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Article

Boards of major German companies are gradually changing

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AT A GLANCE

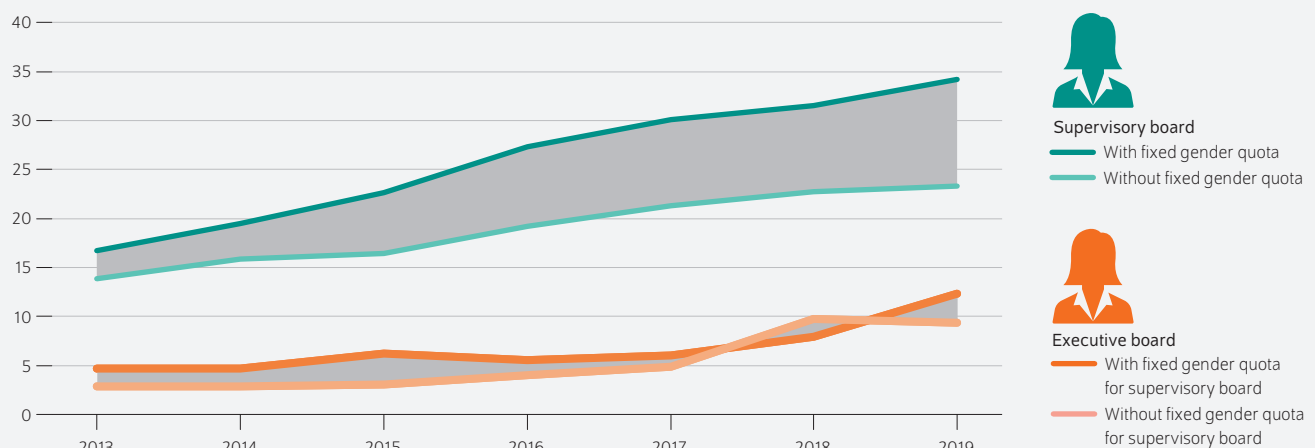
Boards of major German companies are gradually changing

By Anja Kirsch and Katharina Wrohlich

- Proportion of women on executive boards of large companies in Germany has increased more strongly than in previous years
- Unlike in most years past, the share of female executive board members increased faster than that of female supervisory board members
- Developments are taking place at a low level: in terms of the proportion of women on executive boards, top 200 companies reached the ten percent mark for the first time
- Growing indications that the statutory gender quota for supervisory boards contributes to an increase in the amount of women on executive boards
- Openness towards new ways of working necessary to sustainably increase the share of women in top positions at large companies

Companies subject to the gender quota for the supervisory board had more women on their executive boards

Proportion of women in top 200 companies in percent



Sources: Authors' own surveys and calculations.

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FROM THE AUTHORS

“Gender stereotypes must be dismantled in order to increase the number of women on top decision-making bodies of large companies, but changes to how companies are organized and how employees work are necessary as well. Expectations held of those in senior management positions are still more in line with the reality of men’s working lives. Is it necessary to have such an enormous workload?” — Katharina Wrohlich —

MEDIA



Audio Interview with Katharina Wrohlich (in German)
www.diw.de/mediathek

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In October 2019, the software company SAP made history in Germany by announcing Jennifer Morgan would become CEO of the company together with Christian Klein. For the first time, a woman was appointed CEO of a DAX 30 company. This development was viewed by the media as a sign of progress towards gender equality in senior management positions in the private sector. DIW Berlin's most recent Women Executives Barometer shows that indeed, this development has gained traction over the past year. The proportion of women on the executive boards of major companies in Germany increased somewhat more markedly than in previous years. The 200 largest companies reached the ten percent mark for the first time. However, this also clearly shows that these positive changes start from a very low baseline. While progress has been made, there is still a long way to go towards gender parity on the executive boards of Germany's largest companies.

The proportion of women on supervisory boards is significantly higher than the proportion of women on executive boards, not least thanks to the gender quota, which applies to co-determined listed companies since 2016. DIW Berlin analyses show that the gender quota is effective. Companies subject to the quota have higher proportions of women on their supervisory board than comparably sized companies not subject to the quota.

Does the supervisory board quota indirectly affect executive boards as well? The second report in the DIW Berlin Women Executives Barometer 2020 shows that there is a positive relationship between the proportion of women on the supervisory board of a company and the proportion of women on its executive board a few years later. Further research is needed to determine whether this correlation can be interpreted as a causal relationship and whether the

gender quota for supervisory boards increases the proportion of women on executive boards over the long term. Findings from a qualitative study based on interviews with 60 male and female supervisory board members show that there are many ways in which supervisory board members can influence executive board appointments and contribute towards increasing the number of women on executive boards. Further, it can be assumed that the increasing public and political pressure of recent years has also contributed to the positive development on executive boards. In the future, a greater willingness to question traditional gender roles and a culture of openness towards new ways of working for executives—a keyword here is dual leadership with reduced workloads—could also help to sustainably increase the proportion of women in management positions.

EDITORIAL

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