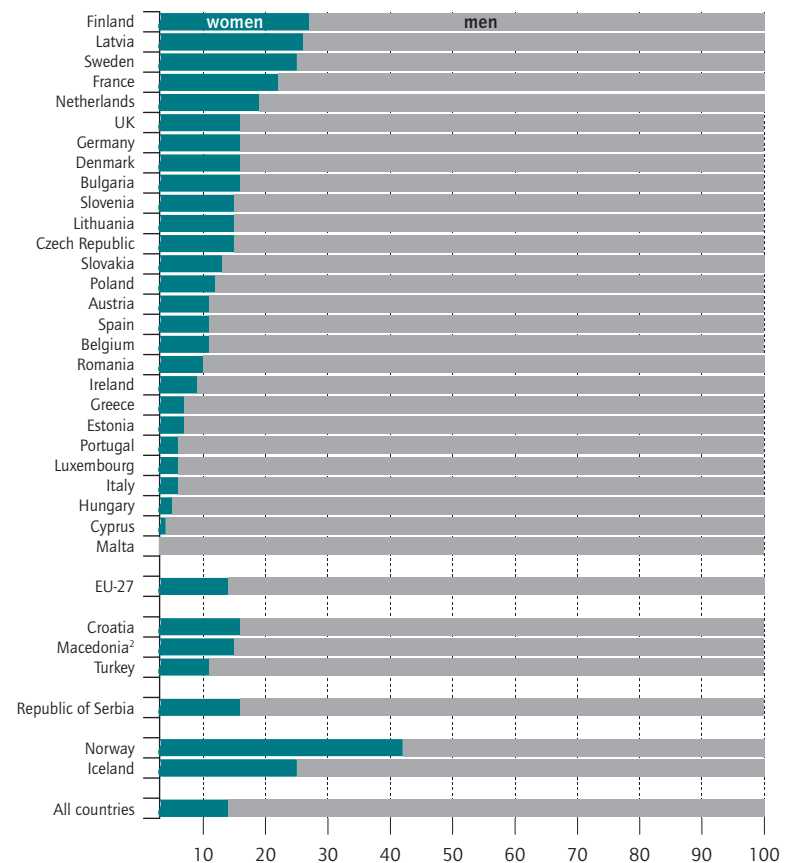
<sup>23</sup> M. Verner, Exchange of good practices on gender equality. Women in economic decision making, Discussion Paper – Denmark. (European Commission, 2012): [http://ec.europa.eu/justice/gender-equality/files/exchange\\_of\\_good\\_practice\\_no/dk\\_discussion\\_paper\\_no\\_2012\\_de.pdf](http://ec.europa.eu/justice/gender-equality/files/exchange_of_good_practice_no/dk_discussion_paper_no_2012_de.pdf) [December 20, 2012]. For an overview of measures in 17 EU member states aimed at increasing the share of top-level management of large companies, see: European Commission, "Frauen in Entscheidungspositionen" (2012). [http://ec.europa.eu/justice/gender-equality/tools/good-practices/review-seminars/decision\\_making\\_de.htm](http://ec.europa.eu/justice/gender-equality/tools/good-practices/review-seminars/decision_making_de.htm) [December 20, 2012].

<sup>24</sup> See the proposal for a directive of the European Parliament and of the Council on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0614:FIN:en:PDF> [December 20, 2012].

Figure 3

### Women and Men in the Highest Decision-Making Bodies<sup>1</sup> of the Largest Quoted Companies in Europe (2012)

In percent



<sup>1</sup> Members of the board of directors (supervisory board in case of separated supervisory and executive functions). <sup>2</sup> Former Yugoslav Republic.

Source: European Commission database: men and women in decision-making processes.

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In Europe, Norway has the most women in top-level decision-making bodies in Norway. Germany is just above the EU average.

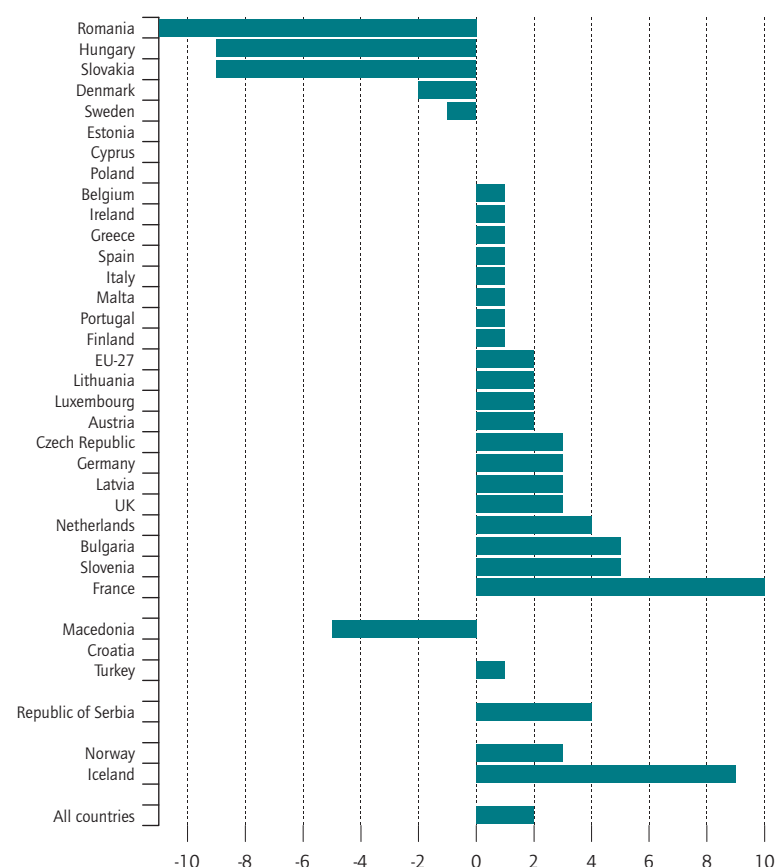
The draft makes it mandatory for member states to introduce dissuasive sanctions when the directive is implemented. The draft now still has to be debated in the European Parliament and then ratified by the Council of Ministers.

The proposal is expected to be approved by a majority vote in the European Parliament. In the Council of Ministers, some member states have already announced

Figure 4

### Change in the Share of Women in the Highest Decision-Making Bodies<sup>1</sup> of the Largest Quoted Companies in Europe between October 2010 and January 2012

In percent



1 Members of the board of directors (supervisory board in case of separated supervisory and executive functions).

Source: European Commission database: men and women in decision-making processes.

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In Germany the share of women in top decision-making bodies has recently increased, while in some East European countries it has fallen sharply. France shows the strongest growth.

their opposition, including the German government.<sup>25</sup>

<sup>25</sup> Federal Minister for Family Affairs Kristina Schröder, Mit voller Kraft gegen die EU Frauenquote, Handelsblatt, November 15, 2012. [www.handelsblatt.com/politik/international/familienministerin-schroeder-mit-voller-kraft-gegen-die-eu-frauenquote/7393050.html](http://www.handelsblatt.com/politik/international/familienministerin-schroeder-mit-voller-kraft-gegen-die-eu-frauenquote/7393050.html) [December 20, 2012]. Federal Chancellor Angela Merkel and the Chairman of the Christian Social Union (CSU) Horst Seehofer agreed to the *flexi-quota* back in May 2012; see [www.spiegel.de/wirtschaft/soziales/flexi-quota-merkel-und-seehofer-wollen-gesetz-a-835158.html](http://www.spiegel.de/wirtschaft/soziales/flexi-quota-merkel-und-seehofer-wollen-gesetz-a-835158.html) [January 4, 2013]. The idea behind the *flexi-quota* approach is to achieve an increase in the share of women through more transparency in the representation of women in leadership positions. There is, however, no draft bill to legislate for this at present. For information on the *flexi-quota*, see [www.frauenquote.de](http://www.frauenquote.de) [January 4, 2013].

However, the picture is different in the German Bundesrat (the upper house of parliament). Here, the majority voted in favor of the EU's initiative on December 14, 2012.<sup>26</sup>

### Bundesrat Votes for Quota for Women

Over the past few years, there have been numerous initiatives in Germany with the aim of increasing the share of women in managerial positions.<sup>27</sup> On September 21, 2012, the German Bundesrat voted in favor of the introduction of a statutory quota for women on supervisory boards. The draft law proposed by the Länder of Hamburg and Brandenburg governed by the Social Democrats (SPD) was adopted with a majority supported by votes from the grand coalitions in Saxony-Anhalt and in Saarland led by the Christian Democrats (CDU). The draft provides for a statutory 40 percent quota for women on the supervisory boards of listed and co-determined companies.<sup>28</sup> The law envisages this quota being met in two stages with a transition period lasting until January 1, 2023. The draft law will apply to both shareholder and employee representatives in the boards. Following an initial debate in the Bundestag (lower house of parliament) on November 21, 2012, the draft law was referred to the Committee on Legal Affairs of the German Bundestag.

### Corporate Culture Presents a Challenge

As a result of the sharp decrease in the potential workforce after 2015 at the latest, companies will face stronger competition for skilled professionals. In order to retain highly qualified women in a company, it is essential to make managerial positions more accessible to them also at higher levels. Companies that are already taking appropriate measures now will be at an advantage in the future. Flexible career opportunities and working hours will particularly gain importance in particular. It is becoming even clearer that younger men—particularly fathers—are increasingly reluctant to be working around the clock, leaving hardly any time for their fa-

<sup>26</sup> Press release of December 14, 2012: Bundesrat begrüßt europäische Frauenquote. [www.bundesrat.de/cln\\_227/nn\\_1935004/DE/presse/pm/2012/199-2012.html?\\_\\_nnn=true](http://www.bundesrat.de/cln_227/nn_1935004/DE/presse/pm/2012/199-2012.html?__nnn=true) [December 20, 2012].

<sup>27</sup> Holst and Schimeta, Top-Level Management, (2012): 12 f.

<sup>28</sup> See the draft law on promoting equal participation of women and men in top-level management (GlTeilhG): [www.bundesrat.de/cln\\_330/nn\\_8396/SharedDocs/Drucksachen/2012/0301-400/330-12\\_28B\\_29,templateId=raw,property=publicationFile.pdf/330-12\(B\).pdf](http://www.bundesrat.de/cln_330/nn_8396/SharedDocs/Drucksachen/2012/0301-400/330-12_28B_29,templateId=raw,property=publicationFile.pdf/330-12(B).pdf) [December 20, 2012].

## Box

**Measures to Increase the Share of Women in Companies**

In the past, DIW Berlin has proposed various measures to increase the share of women in leadership positions.<sup>1</sup> The following five-point plan is still relevant:

1. The company management should identify the increase in the share of women in leadership positions as a corporate objective (commitment).
2. A binding target and a realistic timeframe for achieving the objective should be drawn up. Involvement of all levels of management is essential to be able to realize a sustainable increase in the number of future female executives. Target agreements with the current managers and a system of controlling along with incentives and sanctions are further steps needed to achieve the desired objective.
3. Transparency in appointments and promotion to leadership positions is another important prerequisite. This would make it possible to evaluate performance objectively using clearly defined criteria. Moreover, more transparency concerning salaries and bonus

payments would constitute a step in the right direction.

4. It is important to call into question the norms and structures characterized by the traditional everyday realities of men—such as excessive working hours and a permanent presence culture—and to introduce flexible career models for both sexes. Irrespective of the need to reconcile family and working life, the subject of work-life balance in managerial positions continues to gain importance for both women and men.
5. Corporate culture must become more open to women in top management positions, and gender stereotypes should be dismantled. New role models in top management positions could serve as helpful examples. This also applies to men who reconcile their managerial responsibilities with time spent actively with their families. Moreover, it is essential to emphasize the benefits of diversity and to overcome the resistance which is virtually always associated with change.

Finally, it should be mandatory—not only for joint stock corporations but for all companies—to provide information about the composition of their management on the company website and in annual reports.

<sup>1</sup> Recently, for instance, Holst and Schimeta, *Top-Level Management*, (2012): 12 f.

mily.<sup>29</sup> To date, however, traditional part-time work has rarely been compatible with a managerial position.

One possible way of achieving greater flexibility in managerial positions for women and men might be to work slightly less than full-time for a temporary period. This would give both sexes the chance to share family responsibilities with their partners and to better reconcile work and family life. If companies can provide care services on demand, for instance, this is always a great help (not only) for managers with children (or other dependent persons requiring care).

An even greater challenge is opening up the corporate culture to women in managerial positions because this

means breaking down gender stereotypes.<sup>30</sup> For instance, in a professional context, women also always come up against their traditional gender role yet are judged according to standards based on the everyday realities of men (“double bind”).<sup>31</sup> The result is that those doing the hiring tend to see less leadership potential in women than in men. Similarly, if women reach leading managerial positions and behave assertively, this is seen in

<sup>30</sup> S. Kaiser, K. Hochfeld, E. Gertje, and M. Schraudner, *Unternehmenskulturen verändern – Karrierebrüche vermeiden* (Fraunhofer: 2012).

<sup>31</sup> K. Hall Jamieson, *Beyond the Double Bind. Women and Leadership* (Oxford University Press, 1995). The image of Hillary Clinton in the presidential election campaign of 2007/2008 is frequently cited in the literature to illustrate the double bind phenomenon; see, for instance, Hall Jamieson, *Beyond the Double Bind*, Caroline Turner, *Hillary Clinton and the Double Bind* (The Women's Vision Foundation, 2008). [http://difference-works.com/wp-content/uploads/Double\\_Bind\\_Article\\_7-08.pdf](http://difference-works.com/wp-content/uploads/Double_Bind_Article_7-08.pdf) [January 4, 2013].

<sup>29</sup> Väter gGmbH, *Trendstudie moderne Väter, Wie die neue Vätergeneration Familie, Gesellschaft und Wirtschaft verändert* (Hamburg: 2012).

a less positive light than if men do the same.<sup>32</sup> On the other hand, young men often still have the problem of not being so easily accepted as (potential) managers when trying to spend more time with their families. Here, too, a concerted effort is required to support and value the different lifestyles. In light of this, new career patterns and role models for women *and* men is in the interests of both sexes.

## Conclusion

In the last few years, some large German companies have more frequently appointed women to top-level management. This also applies to the DAX 30 companies in particular, which achieved a significantly greater proportional increase in women in top-level management than, for instance, the top 200 companies. However, overall growth was low; it occurred in too few companies and had started from too low a level to significantly alter the overwhelming predominance of men on executive and supervisory boards.

If the supervisory boards of large companies are to achieve the shares of 30 or 40 percent women repeatedly called for in the political and public arenas at any point in the foreseeable future, considerably more ambitious steps would be required than those taken so far. In the past, DIW Berlin has proposed various measures for companies to increase the share of women in leadership positions (see box).

In view of the current low level of representation of women, the EU Commission substantiated their initiatives on the statutory regulation of the supervisory boards of listed companies and voted for the introduction of a statutory quota of 40 percent. In 2012, the German Bundesrat also voted for the introduction of a quota for women to be applied to the supervisory boards of listed and co-determined companies. The law stipulates a quota of 20 percent as of 2018 and 40 percent as of 2023 which is intended to give companies sufficient time to adapt to the new requirements.

New appointments or reappointments to many supervisory boards will be made in the course of 2013. Con-

sequently, there will be a chance to appoint more women in the near future. The next big round of new appointments after this will be in 2018. It will be possible to achieve the targets stipulated by the EU Commission for supervisory boards if decisive action is taken. If there is not a fundamental shift in decision-making on appointments of executive board members, however, the overwhelming predominance of men on executive boards will continue.

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JEL: D22, J16, J59, J78, L21, L32, M14, M51

**Keywords:** Board diversity, women CEOs, gender equality, management, listed companies, private companies, public companies, quotas for women

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<sup>32</sup> For more on this, see management consultant Sprenger, who has already advised many DAX 30 companies: »In business they have to be the better men—and then they're accused of being too masculine. (...) If she has a quick answer, then she knows it all; if she shows her feelings, she's a crybaby; if she can control herself, she's an iceberg; if she works long and hard, she's married to her job; if she's successful, she's nothing but a career woman. Being logical makes her cold and calculating, being intelligent is like a blemish«; see R. K. Sprenger (2010): Frauen können alles – wären da nicht die Männer, Die Welt, March 18, 2010. [www.welt.de/welt\\_print/debatte/article6825317/Frauen-koennen-alles-waeren-da-nicht-die-Maenner.html](http://www.welt.de/welt_print/debatte/article6825317/Frauen-koennen-alles-waeren-da-nicht-die-Maenner.html) [December 20, 2012].





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## SEVEN QUESTIONS TO ELKE HOLST

# »Slight Rise in Number of Female Executives«

1. Dr. Holst, some German companies have expressed their commitment to bringing more women into executive positions. Is there any evidence of success? The number of women in top-level management positions has risen slightly. The problem is that there were so few women in these positions to begin with. Only four percent of executive board members in Germany's largest 200 companies are women. In 2011, it was three percent. The percentage of women in the DAX 30 has increased more than in the top 200. This is true of both supervisory boards and executive boards.
2. Why is the situation of women in the DAX 30 so much better than in Germany's top 200 companies? First, we are only dealing with 30 companies here, which means that marginal changes equate to higher percentages. Second, the DAX 30 are in the public eye.
3. Which types of boards have the highest proportion of women? Women are most frequently appointed to supervisory boards. This is partly a result of codetermination legislation, which allows employee representatives to appoint supervisory board members. There are far more female employee representatives than female shareholder representatives. Although shareholders have recently started to appoint more women, this has not been enough for the percentage of female shareholder representatives to catch up with that of female employee representatives.
4. You have also analyzed the proportion of women in the financial sector. Can you describe the situation there? The situation in the financial sector is not necessarily any better. This is particularly troubling since more than half of those employed in this sector are women.
5. Why is it that, despite the high number of women in the financial sector, only a few manage to work their way up to the top? It is often said that women don't want to be promoted and would rather remain in the branch offices, where it is easier for them to balance family and work. I can imagine that this is the case for some women, but I am also certain that there are many other women who would like to be promoted to top management positions and become executive board members but who are prevented from doing so by the prevailing structures there.
6. Public-sector banks and savings institutions are subject to equality legislation. What impact does this have? It is true that the public banks and savings institutions are subject to these laws, yet their structures are very similar to those found throughout the financial sector. Even the supervisory boards in the public sector banks are not much different. However, one distinction is that in these public-sector institutions, the position of supervisory board chair is frequently tied to a political position. For example, Bremen's current Senator of Finance is also Chair of the Supervisory Board at the Bremer Landesbank.
7. What has to change so that more women can reach executive positions? Corporate culture must become more open to women in top management positions. Currently, women who are appointed to these executive positions are faced with the standards and norms of male day-to-day realities, such as longer working hours. Men often have a female partner at home who assumes the bulk of family responsibilities. The converse is generally not the case for women. However, there is a trend among younger fathers to want to spend more time at home when their children are young. In this respect, making it easier to reconcile work and family in career paths leading to top management is clearly in the interests of both men and women.



# The German Financial Sector: Male Dominance in Top Decision-Making Bodies Remains Pervasive

by Elke Holst and Julia Schimeta

In the German financial sector, the majority of employees are women, but it is still men who hold the top positions. With women making up only 4.2 percent of the boards of the largest banks and savings banks, they were still vastly underrepresented at the end of 2012 (up 1 percentage point from the end of 2011). The story is similar on the boards of the major insurance companies. The situation is somewhat better on supervisory boards: At the largest banks and savings banks, women made up 17.8 percent of all board members at the end of 2012 (up 1.2 points), and 15.3 percent at insurance companies (up 2.2 points). The vast majority of these women are employee representatives, but the percentage of women being appointed as shareholder representatives is increasing.

If the financial sector does not make significant progress in achieving more representation for women in top decision-making bodies in the foreseeable future, political pressures on them to do so will likely increase. This also applies to top positions in the ECB and the Financial Market Authority.

In this article, we analyze the representation of women on the executive and management boards (henceforth executive boards) as well as the supervisory boards and administrative councils (henceforth supervisory boards<sup>1</sup>) of companies in Germany's financial sector based on data collected annually by DIW Berlin.<sup>2</sup> Using further data collected in the same framework, we compare the gender composition of the decision-making bodies at the 100 largest banks and savings banks based on total assets to that of the largest 61 insurance companies based on gross revenues from premiums.<sup>3</sup> Furthermore, we study the gender representation of executive boards in public-sector banks and savings banks compared to private banks and cooperative banks. A second article in this issue of the DIW Economic Bulletin reports on the situation outside the financial sector based on data on the 200 largest German companies outside the financial sector, the DAX 30, MDAX, and SDAX companies and 60 federal government subsidiaries.<sup>4</sup> The two articles in this issue thus address the top decision-making bodies of more than 500 companies and institutions in total.

<sup>1</sup> If an institution has both a supervisory board and an administrative board, only the composition of the supervisory board was added to the calculations.

<sup>2</sup> Most recently in 2012, see E. Holst and J. Schimeta, *Passed Over for Promotions: Women Still Severely Underrepresented on Financial Sector Boards*, DIW Economic Bulletin, no. 4 (2012).

<sup>3</sup> The largest banks and savings banks by total assets (2011) were sourced from H. Huck, *Die 100 größten deutschen Kreditinstitute*, die bank - Zeitschrift für Bankpolitik und Praxis 8 (2012): 10–11. The largest insurance companies according to revenue from premiums (2011) based on Wolters Kluwer Deutschland GmbH, *Die großen 500. Deutschlands Top-Unternehmen* (Müßig Verlag, November 2012). Research on the composition of the top-level management bodies of banks, savings banks, and insurance companies was carried out from November to December 2012. It was based on the companies' own statements published on the Internet, annual reports and accounts from 2011, articles in the German Federal Gazette (*Bundesanzeiger*) and on inquiries to companies by DIW Berlin.

<sup>4</sup> E. Holst and J. Schimeta, *Slightly More Women in Germany's Corporate Boardrooms—More Dynamism in DAX 30 Companies*, in this issue of DIW Economic Bulletin.

Table 1

**Share of Women in Employment Subject to Social Insurance Contributions by Economic Sector**

In percent

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Provision of financial services <sup>1</sup>	57.0	57.1	57.2	57.3	57.4	57.4	57.6	57.4	56.9	56.9	57.1	57.2	57.1	56.9
Central banks and credit institutions	57.2	57.3	57.5	57.6	57.8	57.8	58.0	57.8	57.2	57.3	57.6	57.6	57.6	57.5
Insurance companies, reinsurance companies and pension funds (excluding social security) <sup>2</sup>	46.8	47.2	47.6	47.8	48.0	48.3	48.8	49.1	48.9	48.8	50.0	49.2	49.2	49.3
Activities associated with financial and insurance services <sup>3</sup>	60.2	60.0	59.7	60.4	61.3	61.5	62.1	61.1	61.6	61.5	61.2	60.9	60.8	60.8

1 Listed as "Credit Services Industry" up to 2008. 2 Listed as "Insurance Industry" up to 2008. 3 Listed as "Activities Associated with the Credit and Insurance Industry" sector up to 2008.

Source: German Federal Statistical Office, Federal Employment Agency.

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Majority of women employed in the financial sector.

## More Women Than Men Employed in the Financial Sector

For many years, women have made up the majority of employees in the financial sector. In 2012, they represented almost six out of 10 workers in financial services provision. In related areas of financial services and insurance activities, it was more than 60 percent (see Table 1). In 2011, just over 57 percent of all employees at Volks- and Raiffeisen Banks were women, according to data from the respective employers' association.<sup>5</sup> According to the German Savings Banks and Giro Association (DGSV), women made up almost 63 percent of the workforce at German savings banks in 2011.<sup>6</sup> With regard to insurance, data from the Employers' Association of Insurance Companies in Germany (AGV) showed that in 2011, women represented 47 percent of insurance sector employees overall and more than 54 percent of in-house staff.<sup>7</sup>

## Top 100 Banks and Savings Banks

### Executive Boards: 17 Women to 390 Men

Men were still overrepresented on the executive boards of the top 100 banks and savings banks at the end of 2012. In 83 percent of all financial institutions, there was not a single woman in their decision-making bodies (end of 2011: 88 percent) (see Table 2). In 17 of 100 executive boards, there was only one woman. In total, there were 17 women compared to 390 men (2011: 391). Three of the women were CEOs on their respective boards (three percent compared to one percent in 2011). With a share of just over four percent (up one percentage point) women clearly remained in the minority. Obviously, more effective steps need to be taken in the foreseeable future to raise the percentage of women to anywhere near that of men. Since 2006, the share of women on executive boards only increased by an annual average of 0.3 percentage points.<sup>8</sup>

### Supervisory Boards: Moderate Decrease in Inequalities

At the end of 2012, the proportion of women on the supervisory boards of Germany's largest banks and savings banks was, as expected, higher than that of women on their executive boards. Overall, women made

<sup>5</sup> Arbeitgeberverband der Deutschen Volksbanken und Raiffeisenbanken e. V.: Beschäftigungsstruktur 2011 (2012). [www.avr.org/avr.nsf/DF-F0197809AF5693C12571CB0025AB6D/\\$FILE/Personalstatistik2011Beschäftigungsstruktur.pdf](http://www.avr.org/avr.nsf/DF-F0197809AF5693C12571CB0025AB6D/$FILE/Personalstatistik2011Beschäftigungsstruktur.pdf) [December 20, 2012].

<sup>6</sup> Deutscher Sparkassen- und Giroverband (DSGV), Der Finanzbericht 2011. (Berlin: 2012): 35.

<sup>7</sup> Arbeitgeberverband der Versicherungsunternehmen in Deutschland e. V. (AGV), Frauenanteil in den Unternehmen (2012). [www.agv-vers.de/projekte/frauen-in-fuehrung/kennzahlen/frauenanteile-in-den-unternehmen.html?L=0](http://www.agv-vers.de/projekte/frauen-in-fuehrung/kennzahlen/frauenanteile-in-den-unternehmen.html?L=0) [December 20, 2012].

<sup>8</sup> It is very unlikely that companies in the banks and savings banks sector will achieve a 40-percent share of women on their executive boards within three years—as is required for listed and co-determined companies. See also the draft law on the Promotion of Equal Opportunities for Men and Women in Business Enterprises (ChGlFöG). Bundestag printed paper no. 17/8878 dated March 6, 2012. <http://dip.bundestag.de/btd/17/088/1708878.pdf> [December 20, 2012].

Table 2

**Women on the Supervisory Boards and/or on the Executive Boards of Large Banks, Savings Banks and Insurance Companies in Germany at Year End 2006-2012**

	Banks and savings banks							Insurance companies						
	2006	2007	2008	2009	2010	2011	2012	2006	2007	2008	2009	2010	2011	2012
<b>Executive boards/senior management</b>														
Total number of companies	100	100	100	100	100	100	100	63	65	58	62	62	59	61
With data on composition	100	100	100	100	100	100	100	63	65	58	62	62	59	61
With women on executive board	10	9	7	9	10	12	17	10	13	9	11	10	14	21
Percentage	<b>10.0</b>	<b>9.0</b>	<b>7.0</b>	<b>9.0</b>	<b>10.0</b>	<b>12.0</b>	<b>17.0</b>	<b>15.9</b>	<b>20.0</b>	<b>15.5</b>	<b>17.7</b>	<b>16.1</b>	<b>23.7</b>	<b>34.4</b>
Total number of members <sup>1</sup>	442	430	414	418	408	404	407	394	411	372	392	399	385	384
Men	431	420	406	407	396	391	390	384	398	363	381	389	370	362
Women	11	10	8	11	12	13	17	10	13	9	11	10	14	22
Percentage of women	<b>2.5</b>	<b>2.3</b>	<b>1.9</b>	<b>2.6</b>	<b>2.9</b>	<b>3.2</b>	<b>4.2</b>	<b>2.5</b>	<b>3.2</b>	<b>2.4</b>	<b>2.8</b>	<b>2.5</b>	<b>3.6</b>	<b>5.7</b>
Total number of chairpersons <sup>1</sup>	100	100	100	100	100	100	100	63	65	58	62	62	59	61
Men	98	98	100	100	98	99	97	63	65	57	62	62	59	61
Women	2	2	0	0	2	1	3	0	0	0	0	0	0	1
Percentage of women	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>1.0</b>	<b>3.0</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>Supervisory boards/administrative councils</b>														
Total number of companies	100	100	100	100	100	100	100	63	65	58	62	62	59	61
With data on composition	100	100	100	100	100	100	100	63	65	58	62	62	59	61
With women on supervisory board	89	91	85	87	88	88	88	46	49	42	48	48	45	50
Percentage	<b>89.0</b>	<b>91.0</b>	<b>85.0</b>	<b>87.0</b>	<b>88.0</b>	<b>88.0</b>	<b>88.0</b>	<b>73.0</b>	<b>75.4</b>	<b>72.4</b>	<b>77.4</b>	<b>77.4</b>	<b>76.3</b>	<b>82.0</b>
Total number of members <sup>1</sup>	1633	1573	1566	1555	1548	1567	1491	812	831	727	734	732	689	704
Men	1387	1331	1324	1294	1295	1307	1226	720	726	629	643	645	599	596
Women	246	242	242	261	253	260	265	92	105	98	91	87	90	108
Percentage of women	<b>15.1</b>	<b>15.4</b>	<b>15.5</b>	<b>16.8</b>	<b>16.3</b>	<b>16.6</b>	<b>17.8</b>	<b>11.3</b>	<b>12.7</b>	<b>13.5</b>	<b>12.4</b>	<b>11.9</b>	<b>13.1</b>	<b>15.3</b>
Total number of chairpersons <sup>1</sup>	100	100	100	100	100	100	100	63	65	58	62	62	59	61
Men	97	95	97	96	97	98	98	63	65	57	61	61	58	60
Women	3	5	3	4	3	2	3	0	0	1	1	1	1	1
Percentage of women	<b>3.0</b>	<b>5.0</b>	<b>3.0</b>	<b>4.0</b>	<b>3.0</b>	<b>2.0</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.7</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>	<b>1.6</b>
Total companies with data on employee representation	33	55	51	50	44	53	56	24	41	38	52	34	33	39
Total number of members	599	858	767	764	642	738	786	291	455	444	634	351	385	411
Men	496	731	654	637	549	628	649	256	406	390	555	319	347	358
Women	103	127	113	127	93	110	137	35	49	54	79	32	38	53
Female employee representatives	85	95	84	91	62	78	87	32	45	41	63	26	36	43
Total percentage of women	<b>82.5</b>	<b>74.8</b>	<b>74.3</b>	<b>71.7</b>	<b>66.7</b>	<b>70.9</b>	<b>63.5</b>	<b>91.4</b>	<b>91.8</b>	<b>75.9</b>	<b>79.7</b>	<b>81.3</b>	<b>94.7</b>	<b>81.1</b>

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

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Women are also better represented on supervisory boards than on executive boards in the financial sector.

up almost 18 percent of supervisory board members; that is, they held 265 of the 1491 positions in total and five more than the previous year. Since the number of male positions decreased by 81, the percentage of women on these decision-making bodies increased by 1.2 percentage points. At the end of 2010, three supervisory boards had women CEOs (three percent).

Almost two-thirds of women on the supervisory boards of the largest banks and savings banks are employee representatives (63.5 percent). It is thus thanks to German

co-determination legislation that women are better represented on these boards.<sup>9</sup>

<sup>9</sup> According to the Mining Co-Determination Act (Montan-Mitbestimmungsgesetz, MontanMitbestG) BGBl, Sections 1 and 4, businesses in the coal, iron, and steel industry with more than 1,000 employees must have a supervisory board with equal representation of shareholders and employees. According to the Co-determination Act (Mitbestimmungsgesetz, MitbestG) BGBl, Sections 1 and 7, it is also mandatory for companies with more than 2,000 employees and with the legal status of an AG, GmbH, KG a.A. or cooperative to have a supervisory board with equal representation of shareholders and employees. According to the Drittelbeteiligungsgesetz (DrittelbG) BGBl [One-Third Employee Representation Act], Sections 1 and 4, in companies with more than 500 employees and with the legal status of an AG, GmbH, KG a.A., insurance association a.G., or cooperative, one-third of supervisory board members have to be employee representatives. [www.boeckler.de/5543\\_33350.htm](http://www.boeckler.de/5543_33350.htm) [December 1, 2012].

Figure 1

### Top 100 Banks and Savings Banks by Share of Women on Supervisory Boards

In percent



Source: DIW Berlin.

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Women represent up to one-fifth of supervisory boards in most companies.

There was at least one woman on almost nine out of ten supervisory boards at the end of 2012. The distribution of women among the companies studied was fairly irregular. First, there was a robust base of around ten percent of banks and savings banks with no women represented at all on the highest decision-making supervisory bodies. On the other hand, in two public-sector banks, women made up the majority of supervisory board members: at WestLB (58 percent) and at IBB Investitionsbank Berlin (56 percent) (see Table 3).<sup>10</sup> These are the major exceptions. One-fifth of the governing bodies of most banks are made up of women (see Figure 1).

### Public Sector Banks: Virtually No Women on Executive Boards, More Dynamic Development on Supervisory Boards

As in the previous two years, DIW Berlin studied the largest banks and savings banks according to their legal form. The results show that male dominance is overwhelming across all legal forms (see Table 4). At the end of 2012, public banks remained slightly behind the private and cooperative banks in terms of representation of women on their executive boards at 3.6 percent. Men

Table 3

### Largest 100 Banks and Savings Banks<sup>1</sup> with at Least 25 Percent Women on the Supervisory Board at Year End 2012

Rank	Company	Total number of members	Male members	Women members	Percentage of women	Legal form
11	WestLB AG (Portigon Financial Services)	12	5	7	58	public
46	IBB Investitionsbank Berlin	9	4	5	56	public
12	Landesbank Hessen-Thüringen Girozentrale	30	16	14	47	public
1	Deutsche Bank AG	20	12	8	40	private
18	Deutsche Pfandbriefbank AG	8	5	3	38	private
86	Sparkasse Essen	14	9	5	36	public
92	BBBank eG	15	10	5	33	cooperative
63	Comdirect Bank AG	6	4	2	33	private
98	Stadtsparkasse Wuppertal	15	10	5	33	public
55	Deutsche Schiffsbank AG	6	4	2	33	private
96	Sparkasse Mainfranken	26	18	8	31	public
25	Bausparkasse Schwäbisch Hall AG	20	14	6	30	cooperative
2	Commerzbank AG	20	14	6	30	private
85	Sparkasse Krefeld	18	13	5	28	public
62	Ostsächsische Sparkasse Dresden	18	13	5	28	public
58	Sparkasse Hannover	18	13	5	28	public
81	Sparkasse Leipzig	15	11	4	27	public
64	Targobank AG & Co. KGaA	12	9	3	25	private
31	Deutsche Apotheker- und Ärztebank eG	20	15	5	25	cooperative
14	HSH Nordbank AG	20	15	5	25	public
50	Investitionsbank Schleswig-Holstein (IB)	12	9	3	25	public
30	Santander Consumer Bank AG	12	9	3	25	private
5	Unicredit Bank AG	12	9	3	25	private

<sup>1</sup> Only banks providing data on the composition of their supervisory boards..

Source: calculations by DIW Berlin

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Two public sector banks have more women than men on their supervisory boards.

held 96 percent of all executive board positions; among private banks it was 95 percent and almost 95 percent for cooperatives. There was one woman CEO in each of the three groups.

At almost 19 percent, public sector banks and savings banks had a relatively high share of women on their supervisory boards at the end of 2012. More than nine out of ten public and cooperative banks now have at least one woman on their supervisory boards. Among the private sector banks, it is still 77 percent. As in previous years, the three women CEOs on supervisory boards are only to be found in public sector banks.<sup>11</sup> The coupling of supervisory board CEOs with a political function played a

<sup>10</sup> IBB has one of the few women at the head of a supervisory board: Berlin's Senator for Economics, Technology and Research, Cornelia Yzer (CDU).

<sup>11</sup> Bremen finance senator, Karoline Linnert (Alliance 90/The Greens), leads the supervisory board of Bremer Landesbank, the district administrator of Munich, Johanna Rumschöttel (SPD), is CEO of the Kreissparkasse München Starnberg Ebersberg and Berlin Senator of Economy, Cornelia Yzer (CDU), is head of the Investitionsbank Berlin.

Table 4

**Women on the Supervisory Boards and/or on the Executive Boards of Large Banks and Savings Banks in Germany at Year End 2006-2012 by Legal Form**

	Total banks and savings banks studied			Public sector banks			Private banks			Cooperative banks		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2010	2011	2012
<b>Executive boards/senior management</b>												
Total number of companies	100	100	100	52	53	51	36	34	35	12	13	14
With data on composition	100	100	100	52	53	51	36	34	35	12	13	14
With women on executive board	10	12	17	3	4	7	5	5	7	2	3	3
Percentage	10.0	12.0	17.0	5.8	7.5	13.7	13.9	14.7	20.0	16.7	23.1	21.4
Total number of members <sup>1</sup>	408	404	407	203	197	195	157	151	153	48	56	59
Men	396	391	390	199	192	188	151	146	146	46	53	56
Women	12	13	17	4	5	7	6	5	7	2	3	3
Percentage of women	2.9	3.2	4.2	2.0	2.5	3.6	3.8	3.3	4.6	4.2	5.4	5.1
Total number of chairpersons <sup>1</sup>	100	100	100	52	53	51	36	34	35	12	13	14
Men	100	99	97	52	53	51	34	33	35	12	13	14
Women	0	1	3	0	0	1	2	1	1	0	0	1
Percentage of women	0.0	1.0	3.0	0.0	0.0	2.0	5.6	2.9	2.9	0.0	0.0	7.1
<b>Supervisory boards/administrative councils</b>												
Total number of companies	100	100	100	52	53	51	36	34	35	12	13	14
With data on composition	100	100	100	52	53	51	36	34	35	12	13	14
With women on supervisory board	88	88	88	48	50	48	29	26	27	11	12	13
Percentage	88.0	88.0	88.0	92.3	94.3	94.1	80.6	76.5	77.1	91.7	92.3	92.9
Total number of members <sup>1</sup>	1548	1567	1491	960	999	909	396	349	354	192	219	228
Men	1295	1307	1226	802	831	741	333	291	293	160	185	192
Women	253	260	265	158	168	168	63	58	61	32	34	36
Percentage of women	16.3	16.6	17.8	16.5	16.8	18.5	15.9	16.6	17.2	16.7	15.5	15.8
Total number of chairpersons <sup>1</sup>	100	100	100	52	53	51	36	34	35	12	13	14
Men	97	98	98	49	51	51	36	34	35	12	13	14
Women	3	2	3	3	2	3	0	0	0	0	0	0
Percentage of women	3.0	2.0	2.0	5.8	3.8	5.9	0.0	0.0	0.0	0.0	0.0	0.0

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

Source: calculations by DIW Berlin.

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The proportion of women on the executive boards of private banks is low, but higher than in the public sector.

vital role here. However, this political function has also been the reason for the underrepresentation of women among the remaining 94 percent. It therefore follows that, in certain circumstances, increasing the proportion of women in leading political positions is an important prerequisite to increasing the share of women on the supervisory boards of public sector banks. But here, too, women are underrepresented in the top positions.<sup>12</sup> Although public sector banks are subject to equality legislation,<sup>13</sup> central and regional government

legislation on women's advancement and gender equality has not yet led to significant increases in the proportion of women in management positions. There appears to be a need for more specific action here to meet the statutory targets for women to rise to top positions in the foreseeable future.

## Insurance Companies

### Almost Six Percent Women on Executive Boards

In the insurance sector, where almost half of the workforce is female, women made up only six percent of executive board members in the 61 companies surveyed (see Table 2). This means that 22 of the 384 board po-

<sup>12</sup> For an overview of the representation of women in leadership positions in the public sector see J. Schimeta, Einsam an der Spitze. Frauen in Führungspositionen im öffentlichen Sektor (Berlin: Friedrich-Ebert-Stiftung, 2012).

<sup>13</sup> D. Schiek et al, Frauengleichstellungsgesetze des Bundes und der Länder. Kommentar für die Praxis zum Bundesgleichstellungsgesetz und den Gleichstellungsgesetzen, Gleichberechtigungsgesetzen und Frauenförderungsgesetzen der Länder (Frankfurt am Main: 2002): 100.

sitions are held by women. A total of 15 women share these 22 positions (see overview). Compared to the end of 2011, the proportion of women has increased by 2.1 percentage points. This marks the highest level since the survey began in 2006. One woman became CEO of one of the largest insurance companies in 2012, the first in six years.<sup>14</sup>

### Supervisory Boards: More Women, But Majority Still Employee Representatives

Of the 61 largest insurance companies, 50 have at least one woman on the supervisory board (82 percent, see Table 2). Of the total number of 704 supervisory board positions, women hold 108. The proportion of women on controlling bodies rose by 2.2 percentage points to over 15 percent in 2012 compared to the previous year. The large majority of women on supervisory boards are still employee representatives (over 81 percent). For the first time since 2009, the proportion of women appointed by shareholders has increased. Only one of the 61 largest insurance companies has a woman chair its supervisory board (1.6 percent).<sup>15</sup>

In most companies studied, women occupied no more than one-fifth of positions on supervisory boards (see Figure 2). Seven of the insurance companies had at least 30 percent female supervisory boards, including the Allianz Versicherungs-AG, which was the only company able to boast a balanced female-male ratio (see Table 5).

### Women in Management Positions in German Financial and Insurance Service Industry

According to data from the German Federal Statistical Office, women held 29 percent of management positions in the German financial and insurance service industry.<sup>16</sup> Included in this figure are all non-tariff employees in private banks in 2011 (see Figure 3). The figure has increased since the 1990s—but without women reaching the top positions. In contrast, the proportion of women among non-tariff employees at cooperative banks was lower, at almost 19 percent (2011). According to the German Savings Banks and Giro Associati-

#### Overview

#### Women on the Executive Boards of Large Banks, Savings Banks, and Insurance Companies in Germany in 2012

Rank	Company		Legal form
<b>100 largest banks and savings banks<sup>1</sup></b>			
3	KfW Bankengruppe	Dr. Edeltraud Leibrock	public sector
8	Norddeutsche Landesbank Girozentrale	Ulrike Brouzi	public sector
17	ING-DiBa AG	Katharina Herrmann	private
18	Deutsche Pfandbriefbank AG	Manuela Better (CEO)	private
26	SEB AG	Liselotte Hjorth	private
41	Westdeutsche Immobilien Bank AG	Christiane Wolff	public sector
45	HSBC Trinkaus & Burkhardt AG	Carola Gräfin von Schmettow	private
53	Stadtsparkasse München	Marlies Mirbeth	public sector
56	Oldenburgische Landesbank AG	Karin Katerbau	private
57	Investitionsbank des Landes Brandenburg	Jacqueline Tag	public sector
60	Stadtsparkasse Düsseldorf	Karin-Brigitte Göbel	public sector
63	Comdirect Bank AG	Martina Palte	private
64	Targobank AG & Co. KGaA	Maria Topaler	private
85	Sparkasse Krefeld	Dr. Birgit Roos (CEO)	public sector
90	Frankfurter Volksbank e.G.	Eva Wunsch-Weber (CEO)	cooperative
92	BBBank eG	Gabriele Kellermann	cooperative
93	Teambank AG	Dr. Christiane Decker	cooperative
<b>61 largest insurance companies</b>			
1	Allianz Group	Dr. Helga Jung	
3	Allianz Deutschland AG	Dr. Birgit König	
5	ERGO Versicherungsgruppe AG	Dr. Bettina Anders	
9	AXA Konzern AG	Dr. Andrea van Aubel	
11	Versicherungskammer Bayern	Barbara Schick	
13	Deutsche Krankenversicherung AG DKV	Silke Lautenschläger	
20	Allianz SE	Dr. Helga Jung	
25	Allianz Private Krankenversicherungs-AG	Dr. Birgit König (CEO)	
33	Provinzial Rheinland Konzern	Sabine Krummenerl	
34	HDI Gerling Lebensversicherungs-AG	Iris Klunk, Barbara Riebeling	
37	Bayern-Versicherung Lebensversicherung AG	Barbara Schick	
38	Württembergische Lebensversicherung AG	Ruth Martin	
40	Signal Krankenversicherung a.G.	Marlies Hirschberg-Tafel	
41	Cosmos Lebensversicherung-Aktiengesellschaft	Claudia Andersch	
42	Allianz Global Corporate & Speciality AG	Sinead Browne	
46	Alte Leipziger Lebensversicherung a.G.	Wiltrud Pekarek	
49	Bayerische Beamtenkrankenkasse AG	Manuela Kiechle	
55	Württembergische Versicherung AG	Ruth Martin	
57	Iduna Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe	Marlies Hirschberg-Tafel	
58	DBV Deutsche Beamtenversicherung Lebensversicherung Aktiengesellschaft	Dr. Andrea van Aubel	
60	Provinzial Rheinland Lebensversicherung AG	Sabine Krummenerl	

<sup>1</sup> On January 1, 2013, Dr. Heidrun Zirfas was also appointed to the executive board at Volkswagen Bank GmbH and Gabriela Pantring at the Investitionsbank des Landes Brandenburg. Source: Surveys by DIW Berlin.

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<sup>14</sup> Dr. Birgit König has been CEO of Allianz Private Krankenversicherungs-AG since January 1, 2012.

<sup>15</sup> Beate Läscher-Weber at the Provinzial Rheinland was the only woman CEO of a supervisory board in all the large insurance companies studied.

<sup>16</sup> Federal Statistical Office, Frauen und Männer auf dem Arbeitsmarkt (2012): 27. The term management positions means the executive boards of small and large companies, and/or heads of divisions in large companies and senior positions in the civil service.

on (DSGV), the share of women in top management positions at savings banks in 2011 was 23 percent.<sup>17</sup> Even among in-house staff at the insurance companies, women held a less-than-average 24 percent of all manage-

<sup>17</sup> Deutscher Sparkassen- und Giroverband (DSGV), Der Finanzbericht 2011 (Berlin): 35.



Figure 2

**Top 61 Insurance Companies by Share of Women on Supervisory Boards**

In percent



Source: DIW Berlin.

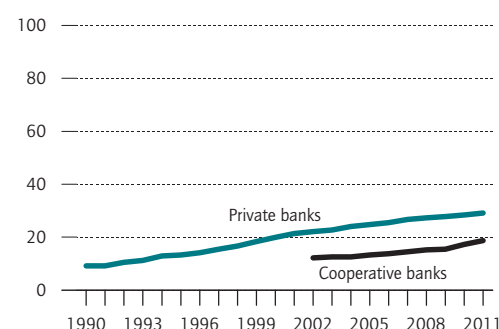
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Very rarely does the share of women exceed 20 percent.

Figure 3

**Women in Management Positions (Non-Tariff Employees) at Private and Cooperative Banks in Germany**

In percent



Sources: Arbeitgeberverband des privaten Bankengewerbes (AGV Banken), Report from 2011/2012, Berlin, page 55; Arbeitgeberverband der Deutschen Volksbanken und Raiffeisenbanken e.V. (released on request).

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Private banks appoint more women to senior positions than cooperative banks.

ment positions in 2011 according to the AGV.<sup>18</sup> The issue is evident in the insurance industry's advanced training survey from 2011, which found that the advancement of women in management positions was of strong or very strong interest at 57 percent of the insurance companies surveyed.<sup>19</sup>

**Gender Imbalance in Top Positions at the European Central Bank (ECB)**

The ECB<sup>20</sup> has been the subject of much discussion about the balanced participation of women and men

on its decision-making bodies.<sup>21</sup> Its board of directors currently consists entirely of men. There has not been a woman on the ECB's top decision-making body, the Governing Council, since 2011 (see Table 6). Since its six board members are also members of the ECB's Governing Council, this compounds the absence of women from all fiscal policy decisions made by ECB executives. The remaining 17 members of the Council are the governors of national central banks in the euro area. The absence of women in these positions is, therefore, also reflected in the top EU decision-making bodies. Overall in 2012, 20 percent of the decision-making bodies of Europe's national central banks were made up of women (EU-27 countries: 17 percent).<sup>22</sup>

Jörg Asmussen, a German member of the ECB Board of Directors, noted in October 2012 that, »The European Parliament has recently rightly criticized that the 23 members of the Governing Council are all men. This is simply no longer appropriate, and it is certainly true that more gender diversity in the top echelons of the ECB

<sup>18</sup> Employers' Federation of Insurance Companies in Germany e.V. (AGV), Frauenanteil in den Unternehmen (2012).

<sup>19</sup> AGV, BWV, Die Weiterbildungsumfrage der Versicherungswirtschaft, Juli 2011, 6. [www.bvv.de/uploads/media/2011-07-01\\_Weiterbildungsbroschue-re\\_01.pdf](http://www.bvv.de/uploads/media/2011-07-01_Weiterbildungsbroschue-re_01.pdf) [December 20, 2012].

<sup>20</sup> »A central bank is responsible for overseeing the monetary system of a country (or a group of member states). It shall perform the monitoring of monetary policy including the construction of specific objectives such as monetary stability, low inflation, and full employment. Central banks also generally issue currency, function as the bank of the government, regulate the credit system, oversee commercial banks, manage exchange reserves and act as a lender of last resort.« See European Commission, Central Banks (2012). Last updated on August 31, 2012; [http://ec.europa.eu/justice/genderequality/genderdecision-making/database/business-finance/central-banks/index\\_de.htm](http://ec.europa.eu/justice/genderequality/genderdecision-making/database/business-finance/central-banks/index_de.htm) [December 17, 2012].

<sup>21</sup> Europäisches Parlament lehnt EZB-Kandidat Mersch ab, Süddeutsche Zeitung, October 25, 2012. [www.sueddeutsche.de/wirtschaft/spitzenposten-bei-europaeischer-zentralbank-europaeisches-parlament-lehnt-luxemburger-mersch-ab-1.1505993](http://www.sueddeutsche.de/wirtschaft/spitzenposten-bei-europaeischer-zentralbank-europaeisches-parlament-lehnt-luxemburger-mersch-ab-1.1505993) [January 10, 2013].

<sup>22</sup> European Commission, Central Banks (2012).



and its hierarchies below would be very good for it.<sup>23</sup> In October 2012, the EU Parliament rejected the nomination of Yves Mersch by the finance ministers of the euro area, since it believed a change in the ECB board of directors should allow a woman take on the position. However, he was still appointed by the Member States as a member of the ECB's Board of Directors. Since then, three candidates have been under discussion for the European Banking Authority (EBA): the head of German financial regulator BaFin, Elke König, the Secretary General of the French financial regulator, Daniele Nouy, and the Vice-President of the Deutsche Bundesbank, Sabine Lautenschläger.

A binding European quota for women in the leading management positions of European banks was briefly under discussion.<sup>24</sup> This was to seal commitments in the face of ineffective self-regulation by banks during the audit to improve corporate governance guidelines.<sup>25</sup> This proposal has not been implemented to date for reasons of consistency with the EU Commission's decision to introduce a quota of women on the supervisory boards of listed companies.<sup>26</sup>

## Conclusion

Public demands for more women in the top decision-making bodies of large companies are only very slowly beginning to have an impact on the realities of the German financial sector. In most banks, savings banks, and insurance companies, all-male executive boards dominate. Despite positive attempts by executive board members, the current share of women on the executive boards

<sup>23</sup> Speech by Jörg Asmussen in Vienna on October 1, 2012. Script available at [www.ecb.int/press/key/date/2012/html/sp121001\\_1.de.html](http://www.ecb.int/press/key/date/2012/html/sp121001_1.de.html) [December 4, 2012].

<sup>24</sup> R. Berschens, EU-Vorstoß. Europäischen Banken droht die Frauenquote. Handelsblatt, September 19, 2012. [www.handelsblatt.com/unternehmen/banken/eu-vorstoss-europaeischen-banken-droht-die-frauenquote/7154874.html](http://www.handelsblatt.com/unternehmen/banken/eu-vorstoss-europaeischen-banken-droht-die-frauenquote/7154874.html) [December 4, 2012].

<sup>25</sup> This topic has been discussed in the context of the EU Commission's CRD IV package developed to shore up banking sector regulation. The proposed directive has only been mentioned in general terms to include diversity as a criterion for selecting supervisory board members. See European Commission, Commission proposal for the Capital Requirements Directive (CRD IV package). <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0453:FIN:EN:PDF> [04.12.2012]. For the EU Commission's decision to introduce a quota for women on the supervisory boards of major listed companies see European Commission, Proposal for a directive of the European Parliament and of the Council on improving the gender balance among non-executive directors of companies listed on stock exchanges and related measures. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0614:FIN:en:PDF> [December 20, 2012].

<sup>26</sup> European Commission, New proposals for the Capital Requirements Directive (CRD IV package). Frequently Asked Questions. [http://europa.eu/rapid/press-release\\_MEMO-11-527\\_de.htm?locale=en](http://europa.eu/rapid/press-release_MEMO-11-527_de.htm?locale=en) [December 4, 2012].

Table 5

### Largest 100 Companies' with at Least 25 Percent Women on the Supervisory Board at Year End 2012

Rank	Company	Total number of members	Number of male members	Number of women members	Percentage of women
10	Allianz Versicherungs-AG	6	3	3	50
58	DBV Deutsche Beamtenversicherung Lebensversicherung Aktiengesellschaft	9	5	4	44
1	Allianz Group	12	8	4	33
20	Allianz SE	12	8	4	33
25	Allianz Private Krankenversicherungs-AG	6	4	2	33
4	Talanx AG (Konzern)	16	11	5	31
27	SV SparkassenVersicherung- Konzern	20	14	6	30

<sup>1</sup> Only insurance companies providing data on the composition of their supervisory boards.

Source: calculations by DIW Berlin.

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Only seven insurance companies have 30 percent or more women in supervisory board positions.

Table 6

### Women on the ECB Governing Council

	Total number of members	Number of male members	Number of women members	Percentage of women
2003	17	16	1	5.9
2004	17	16	1	5.9
2005	17	16	1	5.9
2006	17	16	1	5.9
2007	19	18	1	5.3
2008	21	20	1	4.8
2009	22	21	1	4.5
2010	22	21	1	4.5
2011	23	23	0	0.0
2012	23	23	0	0.0

Source: EU database Women and Men in Decision-Making, own research.

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The ECB Governing Council has been male-only since 2011.

of companies in the financial sector is (still) too low to begin drawing conclusions about any distinct trends.

On supervisory boards, the situation is generally better. The proportion of women is much higher, yet well over 80 percent of board members are male CEOs. In 2012, more women were appointed to supervisory boards by shareholders, but that was not nearly enough to match

the also increasing number of female employee representatives, who make up more than four-fifths of all women on the supervisory boards of companies in the insurance industry.

The situation concerning top positions in the financial sector is especially unsatisfactory since women in the financial sector make up more than half the workforce. Women are not only underrepresented in top financial sector management, but their share is also still below the national average as compared to leadership positions in general.<sup>27</sup> In particular, the financial sector should benefit from the high educational level of women in law and economics and be able to integrate the future generation of (potential) female executives at the highest levels. The public is becoming increasingly unwilling to accept excuses for why the financial and insurance services industry is still not open to more women in leadership positions and why they have not designed their human resource development policies accordingly. It is not only about time that this change was made, it is also imperative if greater progress is to be made in appointing women to key management positions in the foreseeable future, making government regulation, in the form of guidelines, redundant.<sup>28</sup>

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<sup>27</sup> Federal Statistical Office, *Frauen und Männer auf dem Arbeitsmarkt. Deutschland und Europa* (Wiesbaden: 2012): 27.

<sup>28</sup> See also proposals to achieve the objective of more women in corporate boardrooms in E. Holst and J. Schimeta, *Slightly More Women in Germany's Corporate Boardrooms* in this issue of DIW Economic Bulletin.