Germany Last Place

Corporations across the world get more women into top management
The **German-Swedish AllBright Foundation** is a politically independent, non-profit foundation with the headquarters located in Stockholm and Berlin. The foundation works to promote more women and diversity in executive positions in businesses. The goal is to achieve equal career opportunities for both men and women and better company results through diverse and modern management teams. AllBright targets management and HR representatives in companies as well as multipliers and media, looking specifically to shed light on solutions that have already been implemented successfully.

**NOTE:** This report provides information on the management groups on the highest executive management level and the supervisory boards of the largest companies listed as of April 1, 2018, on the respective national benchmark index of Germany, France, Great Britain, Poland, Sweden and the USA. In Germany this comprises the 30 DAX companies, in Poland the 30 companies of the WIG30, in Sweden the companies in the OMX 30, in the USA the 30 companies of the Dow Jones Industrial Average. In Great Britain, the 30 companies with the largest market capitalization on the FTSE 100 per April 1, 2018 were considered, while in France the 30 companies with the largest market capitalization on the CAC 40 were taken into account.

The AllBright Foundation takes care in striving for the greatest possible diligence, yet bears no liability for the accuracy, actuality and comprehensiveness of the information.
EXECUTIVE MANAGEMENT OF THE LARGE LISTED CORPORATIONS:
The percentage of women represented in the USA is twice as high as in Germany

ONLY IN GERMANY:
No large corporation reaches a share of 30 percent women on executive management level

IN THE COMPARED COUNTRIES:
Large discrepancies in social frameworks

HIGH RATIO OF WOMEN IN TOP MANAGEMENT:
Crucial for the proportion of women is the will of the company, not the provision of governmental daycare

ONLY IN GERMANY:
A woman can be chancellor, but not CEO

CLOSING REMARKS:
Peter Altmaier and Sven Hagströmer

THOMAS AND HIS BROTHERS
Germany undoubtedly comes in last. Compared with five other Western industrial nations—France, Great Britain, Poland, Sweden and the USA—Germany’s large listed companies manage to have the least amount of women on the executive management level by a long way. At the core of this imbalance are the rigid attitudes within large parts of the German business elites, which continue to baffle other countries. In Germany, women in the executive management groups are seen as a difficult challenge, while other nations see great possibilities.

The USA and Sweden are far ahead of Germany—not only due to the fact that the ratio of women in executive management is twice as high in these countries. Here, and this is directly related, a courageous, more open-minded corporate culture is being fostered—one which happily embraces change and shows little fear of failure, always driven by the question: How can we do even better?

It is no coincidence that so many forward-thinking companies such as Apple and Google, Skype and Spotify come from the USA and Sweden, where the economy is particularly open to diversity. In the 2018 Boston Consulting Group’s Innovation Ranking, the first German corporation lands a meagre 21st spot. Women in top management are a very reliable indicator for a healthy, adaptable corporate culture: Amongst the most innovative German businesses, it is Siemens, Daimler, SAP and Allianz, all four DAX-listed companies, which are the ones with several women on the executive boards.

A higher ratio of women in top management as the driving force for much needed change

In Germany a change of mindset is desperately needed. To lag behind on diversity and digitization would be disastrous in the face of international competition. Germany does not have to remain in last place—the companies merely have to stop blocking their own paths. They should use the available expertise more effectively and promote women to the highest executive levels. This could be the successful driving force for the change needed, as well as showcasing the great heights a more diverse German economy can still reach!
**EXECUTIVE MANAGEMENT OF THE LARGE LISTED CORPORATIONS:**

The percentage of women represented in the USA is twice as high as in Germany

In no other country is the predominance of men as top executives in large stock exchange enterprises as notable as in Germany. If one compares the share of women on the management boards of the leading companies in Germany, France, Great Britain, Poland, the USA and Sweden, Germany comes in last. Even though the executive management of the 30 largest DAX-listed companies are more female and more international than the country’s small and medium-sized listed enterprises, men still hold a share of 88 percent.

In none of these countries do companies achieve a gender balance with at least a 40 percent share of women in their executive management. Yet the USA, Great Britain and Sweden are far more effective in utilizing female expertise—a great advantage in the »war for talents«.

In this respect Germany cannot compete with the leading Western industrial nations, instead sharing a stage with developing economies such as India or Turkey (around 10 percent of women on executive boards in both countries).

Currently even the proportion of women in the top management of the 30 largest DAX-listed corporations is in decline: Between September 2017 and April 2018 it fell from 13.4 percent to 12.1 percent. Small and medium-sized listed enterprises lag even further behind compared to their international counterparts. As of April 1, 2018, the proportion of women in executive management of MDAX enterprises remains 5.8 percent, the number of SDAX enterprises at 5.6 percent and of TecDax enterprises at merely 5.2 percent.

Even in the male-dominated tech sector, American companies on the Dow Jones US Technology Index boasted 16.1 percent of women on the executive boards—three times that of companies on the German TecDAX (5.2 percent).

<table>
<thead>
<tr>
<th>Country</th>
<th>Proportion of Women</th>
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<tbody>
<tr>
<td>USA</td>
<td>24.8%</td>
</tr>
<tr>
<td>Sweden</td>
<td>24.1%</td>
</tr>
<tr>
<td>Great Britain</td>
<td>20.1%</td>
</tr>
<tr>
<td>Poland</td>
<td>15.5%</td>
</tr>
<tr>
<td>France</td>
<td>14.5%</td>
</tr>
<tr>
<td>Germany</td>
<td>12.1%</td>
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</tbody>
</table>

Proportion of women in executive management of the respective 30 largest corporations on the stock exchange *

*Analysis of the respective 30 largest corporations on the stock exchange in Germany, France, Great Britain, Poland, Sweden and the USA, which were listed as of April 1, 2018, on their respective national benchmark index (see also the note on Page 2).
No matter from which perspective we consider women’s representation on the executive management groups of the largest listed companies in various countries: Germany always occupies last place. One in three companies in the USA and Sweden reach a benchmark 30 percent proportion of women, which is considered the «critical amount» in order to affect changes in team dynamics. Germany is the only country within this comparative study, in which no company reaches even a 30 percent proportion of women.

Poland boasts four companies with an equitable gender balance of at least 40 percent in executive management, while there’s three in Sweden, two in Great Britain and one in the USA. Only in Germany and France are no large enterprises that reach a 40 percent proportion of women.

SEVERAL WOMEN ON THE EXECUTIVE LEVEL IS THE NORM IN OTHER COUNTRIES

Executive management groups with multiple women are the norm in the USA and in Sweden: 90 percent of large companies on the stock exchange in the USA have several women on their executive boards, while in Sweden it is two thirds. In Germany, however, management boards with more than one woman are an exotic rarity. Only five of the Dax-listed companies have more than one woman in their top management: Allianz, Daimler, Deutsche Bank, Siemens and SAP (as of the end of May 2018 it will be only four, since Kim Hammonds will be leaving Deutsche Bank).

NOTABLY SMALL EXECUTIVE BOARDS IN GERMANY—STILL PLENTY OF ROOM FOR WOMEN

Executive management groups in Poland and Germany are relatively small, with an average of only 6–7 members. By comparison, in all other countries included in the study, the numbers lie between 10–13 members. By re-drawing departmental boundaries and increasing the number of seats on the managing board, more women in Germany can be brought into top management. Yet if large German companies continue to recruit women at the same pace as last year (the increase of the women’s share went from 10.6 to 12.1 percent), it will take nine years for them to reach the standard their American counterparts hold today.
In other countries, all-male executive management groups are an exception

In the USA and Sweden all-male executive management groups at the large stock exchange traded companies are virtually impossible. Among the top 30 companies on the benchmark index of the USA there is only one without women. In Sweden, too, there is only one company.

In Germany the situation is extremely different — in 11 of the 30 biggest DAX-listed enterprises, there is still not one woman on the executive level: Bayer, Covestro, Fresenius Medical Care, Infineon, HeidelbergCement, Linde, RWE and Thyssenkrupp, Vonovia and Beiersdorf have announced they are advancing a woman each to their executive level in May resp. July. In both France and Great Britain there are still seven companies with all-male executive management groups. Only Poland’s 13 all-male executive boards manage to spare Germany the bottommost position.

Legal quotas for supervisory boards have no influence on executive management groups

While gender quotas for the supervisory boards of major corporations lead to more women on supervisory boards, they demonstrate little influence on the ratio of women within active top management. Those countries with legal gender quotas — France and Germany — currently exhibit the lowest proportion of women in executive management groups.

![Diagram showing proportion of women in executive management](image)

Even without quota systems, Sweden and Great Britain boast a high ratio of women on supervisory boards as well as on executive level. This shows that companies in these countries work determinedly and sustainably towards a higher ratio of women in the management structure.
Large discrepancies in social frameworks

Companies in Germany tend to point to political and social frameworks unfavorable to women striving for leadership positions. This is one of the most commonly expressed explanations for the fact that while many women start out in a company, very few reach top leadership positions. Especially in Germany, the reconciliation between family and career is widely regarded as the key to advancing more women to leadership positions.

IN THE COMPARED COUNTRIES:

SOCIAL FRAMEWORKS

<table>
<thead>
<tr>
<th>Paid parental leave</th>
<th>Cost of childcare as proportion of family income</th>
<th>Toddlers in childcare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany 14 months</td>
<td>4.1%</td>
<td>32%</td>
</tr>
<tr>
<td>France 12 months</td>
<td>10.5%</td>
<td>52%</td>
</tr>
<tr>
<td>United Kingdom 10 months</td>
<td>35%</td>
<td>34%</td>
</tr>
<tr>
<td>Netherlands 12 months</td>
<td>13.9%</td>
<td>11%</td>
</tr>
<tr>
<td>Sweden 14 months</td>
<td>3.3%</td>
<td>47%</td>
</tr>
<tr>
<td>United States none</td>
<td>19.1%</td>
<td>28%</td>
</tr>
</tbody>
</table>

HOW MUCH DO WOMEN WORK?

<table>
<thead>
<tr>
<th>Employment rate Low part-time &lt; 20 hrs./week</th>
<th>Part-time 20 – 35 hrs./week</th>
<th>Full-time &gt; 35 hrs./week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany 74%</td>
<td>18%</td>
<td>31%</td>
</tr>
<tr>
<td>France 68%</td>
<td>9%</td>
<td>22%</td>
</tr>
<tr>
<td>United Kingdom 73%</td>
<td>17%</td>
<td>29%</td>
</tr>
<tr>
<td>Netherlands 62%</td>
<td>2%</td>
<td>9%</td>
</tr>
<tr>
<td>Sweden 80%</td>
<td>8%</td>
<td>25%</td>
</tr>
<tr>
<td>United States 67%</td>
<td>7%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Cost of childcare as proportion of family income: Net costs for childcare for two children in a typical facility, measured as a proportion against the average net family income of a family (2 parents) according to the OECD 2015.

Toddlers in childcare: Proportion of toddlers under three years old in childcare in 2014, according to the OECD.

Employment rate: Proportion of working women from 15-64 years old in 2017, according to the OECD.

Low part-time/ part-time/ full-time: Proportion of women who worked less than 20 hours, 20-35 hours or over 35 hours per week in 2016, respectively, according to the OECD.

TODAY’S SOCIAL NORM IN ...

... GERMANY:

Men work full-time, women earn additional income part-time. Around three-quarters of women are employed. Children usually enter a childcare facility after their first year, or often only after their third. Only half of all women work at or close to full-time. One in every five women works less than 20 hours a week.

... FRANCE:

Men and women work full-time. One third of women does not work. Only about two thirds of women are employed. In France children are placed in daycare at the earliest feasible age, generally within their first year of life. Employed women return to their jobs soon after childbirth and work predominantly at or close to full-time.
HIGH RATIO OF WOMEN IN TOP MANAGEMENT:

Crucial for the proportion of women is the will of the company, not the provision of governmental daycare.

Strong frameworks play an important role in allowing women to dedicate themselves to their professions. Yet the frameworks alone do not suffice. The disparate conditions in the countries compared in this analysis show that what really counts in achieving a high ratio of women in top management is the will of the companies to utilize female expertise at highest levels of management.

Among the compared countries, Germany boasts the second highest employment rate for women, just after Sweden. Yet German women work notably often under low part-time working arrangements, which hinders their advancement into leadership positions. Although many women work low part-time in Great Britain, too, companies there still advance a much larger percentage of women into leadership positions.

Sweden has upheld outstanding social frameworks for working women since the 1970s. A law splitting income taxation between married couples has long been abolished. Paid parental leave with mandatory »father months«, as well as comprehensive and affordable full daycare have facilitated the compatibility between family and working life for both men and women. Still, only in the past few years has the ratio of women in leadership positions significantly increased, as companies have come to the realization that it is in their economic interest to diversify their leadership teams.

THE USA HAS THE HIGHEST RATIO OF WOMEN DESPITE THE WORST CONDITIONS

On the other hand, the USA exhibits by far the worst social frameworks for working women (no right to parental leave, no comprehensive and affordable full daycare). The employment rate for women is much lower as in Sweden and Germany. Yet in the USA, the proportion of women in top management is the highest. Working women as a resource are utilized most resolutely and effectively in the USA.

…GREAT BRITAIN:

Men work full-time, women earn additional income part-time. Here the situation is most similar to that in Germany: around three quarters of women are in employment. Only one third of toddlers is in childcare facilities. Only half of women work at or close to full-time. One in every five women works less than 20 hours a week.

…POLAND:

Men work full-time, women also work full-time—or not at all. A relatively high proportion of women are not in employment (38 percent). Children are generally cared for at home by the women or by the extended families. Only 11 percent of toddlers are placed in daycare. Women in employment work almost exclusively at or close to full-time.

…SWEDEN:

Men and women work at or close to full-time. Here the comparatively highest percentage of women are in employment (80 percent). Children are generally placed in daycare at one year of age, while women return to the workplace relatively soon. Over two thirds work at or close to full-time. Only very few work less than 20 hours.

…USA:

Men and women work full-time. One third of women does not work. Parental leave is non-existent; women in employment return quickly to their workplace and work at or close to full-time. The toddlers of men in employment are often cared for at home by a paid service employee.
Most of Germany’s top 30 listed enterprises are multinational corporations in a global competitive field. Not one is led by a woman, giving Germany a lonely spot in this international comparison: While a woman in Germany can become the chancellor, she cannot become the CEO of a German company.

In every other analyzed country, large corporations in a variety of sectors are spearheaded by a woman: in information technology, the pharmaceutical industry, the energy sector, the financial sector, in telecommunications, the defense industry as well as the automotive and the consumer goods industries.

Female corporate management is most commonplace in the USA.

Among the 30 largest corporations listed on their respective national benchmark index, the following have a female CEO:

- IBM – Ginni Rometty
- GlaxoSmithKline – Emma Walmsley
- Imperial Brands – Alison Cooper
- Engie – Isabelle Kocher
- Energa – Alicja Barbara Klimiuk
- Swedbank – Birgitte Bonnesen
- Tele2 – Allison Kirkby

Other well-known American companies not included in the Dow Jones Index which are led by female CEOs:

- General Motors – Mary Barra
- Lockheed Martin – Marillyn Hewson
- PepsiCo – Indra Nooyi
- Oracle – Safra A. Catz (Co-CEO)

There are enough top-qualified women in Germany.

“There are not enough top-qualified women, especially in our sector” is one of the most common explanations from German companies for the lack of female CEOs. So where are the leading ladies in Germany? Almost half of the incoming German ministers are women, and the major German political parties are chaired by women. Furthermore, female leadership potential is found in foreign enterprises in Germany: companies such as Microsoft, Coca-Cola, JP Morgan Chase, Nike, Intel, 3M, DowDuPont, HSBC Bank, Sodexo and Nestlé are led by women. There are enough highly qualified women in Germany. The German companies only need to seize the opportunity.
I founded AllBright in Sweden since I knew that companies thrive when they are led by diverse teams, and when equally qualified women and men meet equal chances. Sweden paved the way for women into the labor market 40 years ago: The law splitting income taxation between married couples was abolished, while comprehensive daycare, parental leave and later on mandatory father’s months were implemented. For a long time though, women still were not reaching the executive management level of the companies. Obviously the male power brokers lacked the will to promote them into these positions.

I wanted to change that. I wanted to increase the internal and external pressure on companies. Why should society train so many women, if their qualifications are not utilized to the benefit of the companies?

Two years ago I founded AllBright in Germany, too, where despite a female chancellor and strong female ministers the economy clings to an outdated understanding of leadership and recruitment, as the predominantly male executive management of companies on stock exchange show. This circumstance persists even as the German economy possesses the enviable unutilized potential of well-qualified women who have not yet reached the positions for which they are qualified.

I advise all men and women who are faced with the choice of a new employer: take a look at the top management. If it consists only of men of similar age and background, then consider it a warning sign. No one can claim that this can ever be the result of a meritocracy.

In a fast-changing environment, dynamic companies with well-qualified executive managers, mirroring society in terms of gender and origin, possess great competitive advantages. It is still not too late for German companies to catch up to their international competitors. Which DAX-listed company will be the first with a female CEO?

SVEN HAGSTRÖMER
FOUNDER OF THE ALLBRIGHT FOUNDATION

This is why something must change in Germany. The cultural shift must take place first and foremost within the companies themselves! I hope that more companies act in their own best interest and place their bets on the potential of these exceptionally qualified women—I am convinced that this will be the key factor in rendering the German economy viable in the future. Yet we too want to set a good example in public service. Therefore it was my personal cause to establish a benchmark in the coalition agreement for filling 50 percent of leadership positions in public office with women by 2025. There is still much to do, but I am confident that this goal is within our reach.

PETER ALTMAIER
FEDERAL MINISTER FOR ECONOMIC AFFAIRS AND ENERGY

Closing Remarks

The world is in flux. Yet in one aspect, the clocks stand still—the equal access for women to leadership positions. Among the TOP 200 companies from the end of 2017, still only around eight percent of the top executives and a meagre three percent of CEO were women! In other words: the development is stagnating on the executive boards. At least the proportion of women on the supervisory boards of the around 100 German listed enterprises, which are bound by a gender quota, has risen to an average of around 30 percent.

The reports of the AllBright Foundation demonstrate that there is another way. They underline that other countries are well ahead of us in terms of equality. Not only the USA, but, for example, also Sweden, Great Britain, Poland and France are clearly more successful in filling leadership positions with women. This pays off for the companies themselves. Studies have long shown that gender diversity has a positive impact on the success of the company. Diverse teams are more successful, since they draw on a variety of experiences and points of view. Diversity brings forth new insights, greater creativity and thus more innovative solutions. Germany especially, with its advancing demographic changes, will depend on all its industrious minds—whether they be male or female—achieving their potential.

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Two years ago I founded AllBright in Germany, too, where despite a female chancellor and strong female ministers the economy clings to an outdated understanding of
The most common name in the top management of the 160 companies listed on the Frankfurt stock exchange is Thomas. As of April 1, 2018, there are more Thomases and Michaels (56) on these executive boards than women in total (52). The number of Thomases even increased slightly in the past year: Thomas still likes to recruit mirror images of himself.

Internationally, too, there are far more men as women in the top management of the corporations listed on stock exchanges. Thomas, Michael and Markus from Germany have »brothers« in all countries - there they might be named Tomasz, Mikael or Mark. Whoever carries a variant of these names seems to have the greatest chances of sitting on the executive board of a large corporation listed on the stock exchange of the analyzed countries. Yet in no other country is the male dominance in top management as pronounced as in Germany.

The following are the four most common first names on the highest management level of the 30 largest companies on the stock exchange of their respective national benchmark indices - and, in comparison, how high the proportion of this group is compared to the proportion of women:

- **John, Michael, Mark, Robert** (12%)
- **Jan, Mikael, Lars, Peter** (11%)
- **John, Chris, Mark, David** (12.4%)
- **Frédéric, Olivier,Philippe, Thierry** (10.2%)
- **Piotr, Michał, Marek, Tomasz** (15.5%)
- **Stefan, Michael, Markus, Thomas** (13.4%)

Only in German executive management groups the proportion of men with the four most common first names is higher than the proportion of women.