



Press release

New Study Shows: The German Diversity Dilemma

The BeyondGenderAgenda initiative publishes the German Diversity Monitor 2021

Düsseldorf, September 14, 2021 – German companies are faced with a diversity dilemma. Rainbow marketing and lip service are no longer enough for stakeholders, and the pressure to change is increasing. As a result, many top managers are faced with the choice between challenging, profound change or ignoring the potential of diversity as an economic factor critical to success. The German Diversity Monitor 2021, published today by the diversity initiative [BeyondGenderAgenda](#), provides background information and shows ways out.

The German Diversity Monitor, under the scientific supervision of Prof. Dr. Susanne Schmidt, from the Chair of International Management at Otto von Guericke University, is being published for the second time this year. While the study in 2020 concluded that "diversity in German companies is more lip service than reality", this year the situation has grown into a diversity dilemma. Due to the increasing pressure to change from stakeholders, companies have allowed themselves to be led into a pronounced diversity-activism. However, the positive commitment does not lead to the desired improvement; rather, the German economy finds itself in a diversity stalemate.

Many organizations remain stuck in a choice between profound change or ignoring diversity altogether. "Companies currently find themselves in a diversity dilemma. While the necessary diversity transformation is on the one hand a cost-intensive and protracted feat for the entire organization, the decision against it inevitably means that companies will not be able to compete in the intensified war for talents, innovations and the urgently needed answers to the major economic challenges of our time," says Victoria Wagner, founder and CEO of BeyondGenderAgenda, commenting on the study results.

Only 26 % of the companies make diversity an executive responsibility

Where does the stagnation in the development of diversity come from? Most companies find themselves in a spiral of ignorance: Only 26 % of the companies surveyed have the person responsible for diversity on the board or in management, making diversity an executive responsibility. If the responsibility for diversity does not lie with top management, there is often a lack of the resources required for the transformation.

70 % of the companies do not provide a diversity budget - human resources are also too scarce

Most of the companies surveyed do not provide a diversity budget at all. If a budget is available, 84 % of the companies say they use it for recruiting measures. However, a one-sided use of financial resources can lead to the neglect of key diversity success factors, such as the support of an inclusive working environment. This is also reflected in the lack of human resources: In the majority of the companies surveyed, there are no human resources to anchor diversity sustainably in the corporate organization and culture. If there are people responsible for diversity in the company, they usually must fulfill this role and perform these tasks in addition to their actual work. Only just under 20 % of the companies with a person responsible for diversity have a 100 % diversity position.

Only 26 % of the companies have performance metrics to measure diversity

For diversity management to be successful, in addition to properly anchoring responsibility and providing adequate resources, it is also essential to define ambitious key performance indicators, set targets and



establish appropriate performance measurement at an early stage. While more than three-quarters (88 %) of the companies studied currently state that diversity contributes to the development of new target groups, less than one-third actually track the impact of diversity. Thus, companies are unable to capture diversity's contribution to success and thus identify its true potential. On this basis, it is not possible to implement strategic diversity management.

The lack of sustainable diversity strategies in most German companies only leads to short-term actions in individual diversity dimensions. Not only is there usually a lack of a holistic approach encompassing all diversity dimensions, but certain diversity dimensions are even discriminated against compared to others. The German Diversity Monitor 2021 reveals particularly striking results for the following diversity dimensions:

Gender – The male dominance on DAX boards defies the minimum legal requirement of FöPoG II. The maximum women's quota to be met is 25 %, thus equal representation of 50 % women is still a long way off. The expansion of the DAX 30 to DAX 40 currently lowers the proportion of women in Germany's leading share index from 19 % to just under 17 %. There is only one female CEO - in other words, only 2.5 % of female CEOs in the DAX 40!

LGBT+ – There is a strong discrepancy between communicated ambition and actual implementation. Companies present themselves extensively in rainbow colors and 40 % of them rate the relevance of the LGBT+ dimension as "high". Nevertheless, less than 20 % of the companies surveyed offer specific measures for support in this area.

Disability – The decline in the relevance of the diversity dimension disability resembles a descent into insignificance. More than 30 % of the companies examined attribute a low level of relevance to this dimension. That is 20 % more than last year!

"The discrepancy between the increased external presentation of diversity and the measures actually implemented is alarming. I believe that CEOs have a responsibility to address this issue and take on the role of chief diversity driver. For a successful diversity transformation, budgetary and human resources need to be allocated at critical levels. Companies should transform the legally prescribed women's quota into a self-committed diversity quota to actually be able to fill top management positions with people with the best qualifications, regardless of their background," says Victoria Wagner, pointing out a way out of the diversity dilemma.

The full study can be downloaded here: [GermanDiversityMonitor.com](https://www.GermanDiversityMonitor.com)

All logos and photos are available for download [HERE](#).

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About BeyondGenderAgenda

BeyondGenderAgenda has set itself the goal of securing and expanding the international competitiveness of the German economy in the long term by integrating Diversity, Equity & Inclusion (DE&I) into the DNA of listed and medium-sized companies. Based on the clear connection between DE&I and business performance, equal opportunities of managers with disability, of different gender, age, cultural and social background, sexual orientation or gender identity in the composition of board positions and supervisory board mandates should be ensured and thus a change of culture involving politics, society and economy be brought about.