

## Female Executive Barometer



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# Women Still the Exception on Executive Boards of Germany's Large Firms—Gradually Increasing Representation on Supervisory Boards

by Elke Holst and Anja Kirsch

The trend toward more women on the corporate boards of German companies continued in 2013, albeit on a small scale. The share of women on the supervisory boards of the 200 largest companies increased by more than two percentage points, and thus at a somewhat higher rate than in recent years, to just over 15 percent. The corresponding share of women on executive boards virtually stagnated at a low level of just over four percent. These findings are revealed in DIW Berlin's latest Female Executive Barometer. In the DAX 30 companies there was even a decrease in the share of women on executive boards. The shares of female executives in MDAX, SDAX, and TecDAX companies also remained low. The development in companies with government-owned shares was limited as well. Moreover, women chairing corporate boards are still very much the exception in all the groups of companies studied. This applies to both supervisory and executive boards. The findings clearly indicate that increasing the share of women on corporate boards is not a self-sustaining process, that progress is slow, and that substantial efforts are still required. In order to achieve equal representation of both genders in these posts in the foreseeable future, more drastic changes are needed. In Germany, public companies could play a pioneering role, which is not the case at present. Companies in Germany and their interest associations can look to the Nordic countries for examples of firms that achieve substantial increases in the number of women on corporate boards without mandatory state regulation. Comparing European countries, however, we see that the share of women on corporate boards increased fastest in countries with a mandatory women's quota.

DIW Berlin conducts an annual analysis of the representation of women on the executive and management boards (henceforth executive boards) and also the supervisory boards and administrative boards (henceforth supervisory boards) of Germany's largest commercial enterprises.<sup>1</sup> The survey covers the 200 largest companies outside the financial sector.<sup>2</sup> DAX 30, MDAX, SDAX, and TecDAX companies<sup>3</sup> and a further 60 companies with government-owned shares were also included.

A separate article in this issue of DIW Economic Bulletin discusses the representation of women on corporate boards in the financial sector based on an analysis of Germany's 100 largest banks and 60 largest insurance companies and draws comparisons between public, private, and cooperative financial institutions.<sup>4</sup> Taken together, the two reports provide an overview of women's representation on the highest decision-making bodies of over 500 companies and financial institutions.

## Top 200 Companies

The number of top 200 companies in Germany with at least one female corporate board member has increased, but there is a substantial difference between executive

<sup>1</sup> Most recently in 2013, see E. Holst and J. Schimeta, Slightly More Women in Germany's Corporate Boardrooms—More Dynamism in DAX 30 Companies, DIW Economic Bulletin, no. 3 (2013).

<sup>2</sup> The selection was based on Wolters Kluwer Deutschland GmbH, Die großen 500. Deutschlands Top-Unternehmen (November 2013). Research on the composition of the highest decision-making bodies of companies was conducted from November through the end of December 2013. The information is based on the companies' own statements published on the Internet, annual reports and accounts from 2012, articles in the German Federal Gazette (Bundesanzeiger), and enquiries to companies made by DIW Berlin.

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

<sup>4</sup> The findings are presented in the second article in this issue of DIW Economic Bulletin.

Table 1

**Women on Executive and Supervisory Boards in Germany's Largest 200 Companies (Excluding Financial Sector)**

	Top 200								Top 100							
	2006	2007	2008	2009	2010	2011	2012	2013	2006	2007	2008	2009	2010	2011	2012	2013
<b>Executive boards/management boards</b>																
Total number of companies	200	200	200	200	200	200	200	200	100	100	100	100	100	100	100	100
With data on composition	195	184	191	187	195	197	200	195	97	95	96	92	95	100	100	97
With women on executive board	9	15	17	16	22	22	33	35	1	7	3	4	8	11	19	19
<b>Percentage</b>	<b>4.6</b>	<b>8.2</b>	<b>8.9</b>	<b>8.6</b>	<b>11.3</b>	<b>11.2</b>	<b>16.5</b>	<b>17.9</b>	<b>1.0</b>	<b>7.4</b>	<b>3.1</b>	<b>4.3</b>	<b>8.4</b>	<b>11.0</b>	<b>19.0</b>	<b>19.6</b>
Total number of members <sup>1</sup>	953	893	934	833	906	942	970	906	531	536	526	441	490	533	520	484
Men	942	877	911	812	877	914	931	866	530	529	519	437	479	520	497	461
Women	11	16	23	21	29	28	39	40	1	7	7	4	11	13	23	23
<b>Percentage of women</b>	<b>1.2</b>	<b>1.8</b>	<b>2.5</b>	<b>2.5</b>	<b>3.2</b>	<b>3.0</b>	<b>4.0</b>	<b>4.4</b>	<b>0.2</b>	<b>1.3</b>	<b>1.3</b>	<b>0.9</b>	<b>2.2</b>	<b>2.4</b>	<b>4.4</b>	<b>4.8</b>
Total number of CEOs	195	184	191	187	195	198	198	194	97	95	96	92	97	100	99	97
Men	195	184	190	186	193	197	196	190	97	95	96	92	97	100	99	96
Women	0	0	1	1	2	1	2	4	0	0	0	0	0	0	0	1
<b>Percentage of women</b>	<b>0.0</b>	<b>0.0</b>	<b>0.5</b>	<b>0.5</b>	<b>1.0</b>	<b>0.5</b>	<b>1.0</b>	<b>2.1</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>1.0</b>
<b>Supervisory boards/administrative boards</b>																
Total number of companies	200	200	200	200	200	200	200	200	100	100	100	100	100	100	100	100
With data on composition	170	145	168	153	166	163	170	157	87	86	88	78	86	90	92	86
With women on supervisory board	110	101	124	110	117	118	128	123	65	65	68	60	61	68	76	71
<b>Percentage</b>	<b>64.7</b>	<b>69.7</b>	<b>73.8</b>	<b>71.9</b>	<b>70.5</b>	<b>72.4</b>	<b>75.3</b>	<b>78.3</b>	<b>74.7</b>	<b>75.6</b>	<b>77.3</b>	<b>76.9</b>	<b>70.9</b>	<b>75.6</b>	<b>82.6</b>	<b>82.6</b>
Total number of members	2500	2268	2466	2175	2293	2268	2369	2159	1389	1373	1385	1166	1263	1326	1359	1231
Men	2304	2074	2236	1961	2050	1999	2064	1834	1270	1255	1249	1048	1142	1178	1186	1044
Women	196	194	230	214	243	269	305	325	119	118	136	118	121	148	173	187
<b>Percentage of women</b>	<b>7.8</b>	<b>8.6</b>	<b>9.3</b>	<b>9.8</b>	<b>10.6</b>	<b>11.9</b>	<b>12.9</b>	<b>15.1</b>	<b>8.6</b>	<b>8.6</b>	<b>9.8</b>	<b>10.1</b>	<b>9.6</b>	<b>11.2</b>	<b>12.7</b>	<b>15.2</b>
Total number of chairpersons	170	145	168	153	167	167	171	160	87	86	88	78	87	91	92	87
Men	167	143	166	151	165	164	168	156	85	84	86	76	85	88	90	83
Women	3	2	2	2	2	3	3	4	2	2	2	2	2	3	2	3
<b>Percentage of women</b>	<b>1.8</b>	<b>1.4</b>	<b>1.2</b>	<b>1.3</b>	<b>1.2</b>	<b>1.8</b>	<b>1.8</b>	<b>2.5</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.6</b>	<b>2.3</b>	<b>3.3</b>	<b>2.2</b>	<b>3.4</b>
Companies with data on employee representation	123	108	129	103	110	105	118	83	81	71	66	58	58	62	58	46
Total number of members	2206	1773	1910	1732	1506	1567	1638	1291	602	1180	1035	968	835	912	860	748
Men	2023	1616	1742	1563	1360	1391	1438	1088	487	1087	940	868	759	824	753	640
Women	183	157	168	169	146	176	200	203	115	93	95	100	76	88	107	108
Female employee representatives	139	117	125	121	105	119	117	110	84	67	69	76	56	65	64	61
<b>As a percentage of women member</b>	<b>76.0</b>	<b>74.5</b>	<b>74.4</b>	<b>71.6</b>	<b>71.9</b>	<b>67.6</b>	<b>58.5</b>	<b>54.2</b>	<b>73.0</b>	<b>72.0</b>	<b>72.6</b>	<b>76.0</b>	<b>73.7</b>	<b>73.9</b>	<b>59.8</b>	<b>56.5</b>

<sup>1</sup> At year end. Only companies providing data on the composition of their corporate boards. Of the 43 not providing data on their supervisory board, 21 had no supervisory board, while no information was provided for the remaining 22 companies.

Source: calculations by DIW Berlin.

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Very few executive or supervisory boards were chaired by women.

and supervisory boards: while just under 18 percent of Germany's largest companies had at least one female executive board member at the end of 2013, the corresponding figure for supervisory boards was well over 78 percent (see Table 1). In 2006, these shares were just under five percent and 65 percent, respectively. In the majority of cases, if there is a female executive board member, she is the only one; on supervisory boards, this situation occurs far less frequently. It is important to remember that in many German companies employee representa-

tives are appointed to supervisory boards on the basis of codetermination legislation. On the basis of directory provisions regarding gender equality, employees traditionally delegate more women to sit on the supervisory board than the shareholders.<sup>5</sup> This gap has recently been narrowing however.

<sup>5</sup> In the past, employee representatives comprised up to over three-quarters of all female supervisory board members. Directory provisions regarding gender equality in proportion to the number of employees in the company are

On the whole, structures in the top 100 German companies were very similar to those in the top 200 with only slight variations.

### Executive Boards: Still Firmly in Male Hands

The executive boards of the 200 largest companies in Germany remain a male monoculture. In 2013, only around four percent of the 906 executive board positions were filled by women. In total, at the end of 2013, there were 40 women on executive boards. In 2012, the corresponding figure was 39. Four of these women were either CEOs or spokespersons (2.1 percent), which was two more than in the previous year (see Overview 1).

### Supervisory Boards: Women Frequently Employee Representatives

Of the top 200 German companies, 157 provided data on or indeed had a supervisory board. In 2013, well over 15 percent of supervisory board members in these top 200 companies were women. This equates to an increase of well over two percentage points on the figure for the same period of 2012. In 2010, almost 72 percent of female supervisory board members were employee representatives, but in 2013, the shareholders made up ground, resulting in an almost equal ratio of female employee to female shareholder representatives. The role of chair of the supervisory board remained firmly in male hands, however: only four of the 160 board chairs (2.5 percent) were women.<sup>6</sup>

In 123 of the reporting companies (well over 78 percent), there was at least one female supervisory board member. In 2013, the share of women in 35 companies was at least 20 percent (see Table 2 and Figure 1). On the boards of nine companies, a third or more seats were held by women, and in two companies, they made up at least 50 percent of the supervisory board: these were TUI Deutschland GmbH where four of eight supervisory board members were women and Douglas Holding AG which had nine female board members out of a total of 16.

incorporated in the Drittelbeteiligungsgesetz (One-Third Employee Participation Act) (Section 4, para. 4), in the SE-Beteiligungsgesetz (SE Participation Act) (Section 6, para. 2), and in the Gesetz über die Mitbestimmung der Arbeitnehmer bei einer grenzüberschreitenden Verschmelzung (Act on Employee Codetermination in Cross-Border Mergers) (Section 8, para. 2).

<sup>6</sup> Lisa Davis at Shell Oil Deutschland GmbH, Dr. Simone Bagel-Trah at Henkel KGaA, Bettina Würth at the Würth Group, and Catharina Claas-Mühlhäuser at Claas KGaA mbH.

#### Overview 1

### Women on Executive Boards in Germany at Year End 2013

Rank	Company	Name
<b>100 largest commercial enterprises (excluding financial sector)</b>		
3	Daimler AG	Dr. Christine Hohmann-Dennhardt
4	BASF SE	Margret Suckale
6	Bayerische Motorenwerke AG (BMW)	Milagros Caiña Carreiro-Andree
8	Deutsche Telekom AG	Claudia Nemat, Marion Schick
10	Deutsche Post World Net AG	Angela Titzrath
11	BP Europa SE	Sabine Dietrich, Claudia Joost
20	Deutsche Bahn AG	Dr. Heike Hanagarth
22	Continental AG	Elke Strathmann
24	Deutsche Lufthansa AG	Simone Menne, Dr. Bettina Volken
29	Celesio AG	Dr. Marion Helmes (Spokesperson)
43	Henkel KGaA	Kathrin Menges
45	Bertelsmann SE & Co. KGaA	Dr. Judith Hartmann, Anke Schäferkordt
51	Boehringer Ingelheim Unternehmensverband	Ursula Fuggis-Hahn
57	Evonik Industries AG	Ute Wolf
60	Adam Opel AG	Tina Müller, Susanna Webber
79	Volkswagen Leasing GmbH	Dr. Heidrun Zirfas
94	Volkswagen Nutzfahrzeuge GmbH	Elke Eller
98	DB Regio Aktiengesellschaft	Marion Rövekamp
<b>101-200 largest commercial enterprises (excluding financial sector)</b>		
113	dm-Drogerie Markt GmbH & Co. KG	Petra Schäfer
117	Sandoz Pharmaceuticals GmbH	Isabell Remus (Managing Director)
128	Thyssen Krupp Elevator AG	Gabriele Sons
137	Telefónica Germany GmbH & Co. OHG	Rachel Empey
138	Dirk Rossmann GmbH	Alice Schardt-Roßmann
139	B. Braun Melsungen AG	Dr. Annette Beller
140	DB Schenker Rail Deutschland AG	Dr. Ursula Biernert
141	PROCTER & GAMBLE Germany GmbH	Pirjo Väliäho (CEO)
143	Basell Polyolefine GmbH	Rita Geissel
154	Stadtwerke München GmbH	Erna-Maria Trixl
156	DB Netz Aktiengesellschaft	Ute Plambeck
158	Arvato AG	Christine Scheffler
166	Air Berlin PLC & Co. Luftverkehrs KG	Dr. Martina Niemann
170	Faurecia Automotive GmbH	Annette Stieve
171	DB Fernverkehr AG	Ulrike Haber-Schilling
173	IBM Deutschland GmbH	Martina Koederitz (CEO)
177	Hochtief Solutions AG	Essimari Kairisto

Source: survey by DIW Berlin.

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### Listed Companies

On the corporate boards of the listed companies analyzed for this article, the situation is similar to that in the top 200 companies—women remain underrepresented, particularly on executive boards (see Table 3). For the purposes of this article, the term »DAX companies« refers to DAX 30, MDAX, SDAX, and TecDAX companies. The proportion of DAX 30 companies with at least one female executive board member was lower than in the previous year (a drop of ten percentage points to around 33 percent). Female executive board members at E.ON, SAP, and Siemens stepped down from their positions. However, at the end of 2013, the overall share of DAX

Table 2

**Largest 200 Companies<sup>1</sup> (Excluding Financial Sector) With More Than 20 Percent Women on Supervisory Board at Year End 2013**

Rank	Company	Total number of members	Number of women members	Percentage of women
198	DOUGLAS HOLDING AG	16	9	56
172	TUI Deutschland GmbH	8	4	50
165	NOWEDA eG Apothekergenossenschaft	9	4	44
85	T-Systems International GmbH	20	8	40
43	Henkel KGaA <sup>2</sup>	18	7	39
141	PROCTER & GAMBLE Germany GmbH	19	7	37
8	Deutsche Telekom AG	20	7	35
125	Beiersdorf AG	12	4	33
158	Arvato AG	3	1	33
93	Vodafone GmbH	16	5	31
116	HEWLETT-PACKARD GmbH	16	5	31
175	Lufthansa Technik AG (Group)	16	5	31
24	Deutsche Lufthansa AG	20	6	30
200	Nestlé Deutschland AG	17	5	29
17	EDEKA Zentrale AG & Co. KG	18	5	28
2	E.ON SE	12	3	25
3	Daimler AG	20	5	25
5	Siemens AG	20	5	25
7	Metro AG	20	5	25
28	Thüga Aktiengesellschaft	12	3	25
29	Celesio AG	12	3	25
38	TUI AG	16	4	25
44	SAP AG	16	4	25
53	Alfred C. Toepfer International (Group)	4	1	25
71	Merck KGaA	16	4	25
118	Bosch Rexroth AG	20	5	25
140	DB Schenker Rail Deutschland AG	20	5	25
145	Hella KGaA Hueck & Co.	16	4	25
148	Rheinmetall AG	8	2	25
153	Alliance Healthcare Deutschland AG	12	3	25
173	IBM Deutschland GmbH	12	3	25
174	Stadtwerke Leipzig GmbH	20	5	25
36	EnBW Energie Baden-Württemberg AG	13	3	23
41	Wintershall AG	9	2	22
133	Stadtwerke Köln GmbH	19	4	21

1 Only companies with supervisory boards and those providing data on their composition.

2 Here the supervisory board is also chaired by a woman.

Source: calculations by DIW Berlin.

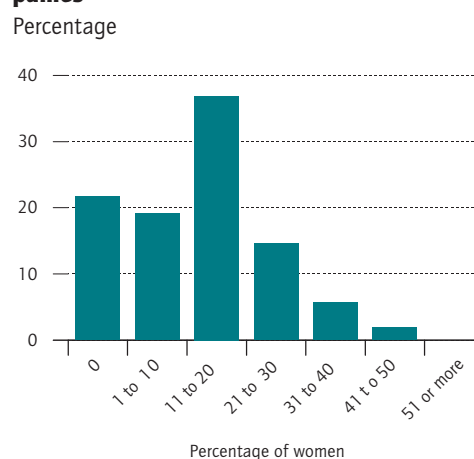
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In 35 companies, more than one-fifth of supervisory board members were women.

30 companies with female executive board members was higher than SDAX (22 percent) and TecDAX companies (just under 27 percent). More DAX 30 than top 200 companies had at least one female executive board member (well over 17 percent). Only the MDAX enterprises lagged slightly behind (16 percent). This above-average representation of women in DAX companies could be a consequence of discussions about and efforts to introduce government regulations (*women's quotas*) for list-

Figure 1

**Women on Supervisory Boards of the Top 200 Companies**



Source: research by DIW Berlin.

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Women generally made up less than one-fifth of the supervisory board members.

ed and codetermined companies that have been ongoing for some years.<sup>7</sup>

At the end of 2013, there was at least one female supervisory board member in approximately 90 percent of DAX 30 and MDAX companies. SDAX enterprises had a particularly low proportion of 54 percent, and a share of around 63 percent positioned TecDAX between the two groups of companies.

**DAX 30 Companies: End of Positive Development on Executive Boards for Now**

The share of women on the executive boards of DAX 30 companies is on the decline: at the end of 2013, there were 12 female executive board members, three fewer than the previous year, which equates to around six percent. In 2013, Regine Stachelhaus (E.ON AG), Luisa Deplazes Delgado (SAP AG), and Brigitte Ederer and Barbara Kux (Siemens AG) all stepped down from their board positions. The only new appointment was Dr. Bettina Volkens at Deutsche Lufthansa AG. For now, this signals an end to the recent positive trend. The share of women on executive boards had increased between 2009 and 2012 by well over seven percentage points to almost eight percent (from one to 15 women). In 2013,

7 See E. Holst and J. Schimeta, DIW Female Executive Barometer 2011, DIW Economic Bulletin, no. 4 (2012).

Table 3

**Women on Executive and Supervisory Boards in Listed Companies<sup>1</sup>**

	DAX-30						MDAX			SDAX			TecDAX
	2008	2009	2010	2011	2012	2013	2011	2012	2013	2011	2012	2013	2013
<b>Executive boards/management boards</b>													
Total number of companies	30	30	30	30	30	30	50	50	50	50	50	50	30
With data on composition	30	30	30	30	30	30	50	50	50	50	50	50	30
With women on executive board	1	1	3	6	13	10	5	5	8	6	11	11	8
Percentage	3.3	3.3	10.0	20.0	43.3	33.3	10.0	10.0	16.0	12.0	22.0	22.0	26.7
Total number of members	183	183	182	188	193	191	213	210	213	168	164	170	107
Men	182	182	178	181	178	179	208	205	205	160	152	157	98
Women	1	1	4	7	15	12	5	5	8	8	12	13	9
Percentage of women	0.5	0.5	2.2	3.7	7.8	6.3	2.3	2.4	3.8	4.8	7.3	7.6	8.4
Total number of chairpersons	30	30	30	30	30	30	50	50	50	50	50	50	48
Men	30	30	30	30	30	30	50	50	49	49	49	50	48
Women	0	0	0	0	0	0	0	0	1	1	1	0	0
Percentage of women	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0	0.0	0.0
<b>Supervisory boards/administrative boards</b>													
Total number of companies	30	30	30	30	30	30	50	50	50	50	50	50	30
With data on composition	30	30	30	30	30	30	50	50	50	50	50	50	30
With women on supervisory board	27	27	26	26	28	28	35	42	45	21	21	27	19
Percentage	90.0	90.0	86.7	86.7	93.3	93.3	70.0	84.0	90.0	42.0	42.0	54.0	63.3
Total number of members	527	513	502	479	494	489	581	588	584	346	352	388	207
Men	458	448	436	404	398	384	515	506	489	309	312	337	174
Women	69	65	66	75	96	107	66	82	95	37	40	51	33
Percentage of women	13.1	12.7	13.1	15.7	19.4	21.9	11.4	13.9	16.3	10.7	11.4	13.1	15.9
Total number of chairpersons	NA	30	30	30	30	30	50	50	48	50	50	50	30
Men	NA	29	29	29	29	29	50	50	46	50	50	50	29
Women	NA	1	1	1	1	1	0	0	2	0	0	0	1
Percentage of women	NA	3.3	3.3	3.3	3.3	3.3	0.0	0.0	4.2	0.0	0.0	0.0	3.3
Companies with data on employee representation	24	NA	22	24	20	23	35	28	25	41	39	17	7
Total number of members	423	NA	369	395	322	310	397	329	331	282	260	172	78
Men	367	NA	317	334	259	250	358	283	279	260	241	146	62
Women	56	NA	52	61	63	70	39	46	52	22	19	26	16
Female employee representatives	41	NA	37	43	40	40	28	30	33	19	15	17	11
As a percentage of women members	73.2	NA	71.2	70.5	63.5	57.1	71.8	65.2	63.5	86.4	78.9	65.4	68.8

<sup>1</sup> At year end.

Source: calculations by DIW Berlin.

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2013 saw a drop in the share of women on the executive boards of DAX 30 companies.

as in the past, all executive boards were chaired by men (see Overview 2).

In 2013, women were represented on the supervisory boards of 28 DAX 30 companies. As in 2012, Fresenius Medical Care AG and Fresenius SE had no female supervisory board members. These companies refrained from setting themselves specific targets to fulfil the commitment made by the DAX 30 companies to increase the number of women in senior management positions.<sup>8</sup>

The share of women on supervisory boards increased by 2.5 percentage points on the previous year to almost 22 percent. At the end of 2013, there were 107 female supervisory board members, a figure that has been steadily rising since 2009. Data on supervisory board employee representation were available for 23 companies. Between them, these companies had a total of 70 female supervisory board members, 40 of whom were appointed as employee representatives (well over 57 percent). Although shareholders are increasingly appointing women to these boards, the majority of female supervisory board members continue to be employee representatives. The only supervisory board chairwoman is Dr. Simone Bagel-Trah at Henkel AG & Co. KGaA.

<sup>8</sup> See Frauen in Führungspositionen: Status quo und Zielsetzungen der 30 DAX-Unternehmen, accessed on January 2, 2014, [www.bmfsfj.de/RedaktionBMFSFJ/Abteilung2/Pdf-Anlagen/frauen-in-fuehrungspositionen-status-quo-und-zielsetzungen,property=pdf,bereich=bmfsfj,sprache=de,rwb=true.pdf](http://www.bmfsfj.de/RedaktionBMFSFJ/Abteilung2/Pdf-Anlagen/frauen-in-fuehrungspositionen-status-quo-und-zielsetzungen,property=pdf,bereich=bmfsfj,sprache=de,rwb=true.pdf).



## Overview 2

**Women on Executive Boards of Listed Companies in Germany at Year End 2013**

Company	Name
<b>DAX 30</b>	
Allianz SE	Dr. Helga Jung
BASF SE	Margret Suckale
BMW AG	Milagros Caiña Carreiro-Andree
Continental AG	Elke Strathmann
Daimler AG	Dr. Christine Hohmann-Dennhardt
Deutsche Börse AG	Hauke Stars
Deutsche Lufthansa AG	Simone Menne, Dr. Bettina Volkens
Deutsche Post AG	Angela Titzrath
Deutsche Telekom AG	Claudia Nemat, Marion Schick
Henkel AG & Co. KGaA Vz	Kathrin Menges
<b>MDAX</b>	
Aareal Bank AG	Dagmar Knopek
Celesio AG	Dr. Marion Helmes (Spokesperson)
DMG Mori Seiki AG	Kathrin Dahnke
Evonik Industries AG	Ute Wolf
Fraport AG	Anke Giesen
ProSiebenSat.1 Media AG	Heidi Stopper
RTL Group S.A.	Anke Schäferkordt
TAG Immobilien AG	Claudia Hoyer
<b>SDAX</b>	
Air Berlin	Dr. Martina Niemann
C.A.T. Oil AG	Anna Brinkmann
Comdirect bank	Martina Palte
Delticom AG	Susann Dörsel-Müller
Deutscheeteiligungs AG	Susanne Zeidler
Deutz AG	Dr. Margarete Haase
DIC ASSET AG	Sonja Wärntges
GfK SE	Pamela Knapp, Debra A. Pruent
GrenkeLeasing AG	Antje Leminsky
KWS SAAT	Eva Kienle
Schaltbau Holding AG	Elisabeth Prigge
zooplus	Andrea Skersies
<b>TecDAX</b>	
BB Biotech AG	Felicia Flanigan, Lydia Bänziger
Kontron AG	Andrea Bauer
MorphoSys AG	Dr. Marlies Sproll
Pfeiffer Vacuum Technology AG	Nathalie Benedikt
Qiagen N.V.	Dr. Helge Lubenow
QSC AG	Barbara Stolz
SMA Solar Technology AG	Lydia Sommer
Telefónica Deutschland Holding AG	Rachel Empey

Source: survey by DIW Berlin.

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**MDAX Companies: Under Four Percent of Women on Executive Boards**

At the end of 2013, eight of the 50 MDAX companies had a female executive board member, which was three more than the previous year. Each of these women was also the sole female representative on their board. The proportion of women on MDAX executive boards was just under four percent of the overall total of 213 executive board members, ranking MDAX companies below DAX 30 and the top 200 in this regard. MDAX execu-

tive boards were chaired almost exclusively by men. Celesio AG was the only company with a female spokesperson, Dr. Marion Helmes.

Women were represented on 90 percent of all MDAX supervisory boards with an overall share of well over 16 percent (95 of 584 seats). However, even with an increase of more than two percentage points (13 board seats), the MDAX companies were unable to achieve the share reached by DAX 30 companies. Data on employee representation was available for half of the MDAX companies. These companies had 52 female supervisory board members, including 33 employee representatives (63.5 percent). Two supervisory boards were chaired by women.<sup>9</sup>

**SDAX Companies: Only Half with Women on Supervisory Boards**

At the end of 2013, 11 of the 50 SDAX companies (22 percent) had at least one female executive board member. Of 170 executive board members, there were 13 women (just under eight percent), which is one woman more than in 2012. In the same period, the number of men increased by five to 157. Of the SDAX companies, Ines Kolmsee was formerly the CEO at SKW Stahl-Metallurgie Holding AG. However, in 2013, this company left the SDAX, which meant that all executive boards were, once again, exclusively in the hands of men (see Table 3).<sup>10</sup> Although the share of women among all supervisory board members increased in recent years, it still only reached approximately 13 percent. This is also due to the fact that only 54 percent of all SDAX companies have a female representative on their supervisory boards at all, which is significantly fewer companies than in the other groups. Data on employee representation was provided by 17 companies. Between them, they had 26 female supervisory board members, 17 of them (68 percent) were employee representatives. However, these figures are only comparable with the previous year's development to a limited extent due to different numbers of companies observed. SDAX supervisory boards were chaired exclusively by men.

<sup>9</sup> Marija G. Korsch at Aareal Bank and Susanne Klatten at SGL Carbon.

<sup>10</sup> Further, Ines Kolmsee will not be renewing her contract after March 31, 2014. See [www.skw-steel.com/2013/09/vorstandsvorsitzende-ines-kolmsee-steht-fur-weitere-amtszeit-nicht-zur-verfugung/](http://www.skw-steel.com/2013/09/vorstandsvorsitzende-ines-kolmsee-steht-fur-weitere-amtszeit-nicht-zur-verfugung/), accessed on December 18, 2013.



## TecDAX Companies: Higher Share of Women on Executive Boards than DAX 30

For the first time, the present analysis includes the 30 TecDAX companies. The German TecDax stock index comprises the 30 largest German companies from the technology sector, which rank below those included in the standard DAX index in terms of market capitalization and stock market trading volume.<sup>11</sup>

The proportion of women on the executive boards of TecDAX enterprises was well over eight percent, ranking it highest of all the groups of companies analyzed. Yet in terms of supervisory board representation, TecDAX companies fell just short of 16 percent, which is lower than the DAX 30 companies, for example. The share of women nominated to the supervisory board by shareholders (less than a third) was comparably low. Evidently, investors have yet to adequately respond to the shift in the discussion on increasing the number of women on corporate boards. Nevertheless, there was one TecDAX company with a supervisory board chairwoman.<sup>12</sup>

## 2013 Bumper Election Year Not Used Consistently

According to information from the German Women Lawyers Association (djB), in 2013, supervisory board elections were conducted by shareholders in 20 of the 30 DAX-listed companies.<sup>13</sup> Slightly more than a quarter of these newly appointed positions were filled by women, which roughly corresponded to the figures for previous years. Elections for shareholder representatives also took place in a further 46 listed companies; here, just under 15 percent of the posts went to women. According to the djB, the bottom line is that »the 2013 bumper election year was not used consistently in order to appoint more women to the supervisory boards.«

## Companies with Government-Owned Shares

Particularly against a backdrop of political demands for a women's quota for private companies, the situation for public companies is also of interest since the public sector could influence developments itself by acting as a pioneer for the private economy. Gender quotas have al-

Table 4

### Women on Executive and Supervisory Boards in Companies with Government-Owned Shares

	2010	2011	2012	2013
<b>Executive boards/ management boards</b>				
Total number of companies	61	60	60	60
With data on composition	60	60	60	60
With women on executive board	9	10	12	14
<b>Percentage</b>	<b>15.0</b>	<b>16.7</b>	<b>20.0</b>	<b>23.3</b>
Total number of members	152	147	143	143
Men	142	135	127	125
Women	10	12	16	18
<b>Percentage of women</b>	<b>6.6</b>	<b>8.2</b>	<b>11.2</b>	<b>12.6</b>
Total number of chairpersons	54	55	57	55
Men	51	52	51	52
Women	3	3	6	5
<b>Percentage of women</b>	<b>5.6</b>	<b>5.5</b>	<b>10.5</b>	<b>9.1</b>
<b>Supervisory boards/administrative boards<sup>1</sup></b>				
Total number of companies	61	60	60	60
With data on composition	54	55	54	51
With women on supervisory board	46	42	43	41
<b>Percentage</b>	<b>85.2</b>	<b>76.4</b>	<b>79.6</b>	<b>80.4</b>
Total number of members	577	587	579	553
Men	472	483	464	453
Women	105	104	115	100
<b>Percentage of women</b>	<b>18.2</b>	<b>17.7</b>	<b>19.9</b>	<b>18.1</b>
Total number of chairpersons	53	53	53	47
Men	45	45	42	39
Women	8	8	11	8
<b>Percentage of women</b>	<b>15.1</b>	<b>15.1</b>	<b>20.8</b>	<b>17.0</b>

<sup>1</sup> Only companies with supervisory boards and those providing data on their composition.

Source: calculations by DIW Berlin.

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In 2013, the share of women on supervisory boards in public companies was at the same level as in 2010.

ready been introduced for public companies in a number of other European countries.<sup>14</sup> The coalition agreement between the Christian Democratic Union (CDU) / Christian Social Union (CSU) and Social Democratic Party (SPD) certainly neither made mention of proposed targets for the share of women on corporate boards nor of a timeframe for implementing such targets in public companies.<sup>15</sup> The following findings indicate that there

<sup>14</sup> For example, in Austria, Denmark, Finland, Greece, and Slovenia; see European Commission, Women in economic decision-making in the EU: Progress report (Luxembourg: 2012).

<sup>15</sup> Instead, the coalition agreement includes the following wording: »In the sphere of the federal government's influence, the coalition will pursue a targeted equality policy to increase the share of women in senior management and on corporate boards and reduce the gender pay gap. To this end, we will be developing an equality index and will be proactive in implementing the Bundesgleichstellungsgesetz [Federal Equality Act] and the Bundesgremienbe-

<sup>11</sup> See [www.finanzen.net/index/TECDAX](http://www.finanzen.net/index/TECDAX).

<sup>12</sup> Eva Castillo at Telefónica Deutschland Holding.

<sup>13</sup> German Women Lawyers Association (Deutscher Juristinnenbund e.V.), Women Shareholders Demand Gender Equality—2009 until 2013. More Women in Executive Positions. Conclusions and Demands (BMFSFJ: 2013), 11

Overview 3

**Female Chairs of Supervisory Boards in Companies with Government-Owned Shares at Year End 2013**

Company	Chairwoman	Function in federal administration
German Development Institute (Deutsches Institut für Entwicklungspolitik (die) gGmbH)	Gudrun Kopp	Parliamentary State Secretary, Federal Ministry for Economic Cooperation and Development (BMZ)
Germany Trade and Invest - Gesellschaft für Außenwirtschaft und Standortmarketing mbH	Anne Ruth Herkes	State Secretary, Federal Ministry of Economics and Technology (BMWi)
Gesellschaft für Anlagen- und Reaktorsicherheit mbH	Ursula Heinen-Esser	Parliamentary State Secretary, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)
German Research Center for Environmental Health (Helmholtz Zentrum München, Deutsches Forschungszentrum für Gesundheit und Umwelt GmbH)	Bärbel Brumme-Bothe	Director-General, Department Director, Federal Ministry of Education and Research (BMBF)
Helmholtz-Zentrum für Infektionsforschung GmbH	Bärbel Brumme-Bothe	Director-General, Department Director, Federal Ministry of Education and Research (BMBF)
Helmholtz Centre for Heavy Ion Research (Helmholtzzentrum für Schwerionenforschung)	Dr. Beatrix Vierkorn-Rudolph	Subdepartment Director, Federal Ministry of Education and Research (BMBF)
NOW GmbH Nationale Organisation Wasserstoff- und Brennstoffzellentechnologie	Birgitta Worringen	Subdepartment Director, Federal Ministry of Transport, Building and Urban Development (BMVBS)
Transit Film Gesellschaft mbH	Ulrike Schauz	Head of Department, Federal Government Commissioner for Culture and the Media (BKM)
VIFG Verkehrsinfrastrukturfinanzierungsgesellschaft mbH	Dr. Martina Hinricher	Director-General, Federal Ministry of Transport, Building and Urban Development (BMVBS)

Source: survey by DIW Berlin.

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is substantial room for improvement among the companies with government-owned shares analyzed here.

This report presents information on public companies, collated by DIW Berlin for the fourth time. The survey covers 60 of the companies with direct government ownership listed in the government’s equity holdings report.<sup>16</sup> These include companies from the transport, energy, telecommunication, research, and culture sectors. However, a comparison with Germany’s large private companies is only possible to a limited extent since companies with government-owned shares are predominantly much smaller.

At the end of 2013, 14 of the 60 companies had female executive board members (a good 23 percent). Overall, the share of women on executive boards was almost 13 percent (see Table 4). This equates to an increase of well over one percentage point. At the end of 2013, five

executive boards were chaired by a total of six women.<sup>17</sup> Additionally, in one company, the CEO position was shared between a man and a woman.<sup>18</sup> The proportion of women on the supervisory boards of companies with government-owned shares dropped by almost two percentage points to around 18 percent. In the 47 companies with a supervisory board chair and available data on board composition, eight women (17 percent) held this position (see Overview 3). However, this figure, which is relatively high compared to other company groups, is overshadowed by the drop in the number of supervisory board chairwomen from 11 to eight (or almost three percentage points) on the previous year.<sup>19</sup> The percentage of female supervisory board members in companies with shares owned by the national government was generally very similar to the corresponding figures for companies with shares owned by the Länder for December 2012 (17.3 percent), according to data from another

setzungsgesetz [Act on Appointments to Federal Bodies] for the federal administration.« Shaping Germany's Future, coalition agreement between CDU, CSU and SPD, 18<sup>th</sup> legislative period (2013), 102.

**16** Of the 87 companies that had direct government holdings on the reporting date of December 31, 2011, the small shareholdings in housing associations and also two companies without their own corporate boards and one company that was removed from the list of companies with government-owned shares in 2013 were not included in the present analysis. See Federal Ministry of Finance (Bundesministerium der Finanzen), Die Beteiligungen des Bundes. Beteiligungsbericht 2012 (Berlin: 2013).

**17** They were Dr. Almut Wieland-Karimi at the Center for International Peace Operations (Berliner Zentrum für Internationale Friedenseinsätze gGmbH), Tanja Gönner at the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) gGmbH, Sabine Brünger-Weilandt at the Fachinformationszentrum Karlsruhe (FIZ), and Dr. Jutta Allmendinger at the Berlin Social Science Center (Wissenschaftszentrum Berlin für Sozialforschung, WZB). The Bayreuther Festspiele GmbH had two chairwomen, Eva Wagner-Pasquier and Katharina Wagner.

**18** This is at Helmholtz-Zentrum Berlin für Materialien und Energie GmbH.

**19** However, there were also slightly fewer companies compiling data on board composition or with no supervisory board. The supervisory board at TLG Immobilien and Gästehaus Petersberg, for example, was dissolved.

er study.<sup>20</sup> The proportion of female supervisory board members was somewhat higher in companies owned by major cities and Länder capitals (almost 27 percent).

Unlike in the private economy, supervisory board positions in public companies are frequently linked to a senior public administration post or to a political position. As a result of this coupling of public sector functions with board appointments, the proportion of women in the upper echelons of public administration and political office has an impact on the share of women on the supervisory boards of public companies.

Overall, the findings on both the current share of women on the corporate boards of companies with government-owned shares and the development of this trend are disappointing. It would be preferable for the public sector to be playing a pioneering role and leading the way forward for private companies in a credible and exemplary manner by appointing more women to top-level management positions. However, public companies currently still have a long way to go in order to achieve this.

### Political Initiatives at National and International Level

In recent years, various countries have introduced gender quotas for the highest decision-making bodies in companies. The leader in this field is Norway, which, in 2003, passed a law stipulating that 40 percent of seats on the boards of directors of companies had to be filled by women. Companies were given four years to fulfill these requirements.<sup>21</sup> If a company does not comply with this quota, it can be liquidated by court order. In 2011, France, Belgium, and Italy also implemented statutory quotas with sanctions for non-compliance. The Netherlands (2011), Spain (2007), and Iceland (2010) introduced quotas without sanctions. Denmark, Finland, Greece, Austria, and Slovenia have regulations for state-owned or state-controlled companies. Other countries, including Germany, have voluntary provisions which are pri-

marily integrated into corporate governance codices under the heading »Diversity Management«, for example.<sup>22</sup>

In their coalition agreement, the SPD, CDU, and CSU have now included a statutory gender quota for new supervisory board appointments in selected companies: »Those supervisory boards of listed companies subject to codetermination laws that are due to be reappointed from 2016 must have a gender quota of at least 30 percent.«<sup>23</sup> If a supervisory board does not achieve this share, seats should remain vacant. The aim is also to introduce a »flexi quota« for executive boards, upper management levels, and the supervisory boards of companies to which the statutory quota does not apply.<sup>24</sup>

At the EU level, in November 2013, the European Parliament approved a draft directive from the European Commission that sets a minimum objective of 40 percent of the underrepresented gender on the supervisory boards of major publicly listed companies.<sup>25</sup> The draft directive is yet to be adopted by the Council of Ministers. In the past, a number of EU countries, including Germany, were opposed to such a proposal.<sup>26</sup> It therefore remains to be seen whether the new German government will adopt a different stance on the EU quota.

### More Women on Corporate Boards in Northern Europe

The European Commission regularly publishes information on the representation of women and men in leading decision-making positions in the economy, politics, public administrations, and the judiciary in European countries.<sup>27</sup> However, there are significant international differences in companies' corporate governance structures that must be taken into consideration. Therefore, when analyzing the participation of women, compari-

<sup>20</sup> U. Papenfuß, S. Behrens, and T. Sandig, *Frauen in Top-Gremien öffentlicher Unternehmen*, Zeitschrift für Corporate Governance, no. 8 (2013): 5–9.

<sup>21</sup> From January 2004, this law was initially only binding for all state-owned and municipal companies; for privately owned companies, the law only came into force in 2006 after they had not voluntarily met the quota within two years: »They were granted a further two-year transition period to implement the law giving them until 2008 to achieve the quota. For all newly created limited companies, the law already applied from January 2006.« See A. Storvik and M. Teigen, *Das norwegische Experiment—eine Frauenquote für Aufsichtsräte*, Friedrich-Ebert-Stiftung, Internationale Politikanalyse 6 (Berlin: 2010), accessed on January 2, 2014, [library.fes.de/pdffiles/id/ipa/07310.pdf](http://library.fes.de/pdffiles/id/ipa/07310.pdf).

<sup>22</sup> For an overview of these provisions, see European Commission *Women in economic decision-making in the EU* (2012). Since 2011, the DAX 30 companies have also committed themselves to a specific target with regard to the number of women in senior management, see *Frauen in Führungspositionen* (2014).

<sup>23</sup> *Shaping Germany's Future*. Coalition agreement between the CDU, CSU, and SPD, 18<sup>th</sup> legislative period (2013).

<sup>24</sup> »From 2015, listed companies or those subject to codetermination regulations shall be legally obliged to specify and publish their targets for increasing the share of women on their supervisory boards, executive boards, and in top management and to report on this in a transparent manner,« *Shaping Germany's Future* (2013), 102.

<sup>25</sup> European Commission, *Cracking Europe's Glass Ceiling: European Parliament Backs Women on Boards Proposal*, press release, Brussels, November 20, 2013, IP/13/1118.

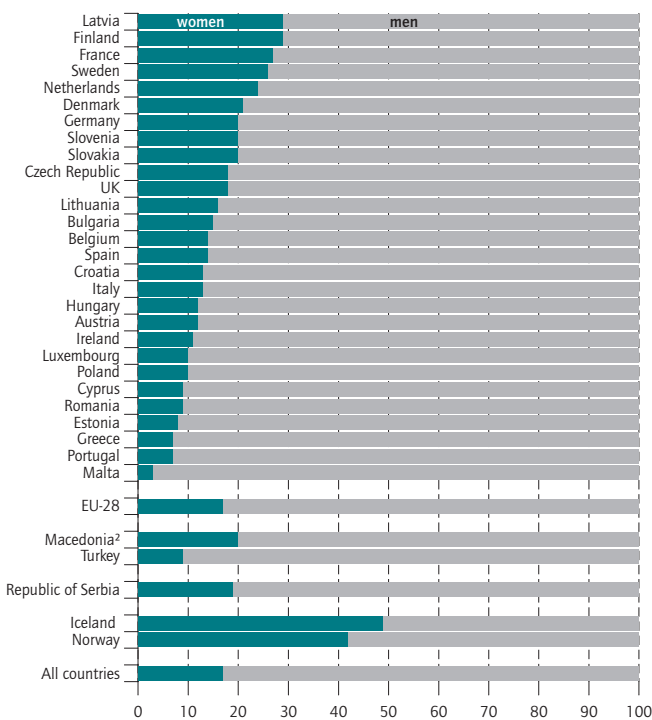
<sup>26</sup> C. Gammelin and R. Roßmann, *EU-Frauenquote in Gefahr*, *Süddeutsche Zeitung*, March 6, 2013.

<sup>27</sup> European Commission, *Database: women & men in decision making*, [http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index_en.htm), accessed on December 28, 2013.

Figure 2

**Women in the Highest Decision-Making Bodies<sup>1</sup> of the Largest Listed Companies in Europe in 2013**

Percentage



<sup>1</sup> Members of the board of directors (supervisory board if supervisory and executive functions are separated).  
<sup>2</sup> Former Yugoslav Republic.  
 Sources: Database: women & men in decision making. Last updated April/May 2013; graph by DIW Berlin.

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In a European comparison, Germany was slightly above the average for the 28 EU countries in 2013.

sions are drawn between boards, the function and composition of which differ from country to country: a key distinction is whether a corporate governance structure is dualistic or monistic. In countries with a dualistic system, the governing bodies of a company are the executive and the supervisory board; in countries with a monistic structure, companies have only one committee (the *board of directors*) where some board members fulfil executive functions and others do not. In certain countries, both structures exist.<sup>28</sup> A second important differ-

<sup>28</sup> The countries with a dualistic structure are Germany, Estonia, Latvia, Austria, Slovakia, and the Czech Republic. Those with a monistic structure are Belgium, Greece, Ireland, Iceland, Liechtenstein, Malta, Norway, Sweden, Spain, Cyprus, and the UK. Countries where companies can choose the structure are

ence is whether a company is codetermined or not, i.e., whether or not employees have the right to representation on the top decision-making committee. In ten EU countries, there are no corporate codetermination provisions in place. In another five countries, corporate codetermination is confined to companies owned by national or local governments. In 13 EU countries and in Norway, codetermination applies to both public and private companies. However, codetermination regulations vary considerably.<sup>29</sup> Consequently, when comparing the influence of women in economic decision-making positions internationally, it is important to take into account whether these women have executive or supervisory and monitoring functions and whether they represent the interests of the employees or the shareholders.

The European Commission data encompass 34 European countries. However, they are confined to the largest publicly listed companies by market trades that are registered in each country (DAX 30 companies in Germany and between nine and 50 companies in each of the other countries). The fact that these major companies are particularly in the public eye may contribute to them having more female representatives on their corporate boards than groups of companies that attract less attention. Another factor is that the data for those countries with dualistic corporate governance structures refer to supervisory boards, and for those with monistic systems, the data covers the entire board of directors including executive directors.

Despite these caveats, the European comparison provides a general overview of the current situation and the trend in the representation of women in the highest decision-making bodies of companies. Overall, in mid-2013, women's representation on these corporate boards was 17 percent (see Figure 2). Germany was ranked slightly above average with an approximately 20-percent share of women on its supervisory boards. The Nordic countries Finland, Sweden, Denmark, Iceland, and Norway were at the top of the rankings along with Latvia. France and the Netherlands were also at the forefront.

Bulgaria, Denmark, Finland, France, Italy, Lithuania, Luxembourg, the Netherlands, Portugal, Romania, Slovenia, and Hungary.

<sup>29</sup> For details, see L. Fulton, Worker representation in Europe, Labour Research Department and European Trade Union Institute (ETUI) (2013), [de.worker-participation.eu/Nationale-Arbeitsbeziehungen/Quer-durch-Europa/Unternehmensmitbestimmung](http://de.worker-participation.eu/Nationale-Arbeitsbeziehungen/Quer-durch-Europa/Unternehmensmitbestimmung); and A. Conchon, N. Kluge, and M. Stollt, Table: Worker board-level participation in 31 European Economic Area countries, European Trade Union Institute (ETUI), July 2013 update, accessed on January 2, 2014, [de.worker-participation.eu/Nationale-Arbeitsbeziehungen/Quer-durch-Europa/Unternehmensmitbestimmung/TABLE-Worker-board-level-participation-in-the-31-European-Economic-Area-countries](http://de.worker-participation.eu/Nationale-Arbeitsbeziehungen/Quer-durch-Europa/Unternehmensmitbestimmung/TABLE-Worker-board-level-participation-in-the-31-European-Economic-Area-countries).

## Share of Women in Top Decision-Making Bodies Rising Fastest in Countries with Quotas

In recent years, the proportion of women on corporate boards has mainly increased in countries which have introduced legislation to promote equal participation of women and men in decision-making bodies.<sup>30</sup> This applies to France, the Netherlands, and Iceland in particular. In France, the share of women in top decision-making bodies increased from 12 (2010) to 27 percent (2013) following the introduction of a quota in 2011. A quota was also introduced in the Netherlands in 2011 and the proportion of women on corporate boards there increased from 15 to 24 percent during the same period. The corresponding increase in Iceland was from 16 (2009) to 49 percent (2013) since the introduction of a quota in 2010.<sup>31</sup>

The chairs of corporate boards are not subject to quotas—growth here was correspondingly low. The overall average proportion of chairwomen was five percent (three percent for Germany).

## Studies on Economic Effects of a Women's Quota Using the Example of Norway: Mixed Picture

In the discussion on the women's quota, a frequent question is what economic effects equal participation of women in supervisory boards would have on companies. However, the empirical research indicates that this question is complex and cannot be answered conclusively. In the course of the introduction of the women's quota in Norway, some empirical studies on its effects were conducted:

One study<sup>32</sup> shows that companies affected by the quota make fewer personnel cutbacks and consequently have higher wage costs in comparison to other companies. The explanation given for this is that female directors have a different management style to their male counterparts. However, it is not clear whether this means that female directors take account of the interests of the employees at the expense of the investors due to a strong stakeholder orientation. It is possible they make fewer staff cutbacks because they are more focused on the long-term in-

terests of the shareholders than maximizing short-term profits: retaining personnel enables them to avoid future recruitment and training costs. A second study<sup>33</sup> examines the correlation between female directors and innovation. The findings: it is only from a critical mass of at least three women that a positive effect on the innovative capacity of a company can be seen. The advantages women bring into the decision-making process on corporate boards (for instance, new ideas and perspectives, more productive discussions) only become apparent when several women are present. A third study<sup>34</sup> addresses the question of whether women on corporate boards are integrated or sidelined. While it has been found that even individual women are seldom sidelined as directors, the influence of female directors increases if there are several women on the board. A fourth study<sup>35</sup> indicates that the announcement of the planned quota in Norway had a negative effect on stock prices. However, a negative correlation between women on corporate boards and developments on the stock market may also be caused by prejudices against these women on the part of investors and it does not necessarily prove that women in fact have a negative impact on a company's results.<sup>36</sup> A fifth study<sup>37</sup> finds that the effect of the quota on the return on investment of the companies concerned is insignificant. It is surmised that, contrary to popular belief, the resources and perspectives that women bring to corporate boards may not be all that different from men's.

Overall, a mixed picture emerges from the literature on the effect on company performance of women on corporate boards—in Norway and also elsewhere<sup>38</sup>—and fur-

<sup>30</sup> European Commission, Women in economic decision-making in the EU: Progress report (Luxembourg: 2012).

<sup>31</sup> European Commission, Database: women & men in decision making, accessed on December 28, 2013, [ec.europa.eu/justice/genderequality/gender-decision-making/database/index\\_de.htm](http://ec.europa.eu/justice/genderequality/gender-decision-making/database/index_de.htm).

<sup>32</sup> D. A. Matsa and A. R. Miller, A Female Style in Corporate Leadership? Evidence from Quotas, *American Economic Journal: Applied Economics* 5(3) (2013): 136–69.

<sup>33</sup> M. Torchia, A. Calabrò, and M. Huse, Women Directors on Corporate Boards: From Tokenism to Critical Mass, *Journal of Business Ethics* 102(2) (2011): 299–317.

<sup>34</sup> B. Elstad and G. Ladegard, Women on corporate boards: key influencers or tokens?, *Journal of Management & Governance* 16(4) (2012): 595–615.

<sup>35</sup> K. R. Ahern and A. K. Dittmar, The Changing of the Boards: The Impact on Firm Valuation of Mandated Female Board Representation, *Quarterly Journal of Economics* 127(1) (2012): 137–197. The date that is relevant for the announcement of the quota system and the subsequent reaction of the stock markets is disputed. Another study uses a different date and identifies a positive effect. See K. Nygaard, Forced Board Changes: Evidence from Norway, Norwegian School of Economics and Business Administration Discussion Paper SAM 5 (2011).

<sup>36</sup> On this, see S. A. Haslam, M. K. Ryan, C. Kulich, G. Trojanowski, and C. Atkins, Investing with Prejudice: the Relationship Between Women's Presence on Company Boards and Objective and Subjective Measures of Company Performance, *British Journal of Management* 21(2) (2010): 484–497; F. Dobbin and J. Jung, Corporate Board Gender Diversity and Stock Performance: The Competence Gap or Institutional Investor Bias?, *North Carolina Law Review* 89(3) (2011): 809–838.

<sup>37</sup> H. Dale-Olsen, P. Schøne, and M. Verner, Diversity among Norwegian Boards of Directors: Does a Quota for Women Improve Firm Performance?, *Feminist Economics* 19(4) (2013): 110–135.

<sup>38</sup> See, for example, R. B. Adams and D. Ferreira, Women in the boardroom and their impact on governance and performance, *Journal of Financial Economics* 94(2), (2009): 291–309 (US); K. Campbell and A. Minguez Vera, Female board appointments and firm valuation: short and long-term effects, *Journal of*



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 senior management 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 senior management 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 monitoring along with incentives and sanctions are further steps needed to achieve the desired objective.
3. Transparency in appointments and promotion to senior management positions is another important prerequisite. This would make it possible to evaluate performance objectively using clearly defined criteria. Moreover, increased transparency concerning salaries and bonus payments would be a step in the right direction.

4. It is important to call into question the norms and structures derived from the traditional everyday realities of men—such as excessive working hours and a permanent presence culture—and to introduce flexible career models for both genders. Irrespective of the need to reconcile family and working life, the subject of work-life balance in senior management positions continues to gain importance for both women and men.
5. Corporate culture must become more open to women in senior management positions, and gender stereotypes should be dismantled. New role models in senior 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, E. Holst and J. Schimeta, *Slightly More Women in Germany's Corporate Boardrooms—Especially in DAX 30 Companies*, DIW Economic Bulletin, no. 3 (2013).

ther research is required. The different findings may be attributed to the research methods used, for instance, decisions about sample selection, observation period, indicators, and methods of analysis. It is becoming clear that the effect of women's representation on corporate boards depends on a variety of factors. It should generally be taken into account whether there is only one or several women on the board, what position they hold, and whether or to what extent the influence of female employee representatives differs from that of female shareholder representatives. Effects on company performance can be measured in various ways, for instance, based on profitability, share prices, innovation, or reputation. These effects can also be either long or short term. Company performance generally depends on numerous factors so it is difficult to isolate the impact of one or several women on the corporate board from other influences.

Management & Governance 14(1) (2010): 37-59 (Spain); M. Lücknerath-Rovers, *Women on boards and firm performance*, Journal of Management & Governance 17(2) (2013): 491-509 (Netherlands).

### Conclusion

The share of women on corporate boards has tended to increase in 2013, but only to a limited extent. The proportion of women on the supervisory boards of the SDAX companies was 13.1 percent, of the top 200 companies 15.1 percent and of the DAX 30 companies 21.9 percent. However, a good half to over two-thirds of the female members of supervisory boards are employee representatives. For public companies, the share of women fell to just over 18 percent. There is very little difference in the structures and trends of the proportion of women in the top 200 companies and the listed companies studied in the present report. Despite the progress in individual company groups, egalitarian structures between women and men are still utopian everywhere.

There is still an overwhelming predominance of men on executive boards. It is striking that as far as the top 200 companies are concerned, virtually nothing had changed in this respect at the end of 2013 compared

to the previous year: with a share of just over four percent, women were particularly underrepresented there. In the DAX 30 companies, the positive development on executive boards observed in the past could not be sustained, but rather there has been a decline—which indicates that more women on corporate boards in the long term is not a self-sustaining process. Even in the companies with government-owned shares, which are generally considerably smaller, a proportion of only almost 13 percent was achieved. Despite some positive trends, there is currently no light at the end of the tunnel on the executive boards—and this applies to all company groups studied.

The effectiveness of non-binding measures to increase the share of women on corporate boards is therefore repeatedly called into question, recently, for instance, by the CEO of Siemens AG, Joe Kaeser. In October 2013, he openly called for mandatory quotas if companies are unable to voluntarily increase the proportion of women in senior management accordingly.<sup>39</sup> In the end, however, it is up to the companies themselves to improve the situation. This requires clear objectives and the determination to accomplish them in limited periods of time. In recent years, DIW Berlin developed a five-point plan with some basic ideas on how to increase the share of women on corporate boards (see box).

One example that shows companies can also make considerable progress through voluntary commitments is Finland. Here the Chamber of Commerce is dedicated to achieving higher proportions of women on boards by means of self-regulation and not through government quotas—and with some success (2013: 23 percent, 2003: 7 percent).<sup>40</sup> According to the Finnish Chamber of Commerce, in order to guarantee long-term and sustainable change, the proportion of women in senior management, i.e., below these top-level positions, must also be systematically increased. Companies in Germany and their stakeholder organisations can therefore find role models among their European neighbors.

The grand coalition's plans to introduce a women's quota of 30 percent for new appointments to supervisory boards in 2016 is a first step which still gives companies some time to take action. Therefore, no dramatic changes are expected here for the next few years. In light of the low initial number of women on boards shown in

the present report, progress is expected to be very slow. If, however, gender equality on corporate boards is to be fundamentally improved in the foreseeable future, significantly greater steps must be taken.

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

Keywords: Board composition, female directors, corporate boards, women CEOs, gender equality, management, listed companies, private companies, public companies, women's quotas

<sup>39</sup> Frauen in Führungspositionen: Siemens-Chef Kaeser offen für gesetzliche Quote, Spiegel-online, October 25, 2013, [www.spiegel.de/wirtschaft/soziales/top-managementsiemens-chef-kaeser-offen-fuer-gesetzliche-frauen-quote-a-929868.html](http://www.spiegel.de/wirtschaft/soziales/top-managementsiemens-chef-kaeser-offen-fuer-gesetzliche-frauen-quote-a-929868.html).

<sup>40</sup> See Keskus-Kauppakamari, Boardroom Success for Women – Challenges in Business Management. The 3<sup>rd</sup> Women Executives report by Finland. Chamber of Commerce 2013 (Helsinki: November 2013).





Dr. Elke Holst, Research Director Gender Studies in the Department of the Executive Board of DIW Berlin

## SIX QUESTIONS TO ELKE HOLST

# »Public Companies Could Play a Pioneering Role«

1. Dr. Holst, DIW Berlin examines the representation of women on executive boards and on the supervisory and administrative boards of the largest companies in Germany every year. Did more women make it to the highest decision-making bodies in 2013 than in previous years? We have seen a moderate upward trend, especially on supervisory boards. Women are still overwhelmingly underrepresented on executive boards.
2. Where has there been the most significant progress? Progress has occurred in small steps so we can't talk about significant progress. The proportion of women on the executive boards of DAX 30 companies has actually declined.
3. What about companies with government-owned shares? Public companies could play a pioneering role. But this has not been part of the coalition agreement so far. Based on our studies, we can say that companies with government-owned shares are still far from playing a pioneering role—let alone being role models.
4. In the coalition agreement, SPD, CDU, and CSU agreed on a binding gender quota for new appointments to the supervisory boards of selected companies. Is this the right way forward? Even the discussions about the gender quota themselves have had an effect in this country, namely raising awareness that women are massively underrepresented in top-level management positions. Regulations on new appointments are intended to achieve a 30-percent proportion of women on supervisory boards from 2016. This is one way to go. But we don't expect it to lead to very rapid progress.
5. You have also examined the proportion of women in the financial sector. What is the situation there? The proportion of women employees in the financial sector is well above 50 percent. Actually, one might expect that women here would be promoted more frequently and there would be exemplary human resource planning. But this doesn't appear to be the case. The proportion of women on the executive boards of public banks is even lower than in the cooperative or private banks. In addition, the proportion of women on the supervisory boards of public banks is declining. Here, and in the financial sector in general, there is a lot of catching up to do.
6. How does Germany fare compared to other European countries when it comes to giving top-level management positions to women? The Nordic countries are at the forefront in Europe. But Germany doesn't look too bad either, because the supervisory boards of the DAX 30 companies are used in the comparison. This means that female employee representatives appointed to these bodies are also counted, which is not the case in many other countries. They have only one corporate board. German companies' executive boards have very low proportions of women. Germany's strong position is also due in part to the codetermination regulations in this country. We also know that there are countries that have made more progress without quotas, Finland, for example. Here, companies have set their own ambitious objectives. The proportion of women on corporate boards rose from seven percent in 2003 to 23 percent in 2013. It would be nice if we could have such a positive development in Germany, too.

Interview by Erich Wittenberg.

# Financial Sector: Upward Trend in Share of Women on Corporate Boards Progressing Only in Small Steps

by Elke Holst and Anja Kirsch

Last year, more women were appointed to the executive boards of major financial institutions. The share of women on the executive boards of banks and savings banks at the end of 2013 was a good six percent, which represents an increase of almost two percentage points over the previous year. This increase is primarily attributable to changes at private financial institutions and cooperative banks. At the public banks, however, both the share of women on executive boards and changes over the previous year were below average. The share of women on supervisory boards in this area of the financial sector actually decreased. Since the private and cooperative banks were not able to compensate for this, the trend toward more women on the supervisory boards of the 100 largest financial institutions was broken. At the end of 2013, the share of women on supervisory boards was just over 17 percent, but this figure was just under 18 percent one year previously. The percentage of women on the executive boards of insurance companies was slightly higher than at the banks (nearly nine percent; up almost three percentage points) but slightly lower on supervisory boards (over 16 percent; up one percentage point). Since the initial values were so small, this was not enough to overturn the overwhelming predominance of men in the highest decision-making bodies of companies in the financial sector—despite more than half of employees being women. Considerable efforts and structural changes are needed if even remotely egalitarian structures on corporate boards are to be achieved in the foreseeable future. The challenges faced by public financial institutions are at least as difficult as they are for other institutions. Proactive human resource development policies would be a good start, but they require clear targets and timelines.

DIW Berlin conducts an annual analysis of the representation of women on the executive and management boards (henceforth executive boards) and also the supervisory boards and administrative boards (henceforth supervisory boards<sup>1</sup>) of companies in Germany's financial sector.<sup>2</sup> The survey includes the 100 largest banks, based on total assets, as well as the 60 largest insurance companies, based on revenues from premiums.<sup>3</sup> Representation of women on the highest decision-making bodies of public banks and savings banks is compared to that in private banks and cooperative banks.

Women's representation on the executive boards and supervisory boards of companies outside the financial sector is discussed in a separate article in this issue of DIW Economic Bulletin. That survey includes the 200 largest businesses outside the financial sector, the DAX 30, MDAX, SDAX, and TecDAX companies, as well as 60 companies with government-owned shares.<sup>4</sup> Taken together, the two reports show the extent to which women are represented in the highest decision-making bodies of over 500 companies.

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

<sup>2</sup> Most recently in 2013, see E. Holst and J. Schimeta, *The German Financial Sector: Male Dominance in Top Decision-Making Bodies Remains Pervasive*, DIW Economic Bulletin, no. 3 (2013).

<sup>3</sup> The largest banks and savings banks by total assets (2012) were sourced from H. Huck, *Top 100 der deutschen Kreditwirtschaft: Veränderte Bankenlandschaft*, *Die Bank - Zeitschrift für Bankpolitik und Praxis* 8 (2013): 34–35. The selection of the largest insurance companies according to revenues from premiums (2012) was based on Wolters Kluwer Deutschland GmbH: *Die großen 500. Deutschlands Top-Unternehmen* (November 2013). Research on the composition of the highest decision-making bodies of the banks, savings banks, and insurance companies was conducted from November through the end of December 2013. The 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 enquiries to companies made by DIW Berlin.

<sup>4</sup> The findings are presented in the first article 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	2013
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	57.0
Central banks and credit institutions	57.2	57.3	57.5	57.6	57.8	57.8	58	57.8	57.2	57.3	57.6	57.6	57.6	57.5	57.5
Insurance companies, reinsurance companies, and pension funds (excluding social security) <sup>2</sup>	46.8	47.2	47.6	47.8	48	48.3	48.8	49.1	48.9	48.8	50.0	49.2	49.2	49.3	49.7
Activities associated with financial and insurance services <sup>3</sup>	60.2	60	59.7	60.4	61.3	61.5	62.1	61.1	61.6	61.5	61.2	60.9	60.8	60.8	60.2

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" up to 2008.

Source: German Federal Employment Agency; table by DIW Berlin.

The majority of employees in the financial sector are women.

**Many More Women Than Men Employed in Financial Sector**

Women make up the majority of employees in the financial sector: in 2013, 57 percent of employees subject to social insurance contributions in the financial services industry were women; in the case of central banks and credit institutions, this figure was 57.5 percent; for insurance companies, reinsurance companies, and pension funds, it was 49.7 percent (see Table 1).

In most sectors in which the share of women is above average, the number of women in leadership positions is also relatively high—yet this is not the case in the financial sector, as evidenced recently by the Institute for Employment Research (IAB).<sup>5</sup> Based on a 55-percent share of women in the financial sector, only 11 percent of top-level management were women, and in the second tier of management, it was 27 percent. For comparison: In the catering and hotel industry, 60 percent of employees were women, and their shares in the top two levels of management were 40 and 52 percent, respectively. In the energy, water, waste, and mining sectors, where women account for just 14 percent of employees, they represented 18 and 20 percent of the top two management tiers, respectively.

5 S. Kohaut and I. Möller, Frauen in Führungspositionen: Punktgewinn in westdeutschen Großbetrieben, IAB-Kurzbericht 23 (2013), accessed on January 2, 2014, [doku.iab.de/kurzber/2013/kb2313.pdf](http://doku.iab.de/kurzber/2013/kb2313.pdf).

**Top 100 Banks and Savings Banks**

**Executive Boards: Predominance of Men Remains Overwhelming**

In 2013, the share of women serving on the executive boards of the top 100 banks and savings banks increased by almost two percentage points over the previous year, to roughly six percent. There were 25 women among the total of 396 members of executive boards (compared to 17 in 2012). At the same time, the number of men on executive boards declined from 390 to 371 (see Table 2). The representation of women on executive boards remained very low despite the increases due to low initial levels: in only 24 of 100 banks were there any women at all serving on executive boards, and in every case but one, it was just one woman. The position of CEO remained firmly in the hands of men: just three of the 100 CEOs were women.<sup>6</sup> Overall, the predominance of men remained overwhelming, despite the positive trend.

**Supervisory Boards: Slight Decline in Share of Women**

The share of women on the supervisory boards of banks and savings banks was a good 17 percent (255 positions) at the end of 2013. This corresponds to a decline of slightly less than one percentage point or ten positions over the previous year. Four more positions were held by

6 Manuela Better at Deutschen Pfandbriefbank AG, Unterschleißheim; Dr. Birgit Roos at Sparkasse Krefeld, and Eva Wunsch-Weber at Frankfurter Volksbank e.G., Frankfurt/Main.

Table 2

**Women on the Supervisory Boards and/or Executive Boards of Large Banks, Savings Banks, and Insurance Companies in Germany<sup>1</sup>**

	Banks and savings banks								Insurance companies							
	2006	2007	2008	2009	2010	2011	2012	2013	2006	2007	2008	2009	2010	2011	2012	2013
<b>Executive boards/management boards</b>																
Total number of companies	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
With data on composition	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
With women on executive board	10	9	7	9	10	12	17	24	10	13	9	11	10	14	21	29
<b>Percentage</b>	<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>24.0</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>	<b>48.3</b>
Total number of members	442	430	414	418	408	404	407	396	394	411	372	392	399	385	384	396
Men	431	420	406	407	396	391	390	371	384	398	363	381	389	370	362	362
Women	11	10	8	11	12	13	17	25	10	13	9	11	10	14	22	34
<b>Percentage of women</b>	<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>6.3</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>	<b>8.6</b>
Total number of chairpersons	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
Men	98	98	100	100	98	99	97	97	63	65	57	62	62	59	60	59
Women	2	2	0	0	2	1	3	3	0	0	0	0	0	0	1	1
<b>Percentage of women</b>	<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>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>1.6</b>	<b>1.7</b>
<b>Supervisory boards/administrative boards</b>																
Total number of companies	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
With data on composition	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
With women on supervisory board	89	91	85	87	88	88	88	89	46	49	42	48	48	45	50	50
<b>Percentage</b>	<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>89.0</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>	<b>83.3</b>
Total number of members	1633	1573	1566	1555	1548	1567	1491	1485	812	831	727	734	732	689	704	683
Men	1387	1331	1324	1294	1295	1307	1226	1230	720	726	629	643	645	599	596	572
Women	246	242	242	261	253	260	265	255	92	105	98	91	87	90	108	111
<b>Percentage of women</b>	<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>17.2</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>	<b>16.3</b>
Total number of chairpersons	100	100	100	100	100	100	100	100	63	65	58	62	62	59	61	60
Men	97	95	97	96	97	98	97	97	63	65	57	61	61	58	60	59
Women	3	5	3	4	3	2	3	3	0	0	1	1	1	1	1	1
<b>Percentage of women</b>	<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>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>	<b>1.7</b>
Companies with data on employee representation	33	55	51	50	44	53	56	36	24	41	38	52	34	33	39	27
Total number of members	599	858	767	764	642	738	786	564	291	455	444	634	351	385	411	312
Men	496	731	654	637	549	628	649	455	256	406	390	555	319	347	358	266
Women	103	127	113	127	93	110	137	109	35	49	54	79	32	38	53	46
Female employee representatives	85	95	84	91	62	78	87	69	32	45	41	63	26	36	43	34
<b>As a percentage of women members</b>	<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>63.3</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>	<b>73.9</b>

<sup>1</sup> At year end.

Source: calculations by DIW Berlin.

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In 2013, there were more women on the executive boards of banks, savings banks, and insurance companies than in the previous year.

men. Women were represented on 89 of the 100 supervisory boards, three women were chairs.<sup>7</sup> Data on employee representation was provided by 36 banks and savings banks: their supervisory boards included 109 women, 69 of whom were employee representatives, which corresponds to almost two-thirds (a good 63 percent) of women serving on supervisory boards. Therefore, the share of female employee representatives among women serving on supervisory boards was practically unchanged over the previous year.

No women at all served on the supervisory boards of 11 of the top 100 banks and savings banks (see Figure 1). The share of women on most supervisory boards was at most one in five; 22 banks and savings banks had a share of at least one in four on their supervisory boards; and in only ten banks and savings banks did women make up at least one-third of the supervisory board (see Table 3). Women made up the majority on the supervisory board of just one bank, namely IBB Investitionsbank Berlin (five of nine seats).

<sup>7</sup> Marija G. Korsch at Aareal Bank AG, Wiesbaden; Karoline Linnert at Bremer Landesbank Kreditanstalt Oldenburg – Girozentrale, Bremen; and Cornelia Yzer at IBB Investitionsbank Berlin, Berlin.

Table 3

**Largest 100 Banks and Savings Banks with at Least 25 Percent Women on the Supervisory Board at Year End 2013**

Rank	Company	Total number of members	Men	Women	Percentage of women	Legal form
47	IBB Investitionsbank Berlin, Berlin	9	4	5	56	public
55	Investitionsbank des Landes Brandenburg, Potsdam	18	11	7	39	public
1	Deutsche Bank AG, Frankfurt/M.	20	13	7	35	private
24	Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall	21	14	7	33	cooperative
85	Sparkasse Essen, Essen	15	10	5	33	public
89	BB Bank eG, Karlsruhe	15	10	5	33	cooperative
98	Stadtsparkasse Wuppertal, Wuppertal	15	10	5	33	public
53	Oldenburgische Landesbank AG, Oldenburg	12	8	4	33	private
23	Dexia Kommunalbank Deutschland AG, Berlin	6	4	2	33	private
59	Comdirect Bank AG, Quickborn	6	4	2	33	private
95	Sparkasse Mainfranken, Würzburg	26	18	8	31	public
2	Commerzbank AG, Frankfurt/M.	20	14	6	30	private
57	Sparkasse Hannover, Hanover	18	13	5	28	public
62	Ostsächsische Sparkasse Dresden, Dresden	18	13	5	28	public
81	Sparkasse Krefeld, Krefeld	18	13	5	28	public
77	Sparkasse Leipzig, Leipzig	15	11	4	27	public
13	HSH Nordbank AG, Hamburg/Kiel	20	15	5	25	public
30	Deutsche Apotheker- und Ärztebank eG, Düsseldorf	20	15	5	25	cooperative
5	Unicredit Bank AG, Munich	12	9	3	25	private
31	Santander Consumer Bank AG, Mönchengladbach	12	9	3	25	private
50	Investitionsbank Schleswig-Holstein (IB), Kiel	12	9	3	25	public
60	Targobank AG & Co. KGaA, Düsseldorf	12	9	3	25	private

Source: calculations by DIW Berlin.

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In 22 banks and savings banks, more than one-quarter of supervisory board members were women.

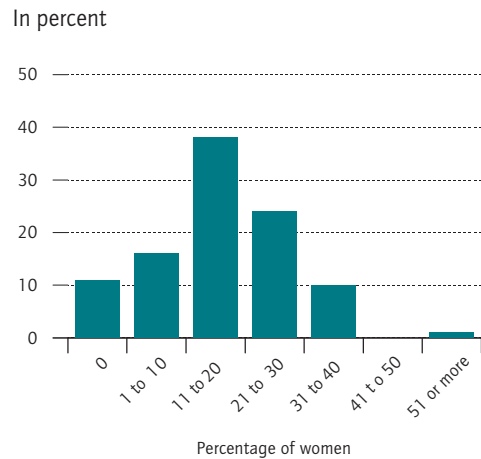
**Women on Executive Boards of Only Relatively Few Public Banks**

Since 2010, DIW Berlin has examined the largest banks and savings banks according to their legal form, differentiating between public, private, and cooperative banks.

The legislation on gender equality of both the federal and the Land governments includes regulations on equal participation of women and men in various bodies—including supervisory boards. These regulations apply, inter alia, to recruiting for positions on the supervisory boards of public banks. Recruiting for positions on the executive boards of public banks, however, is only rarely subject to the provisions of such legisla-

Figure 1

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



Quelle: DIW Berlin.

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Women accounted for more than half the supervisory board of just one bank.

tion on gender equality.<sup>8</sup> An assessment as to whether public financial institutions can serve as role models for the other banks concerning gender equality, and whether possibly existing directory provisions are proving effective for the composition of bodies in this sector, can be achieved by considering the various types of banks separately.

Almost all public banks (94 percent) have at least one woman serving on their supervisory boards, as do the cooperative banks (see Table 4). This is the case for just 77 percent of private banks. The share of women on the supervisory boards of public banks has decreased (by one percentage point). This decline could not be compensated by the slight increases in private and cooperative banks, so the share of women on supervisory boards has dropped overall as well. Women accounted for 17.5 percent of seats on the supervisory boards of public banks at the end of 2013, which corresponded roughly to the situation in private banks and was somewhat higher than in cooperative banks (slightly over 16 percent). Three of the chairs of the 100 largest banks were women: two at public banks and one at a private bank.<sup>9</sup>

The proportion of public banks with women on their executive boards—16 percent—was far lower than that of

<sup>8</sup> See J. Schimeta, *Einsam an der Spitze. Frauen in Führungspositionen im öffentlichen Sektor* (Berlin: Friedrich-Ebert-Stiftung), 50.

<sup>9</sup> See footnote 7.

Table 4

**Women on the Supervisory Boards and/or Executive Boards of Large Banks, Savings Banks, and Insurance Companies in Germany by Legal Form<sup>1</sup>**

	All banks and savings banks studied				Public banks				Private banks				Cooperative banks			
	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013	2010	2011	2012	2013
<b>Executive boards/management boards</b>																
Total number of companies	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
With data on composition	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
With women on executive board	10	12	17	24	3	4	7	8	5	5	7	10	2	3	3	5
<b>Percentage</b>	<b>10.0</b>	<b>12.0</b>	<b>17.0</b>	<b>24</b>	<b>5.8</b>	<b>7.5</b>	<b>13.7</b>	<b>16.0</b>	<b>13.9</b>	<b>14.7</b>	<b>20.0</b>	<b>32.3</b>	<b>16.7</b>	<b>23.1</b>	<b>21.4</b>	<b>31.25</b>
Total number of members	408	404	407	396	203	197	195	193	157	151	153	128	48	56	59	62
Men	396	391	390	371	199	192	188	184	151	146	146	118	46	53	56	57
Women	12	13	17	25	4	5	7	9	6	5	7	10	2	3	3	5
<b>Percentage of women</b>	<b>2.9</b>	<b>3.2</b>	<b>4.2</b>	<b>6.3</b>	<b>2.0</b>	<b>2.5</b>	<b>3.6</b>	<b>4.7</b>	<b>3.8</b>	<b>3.3</b>	<b>4.6</b>	<b>7.8</b>	<b>4.2</b>	<b>5.4</b>	<b>5.1</b>	<b>8.1</b>
Total number of chairpersons	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
Men	100	99	97	97	52	53	50	49	34	33	34	30	12	13	13	15
Women	0	1	3	23	0	0	1	1	2	1	1	1	0	0	1	1
<b>Percentage of women</b>	<b>0.0</b>	<b>1.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>2.0</b>	<b>5.6</b>	<b>2.9</b>	<b>2.9</b>	<b>3.2</b>	<b>0.0</b>	<b>0.0</b>	<b>7.1</b>	<b>6.3</b>
<b>Supervisory boards/administrative boards</b>																
Total number of companies	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
With data on composition	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
With women on supervisory board	88	88	88	89	48	50	48	47	29	26	27	24	11	12	13	15
<b>Percentage</b>	<b>88.0</b>	<b>88.0</b>	<b>88.0</b>	<b>89</b>	<b>92.3</b>	<b>94.3</b>	<b>94.1</b>	<b>94.0</b>	<b>80.6</b>	<b>76.5</b>	<b>77.1</b>	<b>77.4</b>	<b>91.7</b>	<b>92.3</b>	<b>92.9</b>	<b>93.8</b>
Total number of members	1548	1567	1491	1485	960	999	909	885	396	349	354	321	192	219	228	244
Men	1295	1307	1226	1230	802	831	741	730	333	291	293	264	160	185	192	204
Women	253	260	265	255	158	168	168	155	63	58	61	57	32	34	36	40
<b>Percentage of women</b>	<b>16.3</b>	<b>16.6</b>	<b>17.8</b>	<b>17.2</b>	<b>16.5</b>	<b>16.8</b>	<b>18.5</b>	<b>17.5</b>	<b>15.9</b>	<b>16.6</b>	<b>17.2</b>	<b>17.8</b>	<b>16.7</b>	<b>15.5</b>	<b>15.8</b>	<b>16.4</b>
Total number of chairpersons	100	100	100	100	52	53	51	50	36	34	35	31	12	13	14	16
Men	97	98	97	97	49	51	48	48	36	34	35	30	12	13	14	16
Women	3	2	3	3	3	2	3	2	0	0	0	1	0	0	0	0
<b>Percentage of women</b>	<b>3.0</b>	<b>2.0</b>	<b>3.0</b>	<b>3.0</b>	<b>5.8</b>	<b>3.8</b>	<b>5.9</b>	<b>4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<sup>1</sup> At year end.

Source: calculations by DIW Berlin.

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The proportion of women on the executive boards of public banks was relatively low.

private (slightly over 32 percent) and cooperative banks (slightly over 31 percent). Women hold nine of 193 positions on the executive boards of public banks (just under five percent). In the case of private and cooperative banks, their shares are approximately eight percent, and by the end of 2013, the proportion of women had increased by about three percentage points over the previous year. In public banks, however, the increase was half a percentage point (one woman more than in the previous year). There was one woman CEO in each of the groups of banks (see Overview).

### Directory Provisions in Gender Equality Legislation: A Paper Tiger?

The legislation on gender equality at the federal and Land levels has not succeeded in guaranteeing equal representation of women and men on the highest decision-making bodies of public banks and savings banks. Women are not represented to a significantly greater extent on the supervisory boards of public banks than on those of other groups of banks. The representation of women on the executive boards of public banks is lower overall than in the private and cooperative banks. Thus, public banks remain far removed from a possible role as pioneers.



Overview

**Women on the Executive Boards of Large Banks, Savings Banks, and Insurance Companies in Germany in 2013**

Rank	Company		Legal form
<b>100 largest banks and savings banks</b>			
3	KfW Bankengruppe, Frankfurt/M.	Dr. Edeltraud Leibrock	Public
8	Norddeutsche Landesbank Girozentrale, Hanover	Ulrike Brouzi	Public
10	Postbank AG, Bonn4	Susanne Klöß	Private
15	ING-DiBa AG, Frankfurt/M.	Katharina Herrmann	Private
17	Deutsche Pfandbriefbank AG, Unterschleißheim	Manuela Better (CEO)	Private
19	Landwirtschaftliche Rentenbank AG, Frankfurt/M.	Imke Etori	Public
25	Aareal Bank AG, Wiesbaden	Dagmar Knopek	Private
28	Hamburger Sparkasse AG, Hamburg	Bettina Poullain	Independent savings bank
29	Volkswagen Bank GmbH, Brunswick	Dr. Heidrun Zirfas	Private
44	BMW Bank GmbH, Munich	Kerstin Zerbst	Private
45	HSBC Trinkaus & Burkhardt AG, Düsseldorf	Carola Gräfin von Schmettow	Private
46	Westdeutsche Immobilien Bank AG, Mainz	Christiane Kunisch-Wolff	Public
51	Stadtparkasse München, Munich	Marlies Mirbeth	Public
53	Oldenburgische Landesbank AG, Oldenburg	Karin Katerbau	Private
55	Investitionsbank des Landes Brandenburg, Potsdam	Gabriela Pantring, Jacqueline Tag	Public
58	Stadtparkasse Düsseldorf, Düsseldorf	Karin-Brigitte Göbel	Public
59	Comdirect Bank AG, Quickborn	Martina Palte	Private
60	Targobank AG & Co. KGaA, Düsseldorf	Maria Topaler	Private
69	Berliner Volksbank eG, Berlin	Tanja Müller-Ziegler	Cooperative
75	Sparda-Bank Südwest eG, Mainz	Karin Schwartz	Cooperative
81	Sparkasse Krefeld, Krefeld	Dr. Birgit Roos (CEO)	Public
83	Frankfurter Volksbank e.G., Frankfurt/M	Eva Wunsch-Weber (CEO)	Cooperative
87	Teambank AG, Nuremberg	Dr. Christiane Decker	Cooperative
89	BB Bank eG, Karlsruhe	Gabriele Kellermann	Cooperative
<b>60 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	
12	HUK-COBURG -Konzern	Sarah Rössler	
14	Deutsche Krankenversicherung AG DKV	Silke Lautenschläger	
17	Generali Lebensversicherung AG	Dr. Monika Sebold-Bender	
19	AXA Versicherung AG	Dr. Andrea van Aubel	
20	Zürich Deutscher Herold Lebensversicherungs-AG	Dr. Marita Kraemer, Nicole Weyerstall	
21	Allianz SE	Dr. Helga Jung	
25	Allianz Private Krankenversicherungs-AG	Dr. Birgit König (CEO)	
30	Cosmos Lebensversicherung-Aktiengesellschaft	Claudia Andersch	
33	AXA Krankenversicherung AG	Dr. Andrea van Aubel	
34	Provinzial Rheinland Konzern	Sabine Krummenerl	
35	Württembergische Lebensversicherung AG (Konzern)	Ruth Martin	
36	Bayern-Versicherung Lebensversicherung AG	Barbara Schick	
37	HDI Gerling Lebensversicherungs-AG	Iris Klunk, Barbara Riebeling	
40	Signal Krankenversicherung a.G.	Marlies Hirschberg-Tafel	
41	AXA Lebensversicherung AG	Dr. Andrea van Aubel	
42	Allianz Global Corporate & Speciality AG	Sinéad Browne	
43	DEVK Schadensversicherung-Konzern	Dr. Veronika Simons, Sylvia Peusch, Tarja Radler	
44	Alte Leipziger Lebensversicherung a.G.	Wiltrud Pekarek	
47	Generali Versicherung AG	Dr. Monika Sebold-Bender	
52	Bayerische Beamtenkrankenkasse AG	Manuela Kiechle	
53	Württembergische Versicherung AG	Ruth Martin	
56	HDI Versicherung AG	Iris Klunk, Barbara Riebeling	
58	HUK-COBURG Allgemeine Versicherungs-Aktiengesellschaft	Sarah Rössler	
59	Iduna Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe	Marlies Hirschberg-Tafel	

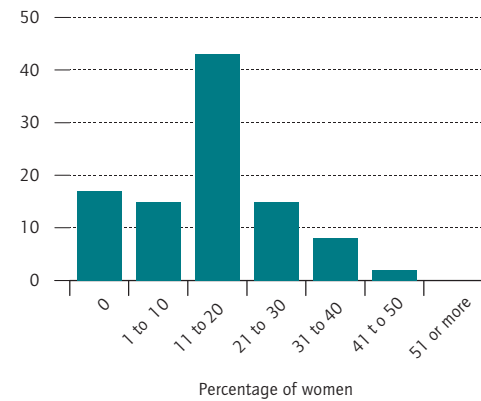
Source: survey by DIW Berlin

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Figure 2

**Top 60 Insurance Companies by Share of Women on Supervisory Boards**

In percent



Source: DIW Berlin.

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The share of women on the supervisory boards of insurance companies was seldom over 20 percent.

**Insurance Companies**

**Executive Boards: 22 Women in 34 of 396 Executive Board Positions**

In 29 (just over 48 percent) of the 60 insurance companies studied, there was at least one woman on the executive board (see Table 2). Overall, 22 women held 34 of the 396 positions on executive boards (see Overview).<sup>10</sup> The number of positions occupied by men remained constant at 362. The share of women on executive boards increased more markedly than in other areas, reaching 8.6 percent (up by almost three percentage points). Thus, insurance companies have surpassed the banks and savings banks. However, the CEO of just one insurance company was a woman.<sup>11</sup>

**Supervisory Boards: Share of Women Increased Somewhat**

Of 60 insurance companies, 50 had at least one woman on their supervisory boards (just over 83 percent). Overall, women accounted for 111 of the 683 seats on supervisory boards at the end of 2013. That corresponds to over

<sup>10</sup> Some women held positions on the executive boards of several subsidiaries of a corporation.

<sup>11</sup> Dr. Birgit König at Allianz Private Krankenversicherungs-AG.



16 percent, an increase of one percentage point over the previous year, continuing the slight upward trend observed since 2010. Just under half of insurance companies provided data on employee representation. Of the 46 female members of their supervisory boards, 34 were employee representatives and continued to account for the large majority—74 percent—of women serving on supervisory boards. This share is much higher than at the banks and shows that insurance companies are still lagging a long way behind when it comes to investors appointing women to their supervisory boards. One woman chaired a supervisory board.<sup>12</sup>

In most insurance companies (75 percent), no more than one-fifth of supervisory board members are women (see Figure 2). Women held at least one-quarter of supervisory board positions in just 12 insurance companies. In five of these, the share of women was one-third. The supervisory board was made up of the same number of men and women (see Table 5) in just a single insurance company (Allianz Versicherungs-AG).

## European Central Bank and Central Banks of EU Countries: Classic Male Domains

In 2013, the top-level management positions at the European Central Bank (ECB) as well as at the central banks of the 28 EU countries were still held overwhelmingly by men. But some changes are expected in this area:

The ECB's top decision-making body, the Governing Council, is made up of the 17 euro area countries' national central bank presidents as well as the six members of the ECB's Executive Board. From 2011 to 2013, these were all men (see Table 6).<sup>13</sup> In late 2012, another man—Yves Mersch—was appointed to the Executive Board; this decision was controversial because the European Parliament had called for the appointment of a woman.<sup>14</sup> The German member of the Executive Board, Jörg Asmussen, recently left his position to serve as Permanent State Secretary at the Federal Ministry of Labour and Social Affairs. The ECB Governing Council confirmed Deputy President of the Bundesbank, Sabine Lautenschläger, as his successor in early January 2014; the European Parliament confirmed the decision as well.<sup>15</sup> In addition, another woman, Danièle Nouy, was

<sup>12</sup> Beate Läsch-Weber at the Provinzial Rheinland corporation.

<sup>13</sup> Since Latvia's entry into the euro area on January 1, 2014, this has included the president of the Latvian central bank as well.

<sup>14</sup> See also Holst and Schimeta, *The German Financial Sector* (2013).

<sup>15</sup> EZB-Rat winkt Lautenschläger als neue Direktorin durch, Spiegel-Online, January 9, 2014. European Parliament, Parliament backs Sabine Lautenschläger for European Central Bank Executive Board, press release, January 16, 2014, [www.europarl.europa.eu/news/en/news-room/content/20140116IPR32901/html/Parliament-backs-Sabine-Lautenschlaeger-for-European-Central-Bank-Executive-Board](http://www.europarl.europa.eu/news/en/news-room/content/20140116IPR32901/html/Parliament-backs-Sabine-Lautenschlaeger-for-European-Central-Bank-Executive-Board).

Table 5

### Largest 60 Insurance Companies with at Least 25 Percent Women on the Supervisory Board at Year End 2013

Rank	Company	Total number of members	Men	Women	Percentage of women
10	Allianz Versicherungs-AG	6	3	3	50
1	Allianz Group	12	8	4	33
21	Allianz SE	12	8	4	33
7	Hannover Rückversicherungs-AG	9	6	3	33
25	Allianz Private Krankenversicherungs-AG	6	4	2	33
4	Talanx AG (Corporation)	16	11	5	31
28	SV Sparkassen Versicherung – Corporation	20	14	6	30
2	Münchener Rückversicherungs-Gesellschaft AG	20	15	5	25
5	ERGO Versicherungsgruppe AG	20	15	5	25
8	R + V Konzern	16	12	4	25
51	R + V Versicherung AG	16	12	4	25
13	Debeka Krankenversicherungsverein a. G.	12	9	3	25

Source: calculations by DIW Berlin

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Women and men were equally represented on the supervisory board of a single insurance company.

Table 6

### Women on the ECB Governing Council<sup>1</sup>

	Total number of members	Men	Women	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
2013	23	23	0	0.0

<sup>1</sup> From January 1, 2014 there are 24 members after Latvia joined the euro area. Source: EU database on the participation of women and men in decision-making processes.

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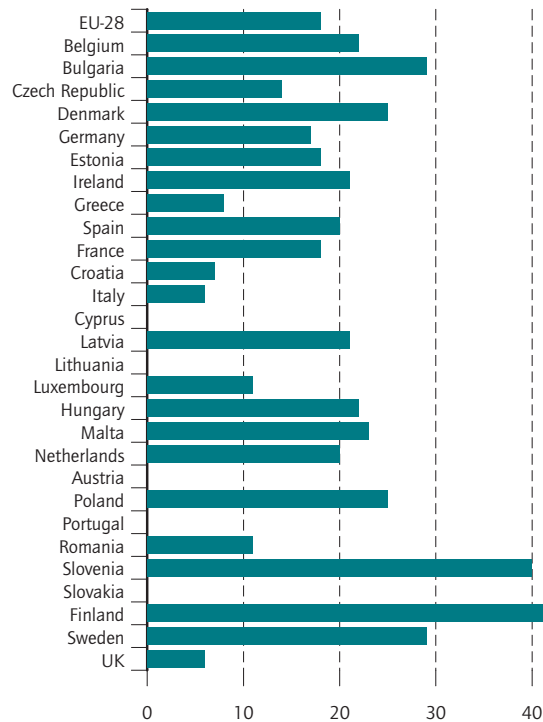
There were no women on the ECB Governing Council for the third year in a row.

schläger for European Central Bank Executive Board, press release, January 16, 2014, [www.europarl.europa.eu/news/en/news-room/content/20140116IPR32901/html/Parliament-backs-Sabine-Lautenschlaeger-for-European-Central-Bank-Executive-Board](http://www.europarl.europa.eu/news/en/news-room/content/20140116IPR32901/html/Parliament-backs-Sabine-Lautenschlaeger-for-European-Central-Bank-Executive-Board).

Figure 3

### Women on the Key Decision-Making Bodies of European Central Banks in 2013

In percent



Source: EU Database: women & men in decision making.

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The representation of women on the decision-making bodies of central banks in Europe was greatest by far in Finland and Slovenia.

appointed as Chair of the Supervisory Board of the new European banking supervisory authority (Single Supervisory Mechanism, SSM) at the European Central Bank on December 16, 2013.<sup>16</sup> Nouy had served as Secretary General of the French Prudential Supervision and Resolution Authority to date.

In 2013, the ECB introduced its own quota for women in senior management positions. The share of women in middle management is to reach 35 percent, and in more senior management, 28 percent by the end of 2019.<sup>17</sup> However, the quotas do not apply to the ECB board of directors whose members are proposed by the euro countries and confirmed by the European Parliament.

<sup>16</sup> European Central Bank, Danièle Nouy Appointed as Chair of the Supervisory Board, press release, December 16, 2013, [http://www.ecb.europa.eu/press/pr/date/2013/html/pr131216\\_2.en.html](http://www.ecb.europa.eu/press/pr/date/2013/html/pr131216_2.en.html).

<sup>17</sup> A. Rexer and M. Zdra, Förderung von Managerinnen: EZB führt Frauenquote ein, Süddeutsche Zeitung, August 29, 2013.

The European Commission publishes information about the representation of women in the most important decision-making bodies of the EU Member States' national central banks.<sup>18</sup> It reveals that women have accounted for an average of 16 to 18 percent for years (see Figure 3). In 2013, not a single EU country had a woman as president of its central bank. This was an exception in the past as well.

In 2013, the nomination of Sabine Lautenschläger and the appointment of Danièle Nouy as well as the ECB's introduction of quotas for women were important landmarks for women's equal participation in the top decision-making bodies of the European financial sector. Nonetheless, the central banks remain a traditionally male domain. Far-reaching changes are required to achieve gender equality in this sector.

### Risk Behavior and Control of Particular Relevance in Financial Sector

Women's representation on executive and supervisory boards is an important political topic at the European level. In the financial sector, two aspects in particular are the subject of discussion: firstly, whether women cause banks to adopt less risky strategies and secondly, whether they enable more effective control of banks.

First of all, there is a lack of consensus whether women serving on executive and supervisory boards are more risk-averse or more risk-loving than men in top decision-making bodies. Although many studies have shown that women in general appear to be more risk-averse than men,<sup>19</sup> it is unclear whether that also holds for women working in the top management levels of the financial sector. Several studies suggest that the opposite is the case. For example, an analysis of German banks' executive boards in the period from 1994 to 2010 shows that a higher proportion of women on the executive board resulted in a riskier business model.<sup>20</sup>

<sup>18</sup> European Commission, Database: women & men in decision-making, [ec.europa.eu/justice/gender-equality/gender-decision-making/database/index\\_en.htm](http://ec.europa.eu/justice/gender-equality/gender-decision-making/database/index_en.htm), accessed on December 28, 2013.

<sup>19</sup> This is not confirmed unequivocally by all research results, however. See J. Nelson, Are Women Really More Risk-Averse than Men?, INET Research Note, no. 12 (Institute for New Economic Thinking, 2012).

<sup>20</sup> A. Berger, T. Kick, and K. Schaeck, Executive board composition and bank risk taking, Deutsche Bundesbank Discussion Paper, no. 3 (2012); see also R. B. Adams and P. Funk, Beyond the Glass Ceiling: Does Gender Matter?, *Management Science* 58, no. 2 (2012): 219-235. On the connection between women on supervisory boards and risk behavior in the financial sector, see, for example, K. Rost and M. Osterloh, Opening the Black Box of Upper Echelons: Drivers of Poor Information Processing During the Financial Crisis, *Corporate Governance: An International Review* 18, no. 3 (2010): 212-233; E. Prügl, If Lehman Brothers Had Been Lehman Sisters ...: Gender and Myth in the Aftermath of the Financial Crisis, *International Political Sociology* 6, no. 1

It is also unclear what impact women in supervisory and control functions actually have. On the one hand, they are less frequently part of traditional networks and therefore presumably more independent in exercising management control. On the other, women on supervisory boards have less experience on average than men in top-level management positions, which could entail less effective control.

Although there is no clear evidence concerning the relationship between diversity on corporate boards (including the representation of women) on the one hand and risk behavior as well as control in the financial sector on the other, this consideration affects government regulation. In European Union (EU) regulations, gender diversity on corporate boards in the financial sector—but also diversity of age, geographical origin, and educational and professional background—is associated with more effective management control. The CRD IV package (consisting of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and Regulation 575/2013 on prudential requirements for credit institutions and investment firms) entered into force on July 17, 2013. It includes directions for increasing the share of the underrepresented gender on corporate boards in the financial sector in the EU and gives improved risk control as the reason: »More diverse management bodies should more effectively monitor management and therefore contribute to improved risk oversight and resilience of institutions.« The argument is put forward that the members have more diverse opinions and experiences and are thus in a position to question management decisions more critically than homogeneous bodies.

## Conclusion

Top-level management positions in the financial sector have traditionally been dominated by men in Western market economies. Yet the low representation of women is all the more difficult to understand since women have accounted for the majority of employees in this sector for a long time. Provided there is targeted human resource development, a sufficient number of suitable women would surely be available to fill top-level management positions. While it is true that the share of women in top-level management positions is increasing, it is not increasing enough to be able to change the massive predominance of men. In addition, observing this

issue over time reveals repeated setbacks. In this respect, significant, ongoing, and decisive efforts are still necessary to enable more women to access top-level management positions.

Public financial institutions could take on a special role in this regard. Public banks and savings banks are subject to legislation on gender equality at the federal or Land level. However, the directory provisions in this legislation have not yet resulted in equal representation of women on the supervisory boards of public financial institutions. There have been more positive developments in private and cooperative banks, at least in part. The public banks have not fulfilled expectations. Apparently, clear targets as well as timelines for implementing them are required. If they are accompanied by efficient controlling under the auspices of the relevant minister, determined action could presumably be more successful in the foreseeable future.

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JEL: G2, J16, J78, L32, M14, M51

Keywords: Financial sector, board diversity, women CEOs, gender equality, management, public and private banks, insurance companies, central banks

(2012): 21–35; R. Mateos de Cabo, R. Gimeno, and M. Nieto, Gender Diversity on European Banks' Boards of Directors, *Journal of Business Ethics* 109, no. 2 (2012): 145–162.

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## On the Relationship between Public and Private Investment in the Euro Area

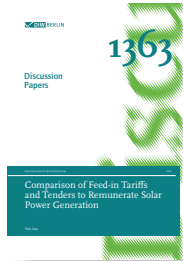
This paper explores the long run relationship between public and private investment in the euro area in terms of capital stocks and gross investment flows. Panel techniques accounting for international spillovers are employed. While private and public capital stocks are cointegrated, the evidence is quite fragile for public and private investment flows. They enter a long run relationship only after fundamental drivers of private investment, such as demand and financing costs are included. According to the impulse response analysis, private investment reacts to shocks in public investment both in terms of stock and flow variables. In contrast, public investment is rather exogenous. Therefore, the lack of public investment might have restricted private investment and GDP growth in the euro area. The results have strong implications for the future direction of fiscal austerity programs to combat the euro area debt crisis.

JEL-Classification: C23, E22, E62

Keywords: Public and private investment, fiscal austerity, panel VAR

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Discussion Papers Nr. 1363/2014  
Thilo Grau



## Comparison of Feed-in Tariffs and Tenders to Remunerate Solar Power Generation

This paper analyzes the trade-offs for using feed-in tariffs or tenders to remunerate different scales of solar photovoltaics (PV) projects. In recent years, European countries increasingly combined feed-in tariffs for small renewables systems with tenders for large installations. This study develops an analytic framework to quantify deployment effectiveness of responsive feed-in tariff adjustment mechanisms across project scales and to compare specific cost effectiveness factors of feed-in tariffs and tenders for PV plants with their dynamic cost trends. To assess deployment effectiveness, an analytic model is used to simulate installations and feed-in tariffs for different project sizes. Then semi-structured interviews with German and French project developers are conducted to identify additional factors to be considered for a comparison of feed-in tariffs and tenders, and to explore how different remuneration schemes impact cost of capital and transaction costs. The paper finally discusses the relative merits of feed-in tariffs and tenders.

JEL-Classification: O33, Q42, Q48

Keywords: Feed-in tariff, tender, solar photovoltaics

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SOEPpapers 631/2013  
Marco Caliendo, Markus Gehrsitz



## Obesity and the Labor Market: A Fresh Look at the Weight Penalty

This paper applies semiparametric regression models to shed light on the relationship between body weight and labor market outcomes in Germany. We find conclusive evidence that these relationships are poorly described by linear or quadratic OLS specifications, which have been the main approaches in previous studies. Women's wages and employment probabilities do not follow a linear relationship and are highest at a body weight far below the clinical threshold of obesity. This indicates that looks, rather than health, is the driving force behind the adverse labor market outcomes to which overweight women are subject. Further support is lent to this notion by the fact that wage penalties for overweight and obese women are only observable in white-collar occupations. On the other hand, bigger appears to be better in the case of men, for whom employment prospects increase with weight, albeit with diminishing returns. However, underweight men in blue-collar jobs earn lower wages because they lack the muscular strength required in such occupations.

JEL-Classification: J31, J71, C14

Keywords: Obesity, wages, employment, semiparametric regression, gender differences

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