

Holst, Elke; Schimeta, Julia

**Article**

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

by Elke Holst and Julia Schimeta

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

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

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

## Majority of Financial Sector Employees are Women

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

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

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

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

Table 1

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

In percent

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

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

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

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

**Banks and Savings Banks**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 2

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

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

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

Source: calculations by DIW Berlin.

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

**Insurance Companies: Not Much Better**

**96.4 Percent Men on the Executive Boards**

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

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

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

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

Overview

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

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

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

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

Source: survey by DIW Berlin.

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

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

## European Financial Market Regulations Made by Men

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

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

Table 3

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

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

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

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

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

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

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

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

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

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

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

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

Table 4

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

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

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

Source: calculations by DIW Berlin.

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

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

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

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

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

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



Table 5

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

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

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

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

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

**Increasing Visibility: Women in Key Positions**

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

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

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

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

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

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

Table 6

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

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

Source: research by DIW Berlin.

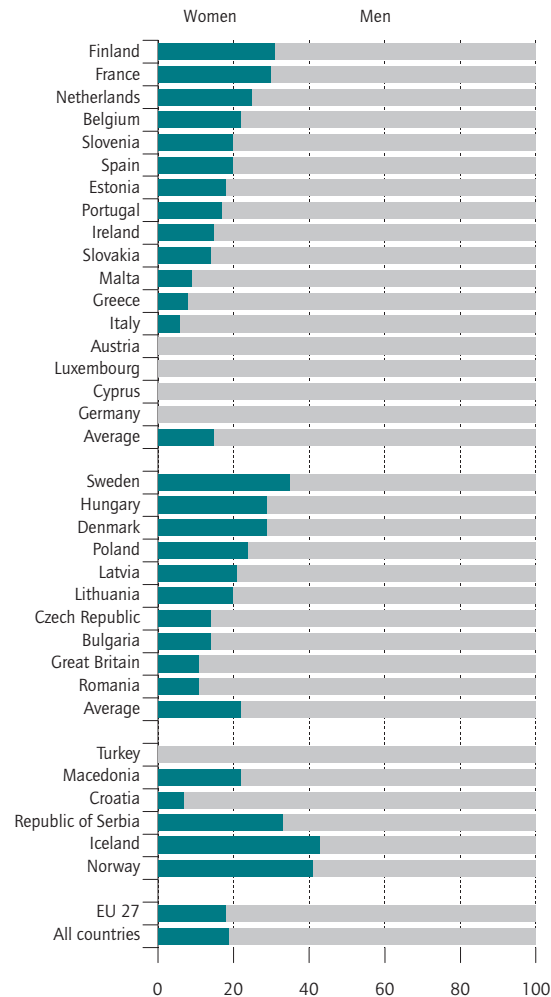
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Women are also significantly underrepresented in the decision-making bodies of European financial institutions.

Figure

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

In percent



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

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

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

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

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

**Conclusion**

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

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



DIW Berlin—Deutsches Institut  
für Wirtschaftsforschung e. V.  
Mohrenstraße 58, 10117 Berlin  
T +49 30 897 89 -0  
F +49 30 897 89 -200

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