

GERMAN

# DIVERSITY

BY BEYOND GENDER AGENDA

MONITOR 2020

**BEYOND  
GENDER  
AGENDA**



# GERMAN DIVERSITY MONITOR 2020

## DIVERSITY IN GERMAN COMPANIES MORE LIP SERVICE THAN REALITY

### **About BeyondGenderAgenda**

The BeyondGenderAgenda initiative has set itself the goal of securing and expanding the international competitiveness of the German economy in the long term by firmly anchoring diversity and inclusion (D&I) in the DNA of listed and medium-sized companies. Based on the connection between D&I and business performance, equal opportunities for executives with disabilities, of all sexes, of all ages, cultural origins or different sexual orientations and gender identities should be ensured when filling management board positions and supervisory board mandates, thus ensuring a cultural change with the involvement of politics, society and Economy to be brought about.

### **About Victoria Wagner**

The founder and CEO of BeyondGenderAgenda, Victoria Wagner, is a passionate entrepreneur and communications expert. After holding leading positions in the international consumer goods industry, she founded Germany's first brand communications agency in 2004, which she sold to the listed US network Omnicom in 2013. Wagner was the first woman to become CEO of the leading German PR agency Ketchum Pleon. In 2019 Victoria Wagner founded the strategy consulting firm Alternativlos, which supports C-level executives and advises on personal branding. (Further information can be found at: <https://www.linkedin.com/in/victoria-wagner/>.)

### **About Prof. Dr. Susanne Schmidt**

[Prof. Dr. Susanne Schmidt](#) holds the professorship for international management at the economics faculty of the Otto von Guericke University Magdeburg. In her research she deals with strategic diversity management and intercultural challenges in international organizations, the influence of digitization on the internationalization process and organizational drivers for innovative behavior among employees in organizations.

# FORWARD

**BeyondGenderAgenda's German Diversity Monitor 2020**, in partnership with **Otto-von-Guericke University Magdeburg**, is an initial inventory of the diversity in the executive boards and management of leading German companies. This report looks to serve as a reference for studies and initiatives in the future.

The **German Diversity Monitor** is carried out annually to identify progress and changes and to make the impact of the initiative measurable. This first study was carried out in spring 2020 with restrictions due to the corona pandemic.

We would like to thank all participating companies for their willingness to further advance the important topic of diversity in Germany by answering our survey. We also thank the co-authors Marie-Luise Penter and Sarah-Alena Rössig.



**Victoria Wagner**



**Prof. Dr. Susanne Schmidt**

# TABLE OF CONTENTS

5

Executive Summary

6

Methodology

7-9

There are three fundamental misconceptions in German companies about diversity

10-14

Executive Boards of DAX 30, MDAX and SDAX companies are homogenous

15-16

Many companies are aware of the low level of diversity in their management,  
yet not all plan to increase diversity

17-22

Measures to promote diversity are insufficient and not  
implemented in a targeted manner

23

Conclusion

# EXECUTIVE SUMMARY

## CENTRAL STATEMENTS

**Understanding of diversity is insufficient**

**The economic benefits of diversity are not recognized**

**German management levels are homogeneous**

**Continuity is more important than diversity**

**There is a lack of systematic data management for all diversity categories**

**Diversity budgets are not used in a targeted manner**

## EXPECTATIONS FOR GERMAN COMPANIES

1  
2  
3  
4

### **Holistic Understanding of Diversity**

Diversity must be viewed comprehensively in companies and must not be restricted to single dimensions of diversity.

### **Define Key Performance Indicators**

The benefits of diversity for corporate success must be measurable using key performance indicators (KPIs) and targeted data management.

### **Diversity Must Become a Management Issue**

Top management bodies must exemplify diversity and explicitly promote it.

### **Establish an inclusive Work Environment**

Companies should actively promote not only diversity but also inclusion, because without an inclusive work environment, diversity is ineffective.

# METHODOLOGY

As part of the German Diversity Monitor, two studies were carried out to obtain a comprehensive overview of the status of diversity in the German corporate landscape. By combining primary and secondary data, the study paints a representative picture of the objective diversity in companies listed in the DAX indices as well as the subjective perspective of top managers and employees of German companies.

## **STUDY 1 – Analysis of the annual reports of the companies listed in the DAX 30, MDAX and SDAX**

The 2019 annual reports of the 160 companies, listed in DAX 30, MDAX and SDAX, were used to determine the composition of the board of directors as well as the target and fulfillment rates for the proportion of women on the board of directors. In addition, 155 annual reports from 2015 were evaluated in order to record the development of female representation on German executive boards over time. The key date for a company to belong to the respective share index was April 27, 2020. Information was also taken from websites, reports and press releases of the companies.

## **STUDY 2 – Carrying out a survey on the perception of diversity and an inclusive work environment in companies listed in the DAX 30, MDAX, SDAX, as well as medium-sized companies**

The data was collected from March to June 2020 in standardized web-based surveys. The companies listed in the DAX 30, MDAX, SDAX and medium-sized companies based in Germany were asked to take part in the survey. A total of 109 companies responded to this call. The survey was completed by members of company management and personnel management. On average, the companies surveyed employ 11,704 full-time employees (minimum = 250; maximum = 670,000). 28% of the companies are listed, 68% are privately owned and 5% are state-owned companies. 51% of the companies generate their turnover mainly through the distribution of products; 49% mainly offer services. The participating companies are assigned to a large number of industrial sectors. The majority of the companies in the sample operate internationally with 40% of them operating in more than five countries. In contrast, there are 10% of companies that operate exclusively in Germany.

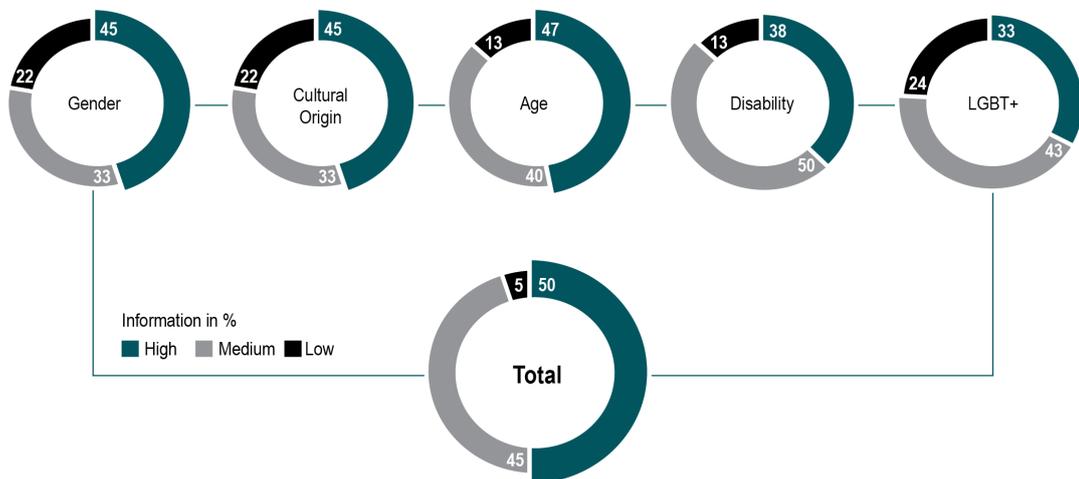
# THERE ARE THREE BASIC MISUNDERSTANDINGS ABOUT DIVERSITY IN GERMANY COMPANIES

## 1. In many German companies, the understanding of diversity itself is insufficient.

The companies surveyed do not see diversity holistically. 50% of the companies surveyed state that they attach great importance to diversity and an inclusive work environment, but in many of the companies surveyed, the term "diversity" is equated only with **Gender diversity or Diversity of cultural origins**. In the survey, companies also state that they attach great importance to age diversity. However, the secondary data collection shows that cross-generational diversity is not found among German management teams. Age diversity seems to be only thought of as the integration of older employees and not with bringing together diverse perspectives across generations. LGBT + diversity and disabilities play a subordinate role in the perception of the study participants. By only focusing on certain diversity categories, the perspectives of other groups are not integrated into the company. This, in turn, has the consequence that the added value provided by diversity cannot be realized which then impacts the innovation and strength of the company.

### RELATIVE RELEVANCE DIVERSITY DIMENSIONS

To what extent are the following diversity groups relevant in your company?



Note: n=109 for Total, Gender, Cultural Origin, Disabilities, LGBT; n=108 for Age; Source: BGA Study

The one-sided view of diversity in German companies is also evident in the content of annual reports on diversity at the board level of the DAX 30, MDAX and SDAX companies. In some cases only the diversity categories of gender, cultural origin and age are available for analysis

when looking at board composition. The diversity categories of disabilities and LGBT + are rarely recorded for the board members in the annual reports. The lack of transparency with regard to these diversity categories prevents a holistic analysis of the diversity of DAX 30, MDAX and SDAX companies.

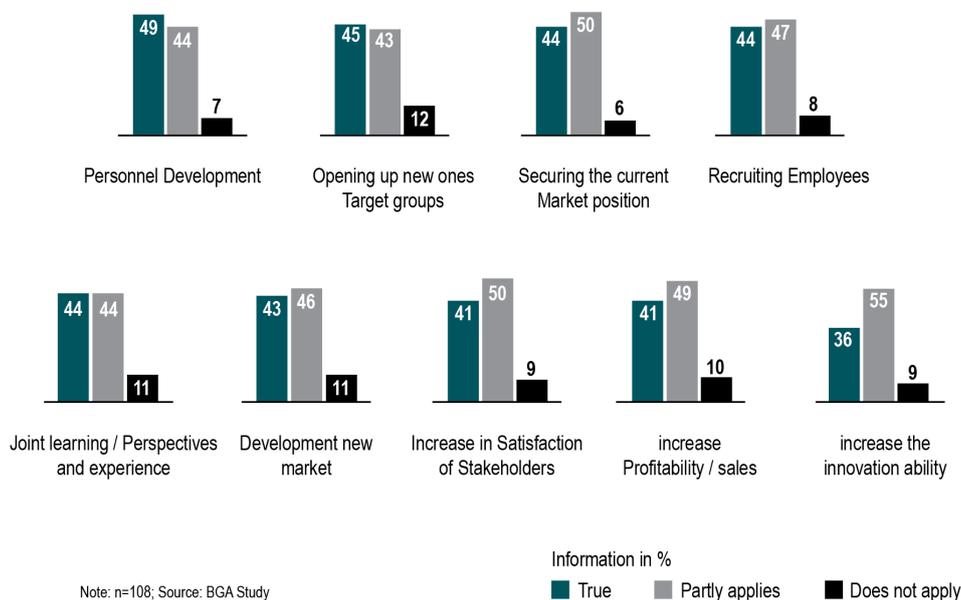
In addition, systematic internal data management for all categories of diversity is rarely carried out. In the companies surveyed, data management is only one of the top 3 measures implemented when it comes to promoting women and cultural diversity. Without a systematic collection of data, companies lack an overview of their own diversity. Transparency is the first step to fully utilize the potential of diversity in the company. Only when a company is aware of its own diversity can targeted measures to include and promote diversity be implemented.

**2. Companies hardly associate diversity with profitability and thus fail to recognize the real benefits of diversity.**

For the companies surveyed, diversity seems to be a measure for personnel development in particular.

**RELEVANCE OF DIVERSITY TO ACHIEVING CORPORATE GOALS**

To what extent is diversity and an inclusive work environment relevant in realizing the following goals?



However, the true value of diversity and an inclusive work environment can be seen in the inclusion of varying perspectives in the decision-making processes across all areas of the company. This diversity of perspectives leads to a long-term increase in innovative strength and ultimately

to the development of sustainable competitive advantages. The companies surveyed are not aware of this benefit. Only 40% of the respondents recorded the impact of various perspectives on the company's success. Thus, in the majority of companies, the actual effect of diversity on corporate success remains unknown.

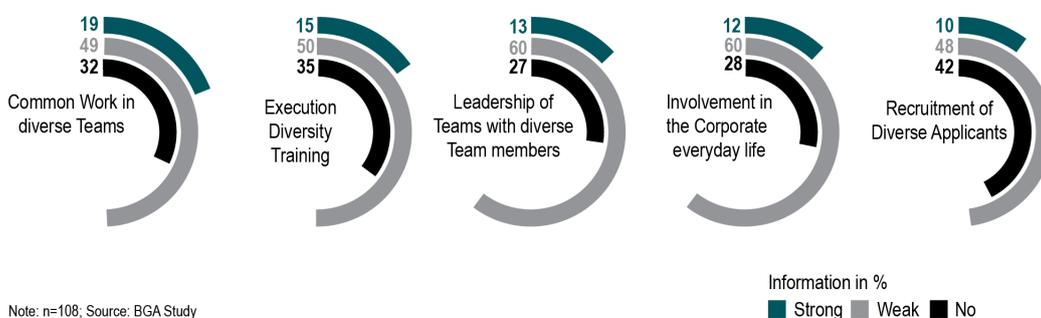
### 3. Companies are often not aware that diversity can only be successful if an inclusive work environment is created.

Diversity and an inclusive work environment are inextricably linked. For companies with an inclusive organizational culture, diversity will bring economic benefits as well as contribute significantly to innovation and improve decision making. An inclusive work environment is characterized by lived mutual respect. Various perspectives, experiences and attitudes are perceived and promoted as enrichment in the company. The creation of an inclusive work environment must be driven by the company. Active measures must be taken to create awareness of diversity. This process is challenging because prejudices must be broken down and individual attitudes have to be questioned.

The challenges associated with developing an inclusive work environment are hardly perceived as such by the companies surveyed. The majority of the companies surveyed rate the creation of an inclusive work environment as not being much of a challenge. Almost half of the companies surveyed stated that working together in diverse teams is also not seen as a big challenge for the company. Almost a third do not perceive any challenge in working together. A similar picture emerges when it comes to the involvement of diverse employees in day-to-day business: 60% of the companies surveyed state that integrating diverse employees into day-to-day business is not a difficult challenge. 28% of the companies do not perceive this as a challenge. Many companies seem to fail to realize that without the conscious development of an inclusive work environment, the potential of diversity cannot be utilized.

#### CHALLENGES TO DIVERSITY

How strongly do you rate the challenges in the following aspects of diversity and to an inclusive work environment?

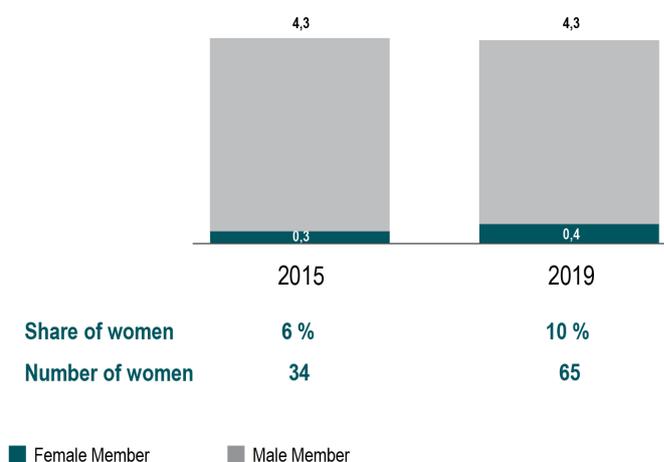


# EXECUTIVE BOARDS OF DAX 30, MDAX AND SDAX COMPANIES ARE HOMOGENOUS

**The majority of the companies do not have a board position held by a woman.**

The average proportion of women on the executive boards of companies listed in the DAX 30, MDAX and SDAX is low at around 10%. Between 2015 and 2019, the annual growth in the proportion of women was more than 10%, but considering the unequal gender composition, we conclude a decisive improvement. In 2019, the average executive board of the DAX 30, MDAX and SDAX companies consisted of around four members. Despite the doubling of the number of women on the executive boards between 2015 and 2019, fewer than one woman was appointed to each executive board on average.

**AVERAGE MANAGEMENT BOARD  
DAX 30, MDAX, SDAX BY NUMBER OF MEMBERS**



Note: n=130 (2015), n=160 (2019); Source: Annual Reports

In fact, around two thirds of the DAX 30, MDAX and SDAX companies do not have a single female board member. The remaining third of the companies have a maximum of two women on the executive board. If one looks at those companies in which one or two women hold executive board positions, it becomes apparent that these executive boards often consist of four or more members. Thus women are usually in the minority compared to their male colleagues.

The DAX 30, MDAX and SDAX companies examined can be divided into four categories with regard to the changes in their proportion of female board members: **Pioneers**, **Persecutors**, **Losers**, **Refusers**. Companies that appointed at least one woman to the Executive Board in 2015 and have an increasing or constant number of female board members in 2019 are assigned to the category Pioneer. These companies include, for example **Allianz**, **BMW**, **Daimler**,

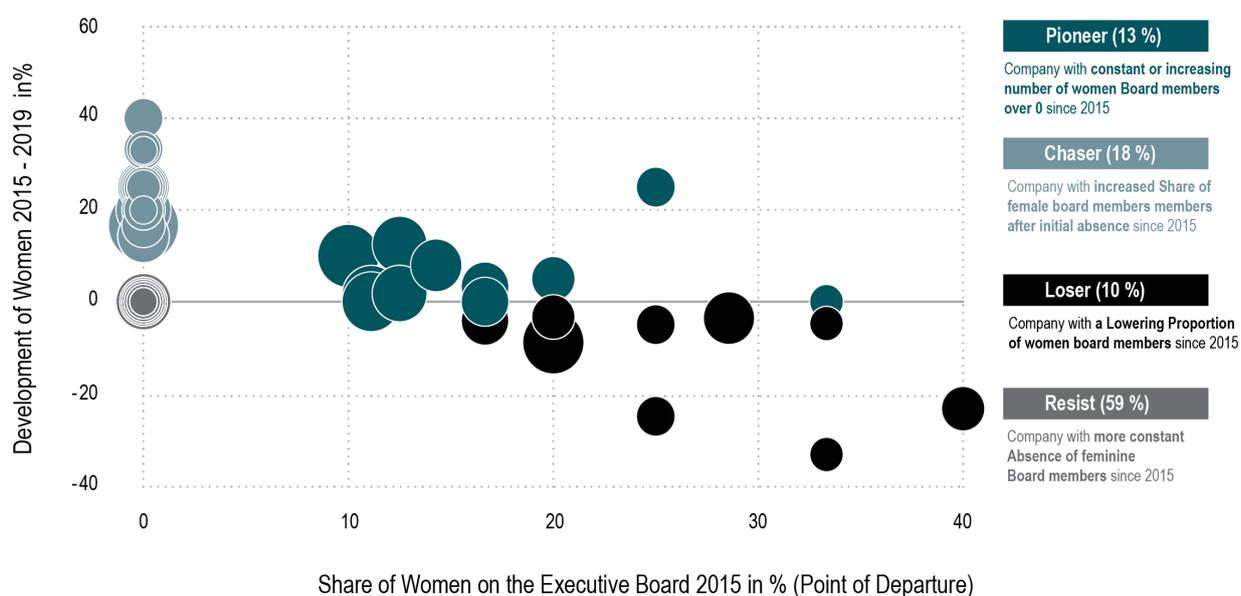
**Deutsche Telekom** and **Henkel**. The category *Pursuer* includes companies that did not have a female board member in 2015 but have appointed at least one female board member by 2019. On average, these companies in the category of *Persecutors* have already approached the proportion of women among the *Pioneers* in 2019. These companies include, for example **Beiersdorf**, **Commerzbank** and **Metro**. Companies that already had female board members in 2015 but lost female board members by 2019 are assigned to the *Loser* category. However, the analysis also shows that these companies started with a high level of women. The majority (59%) of the companies listed in the DAX 30, MDAX and SDAX are, however *Refusers*. In 2015 these companies had no female board members, and in 2019, four years after the introduction of the flexiquote, these companies did still not have a female board member.

### German Diversity Evolution

Due to the current insufficient data situation, a comprehensive evaluation is only possible at this time with regard to the gender diversity category. One goal of the German Diversity Monitor is to motivate companies to consider all diversity categories so that a comprehensive picture of the evolution of diversity in German companies can be obtained in the future

**Most companies do not set ambitious target quotas for women in management positions.**

DEVELOPMENT OF WOMEN PROPORTION OF THE EXECUTIVE BOARD DAX 30, MDAX, SDAX

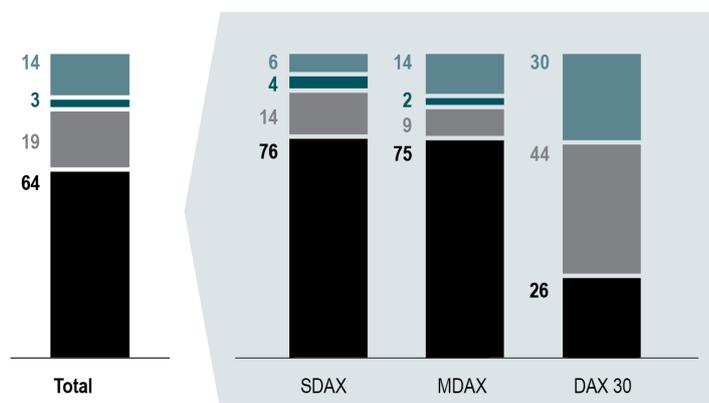


Note: n=125; Bubble Size Corresponds to size of Executive Board in year 2015; Source: Annual Reports

Since 2015, all listed companies in Germany have been obliged to set targets for the proportion of women on executive boards. The analysis of these target rates shows that the majority of companies have no ambitions to increase the proportion of female board members. In 2015, 64% of the companies examined set themselves a zero quota as the target quota for the proportion of women on the executive board. The ambitions of the MDAX and SDAX companies examined were significantly lower than the aspirations of the DAX 30 companies. Three quarters of the analyzed quotas in the MDAX and SDAX are zero quotas. Among the DAX 30 companies, a quarter of the companies had given a target rate of 0%. For many of these companies, the zero rate has not changed since 2015. Since the introduction of the target quota, around half of the DAX 30, MDAX and SDAX companies examined have consistently stated a target quota of 0% in their annual report. In addition, the achievement of a target quota of below 50%, which is the standard at most companies with an ambition level above 0%, does not lead to an equal share of women in executive board positions, meaning the prospects of women are still excluded from corporate management.

In addition to the binding formulation of target quotas, companies are also obliged to keep track of the fulfillment of their own target quotas in their annual report. This shows that quotas often do not lead companies to work specifically towards meeting them. For example, the majority of the DAX 30 companies set ambition levels of over 0% in 2015, but only just under a third of the companies concerned achieved their own goals in 2019.

#### IMPLEMENTATION OF AMBITION LEVELS OF WOMEN'S PROPORTION OF THE MANAGEMENT BOARD 2015



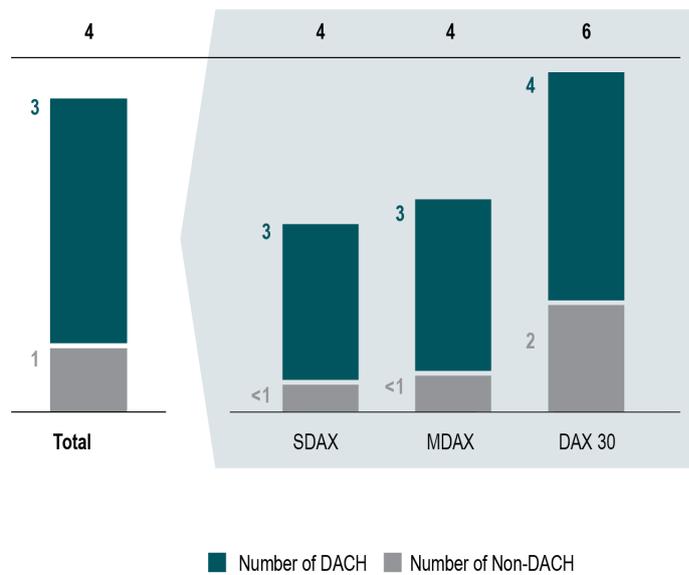
Angaben in %  
■ Overcrowded ■ Fulfills ■ Not Fulfilled ■ Zero Quota

Note: n=120; Source: Annual Reports

**Diversity in the origins of board members differs greatly between companies.**

The average proportion of board members with roots outside the DACH region is between around 15% and up to a third in the DAX 30, MDAX and SDAX companies analyzed. Looking at the average executive board with around four members, around one member comes from outside the German-speaking region. However, there are major differences between the DAX 30 companies and the companies listed in the MDAX and SDAX. In the DAX 30 companies examined, there are an average of two board members who do not come from the DACH region. On the boards of the MDAX and SDAX there are less than half as many positions that were filled by board members with roots outside the DACH region. This illustrates that culturally diverse perspectives only find their way into the boards of the MDAX and SDAX companies to a limited extent. However, the majority of the listed companies are also active outside the DACH region, meaning that culturally diverse perspectives can provide valuable insights and thus contribute to the company's success.

**SHARE OF MANAGEMENT BOARD FROM NON GERMAN-SPEAKING COUNTRIES (DAX 30, MDAX, SDAX)**



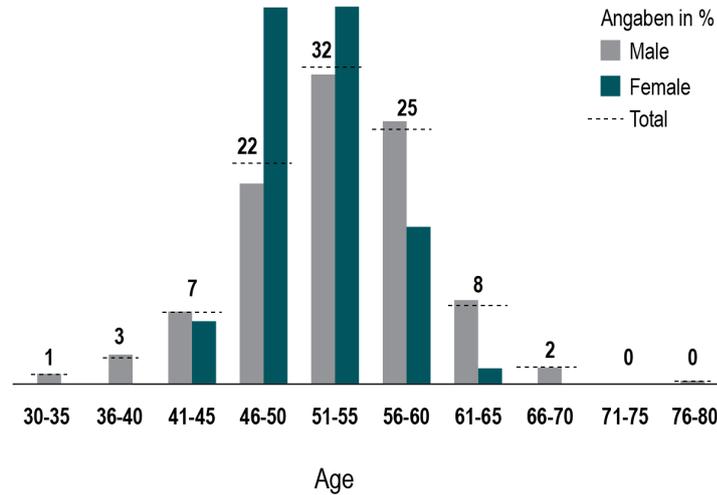
Note: n=553 Board members; Source: Annual Reports

**The majority of board members have a low age range.**

The low level of diversity among the board members of the DAX 30, MDAX and SDAX companies is also reflected in the age diversity category. The executive board members of the companies considered are, on average, around 53 years old. Although the average age of male and female board members is similar, differences become apparent when looking at the age range. The age range is significantly lower for female board members than for male colleagues. The youngest woman on the board in early 2019 was 40, while the youngest male board member was in his early 30s. Even with the oldest Managers one can see the difference between the sexes: The oldest recorded female board member was in their early 60s at the time of study, while the ol-

dest man on the board was 80 years old. The age range of the male board members is around 50 years and is therefore more than twice as large as that of the women, which is only 20 years.

### AGE DISTRIBUTION OF THE EXECUTIVE BOARD (DAX 30, MDAX, SDAX)



Note: n=636 Board members; Source: Annual Reports

The clear age range of the male board members suggests that members from several generations were appointed to the board. However, the age distribution of the board members shows that this is a minority of companies. In half of the board members examined, the age range of the members is less than ten years. As a result, the majority of companies have less diversity in the age of the board members, meaning an exchange of perspectives among different generations cannot take place at the board level.

# MANY COMPANIES KNOW ABOUT THE LACK OF DIVERSITY IN CORPORATE MANAGEMENT, BUT DON'T PLAN TO INCREASE DIVERSITY

**The top management level in companies perceives itself to be moderately diverse.**

The companies surveyed themselves perceive diversity on the boards or in management as average. A detailed analysis by company size reveals that in companies with more than 2,000 employees, a quarter of respondents perceive diversity on the board or in management as low.

## PERCEPTION OF DIVERSITY

How do you characterize the amount of diversity on your board?



Details in %

■ High ■ Medium ■ Low

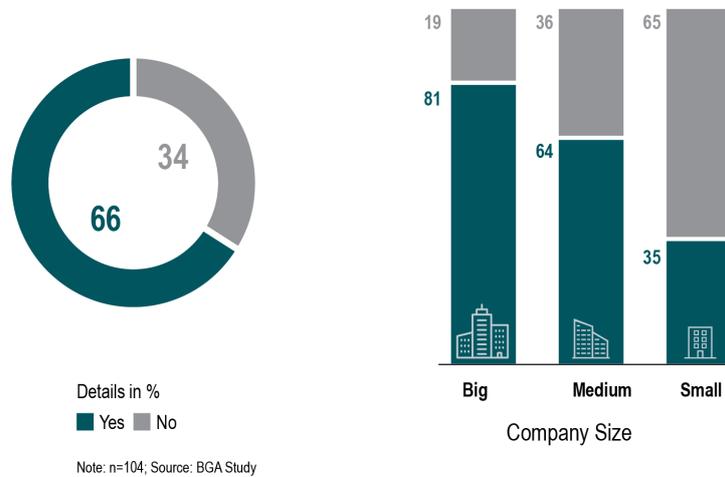
Note: n=108; Source: BGA Study

**Companies have different ambitions when it comes to increasing diversity at the top management level.**

Overall, two thirds of the companies in the survey plan to increase diversity on the board of directors or in management. However, there are differences in planning when it comes to the size of the companies: Companies with more than 2,000 employees in particular plan to increase diversity on the board of directors or in management. In the case of companies with fewer than 500 employees, however, this is only 35% of the companies.

## PLANNING AN INCREASE IN DIVERSITY ON THE EXECUTIVE BOARD

Are you planning to increase diversity on the board?

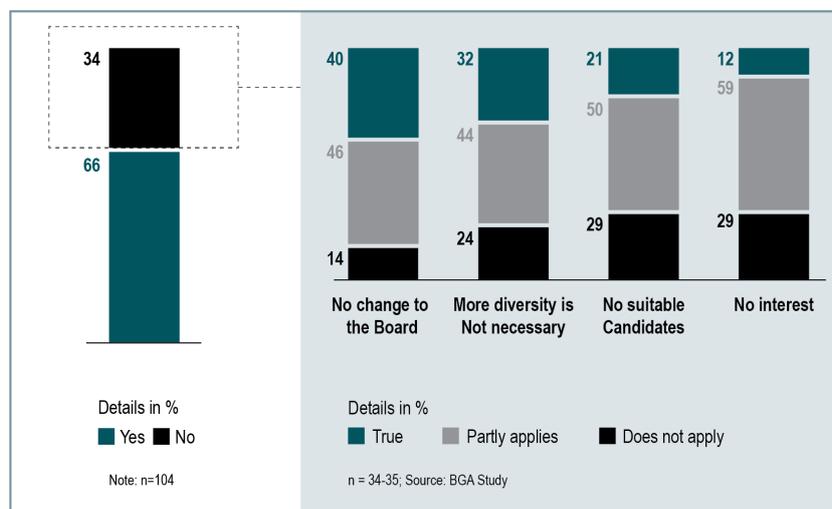


Companies that want to further promote their diversity on the board of directors or in management already have more women and younger employees in the top management level than those companies that are not currently planning an increase. This means that companies that already have little diversity on the board of directors or management are in danger of losing further in comparison.

It is often argued that no change in the composition of the management floor is currently planned (40% of the companies surveyed). In addition, 32% of the companies surveyed stated that, in their view, more diversity in the management board is not necessary. Fewer companies state that there are no suitable candidates or that, despite their suitability, there is no interest in a higher position within the company. The assessment makes it clear that these companies have not yet recognized the real benefits of diversity.

## PLANNING INCREASE IN DIVERSITY IN THE EXECUTIVE BOARD

Are you planning to increase diversity on the board?



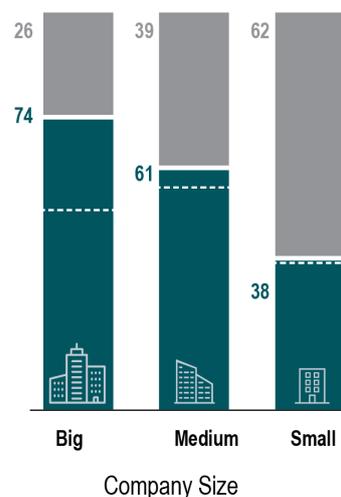
# MEASURES TO PROMOTE DIVERSITY ARE INSUFFICIENT AND NOT CARRIED OUT IN A TARGETED WAY

**There is a budget for measures to promote diversity, but it is not used in a targeted manner.**

Around 60% of the companies surveyed have a budget for measures to promote diversity. However, there are differences in the availability of the budget according to company size: In companies with more than 2,000 employees, almost 75% of those questioned stated that they had a diversity budget. In the case of small companies, the proportion of companies is only 38%. Around 60% of medium-sized companies have a diversity budget; this corresponds to the overall average. It is noteworthy that in medium-sized and small companies; the importance attached to diversity and the provision of budgets are more clearly related than in large companies.

## DIVERSITY BUDGET

Does your company have a diversity & inclusion budget?



Details in %  
■ Yes ■ No ■ Great importance

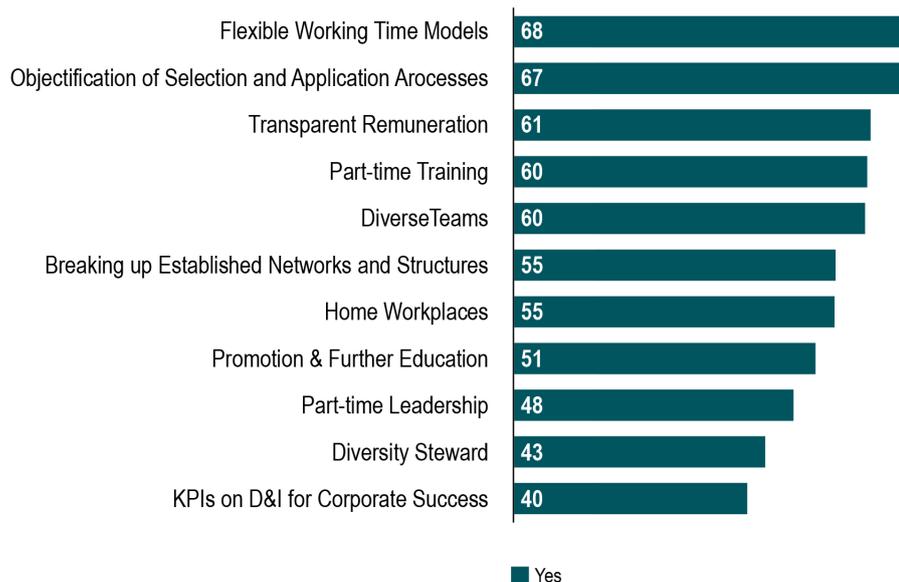
Note: n=107 for Diversity Budget; Source: BGA Study

The information provided by the companies surveyed does not indicate that the budget for promoting diversity is specifically used for appropriate measures. The most frequently implemented measures to promote diversity are flexible working time models (68%), objectification of the selection and assessment processes with regard to equality of all applicants (67%) and transparent wage and remuneration systems with regard to equality for all employees (61%).

The creation of personal responsibilities through the appointment and, if necessary, release of a diversity advocate, however, is only carried out in 43% of companies. The availability of a person of trust can help identify problems in inclusion at an early stage and enable the company to fully utilize the potential of diversity.

### PROMOTING DIVERSITY IN THE WORK ENVIRONMENT

Are the following measures to promote diversity and an inclusive work environment carried out in your company? (percentage of the answer "Yes" and "In planning")

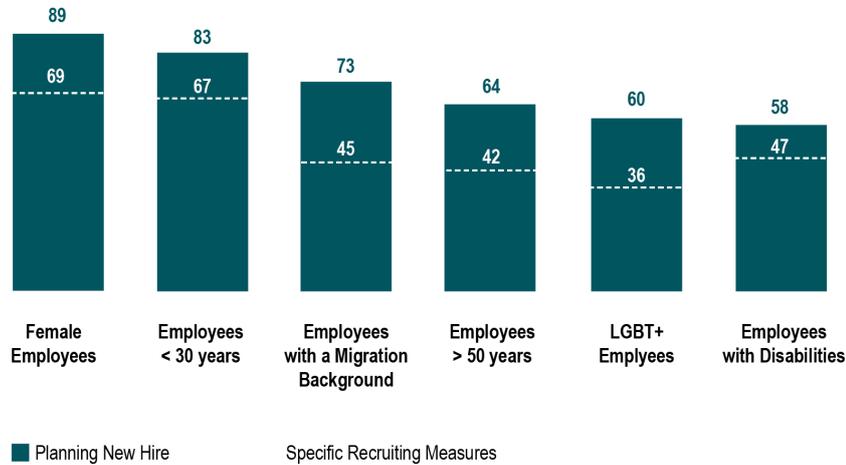


Note: n=104-108; Source: BGA Study

The lack of targeted measures to achieve these goals is also reflected in the recruitment measures of the companies. In the survey, the companies state that they are specifically planning new hires in the various diversity categories, but the companies do not conduct targeted recruitment measures to the same extent. For example, almost 90% of the companies surveyed plan to take on female employees, but almost a third of the companies do not indicate any **specific recruiting measures** to meet that goal. Another example shows that almost 65% of the companies surveyed are planning to hire employees over the age of 50, and yet less than half of the companies are implementing appropriate recruiting measures.

## RECRUITMENT MEASURES AND NEW HIRES

Please indicate whether your company is conducting specific recruitment activities for the following target group or new recruitments of the following target groups are planned

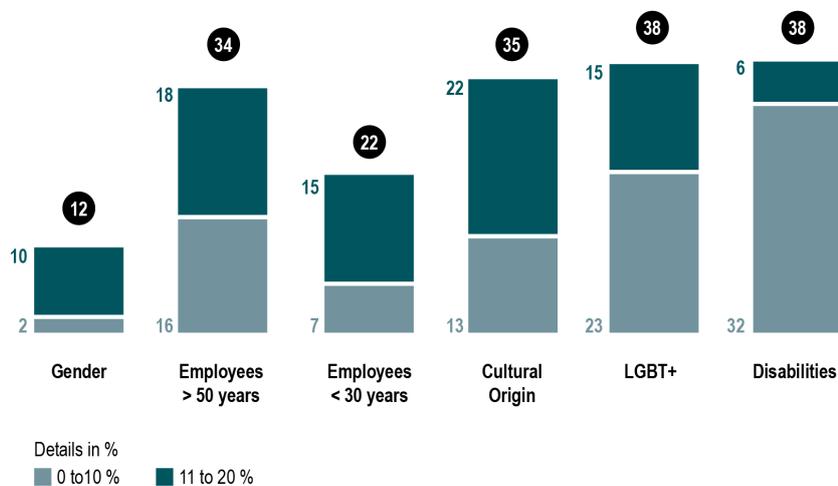


Note: n=104 For Females, <30; n=102 For >50, Migration and LGBT+, n=101 for disabilities; Source: BGA Study

Targeting potential applicants is important in order for them to become aware of the company's job offer. The consequence of not being addressed becomes clear in the survey: in 2019, a considerable proportion of the companies hired only a few diverse employees. This is problematic because it reduces the diversity in companies in the long term. If companies do not carry out their recruiting measures in a targeted manner, they cannot reach the targeted applicants and thus cannot increase diversity within the company.

## SHARE OF COMPANIES THAT HAD ONLY A FEW NEW HIRES IN THE DIVERSITY CATEGORIES IN 2019

What percentage of the new hires in 2019 belong to the following diversity categories?



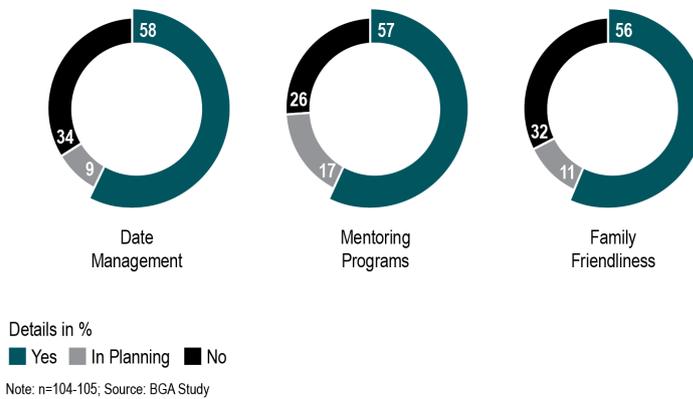
Note: n=106 für LGBT+; n=105 für >50, <30 and Disabilities; n=104 for Gender Culture; Source: BGA Study

## Measures to promote diversity and an inclusive work environment are not systematically implemented for the diversity Categories

The results show that the surveyed companies implement, or plan to, targeted measures for the respective diversity categories to different extents. For example, only just under half of the companies have targeted support measures in the gender diversity category. The three most common measures are: data management (58%), mentoring programs (e.g. referral of contact persons, career advice) (57%) and measures to increase family-friendliness (e.g. childcare) (56%)

### MEASURES TO PROMOTE WOMEN

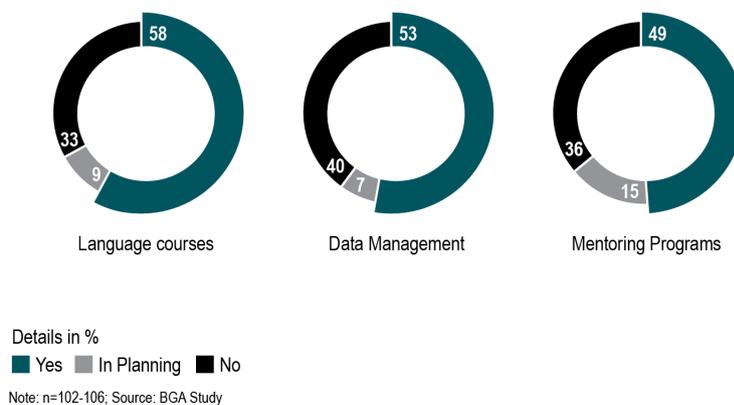
Are the following measures to promote women implemented in your company?



In the diversity category of cultural origin, less than half of the companies surveyed conduct intercultural training and ensure that the culturally different perspectives in the company can be recognized and used. The three most frequently implemented measures for this diversity category are: language courses (58%), data management (53%) and mentoring programs (49%).

### MEASURES TO PROMOTE CULTURAL DIVERSITY

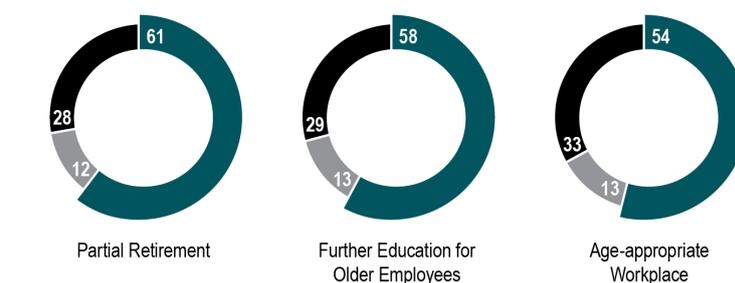
Are the following measures to promote cultural diversity implemented in your company?



The three most common funding measures for **age diversity** are in the surveys: the possibility of partial retirement (61%), further training opportunities for older employees (58%) and the establishment of age-appropriate workplaces (54%). Training courses to support employee awareness to generational differences are only offered in 44% of the companies surveyed. Training courses to raise awareness of the different perspectives are particularly important, as this enables an exchange of perspectives and the utilization of the potential of diversity

### MEASURES TO PROMOTE AGE DIVERSITY

Are the following measures to promote age diversity carried out in your company?



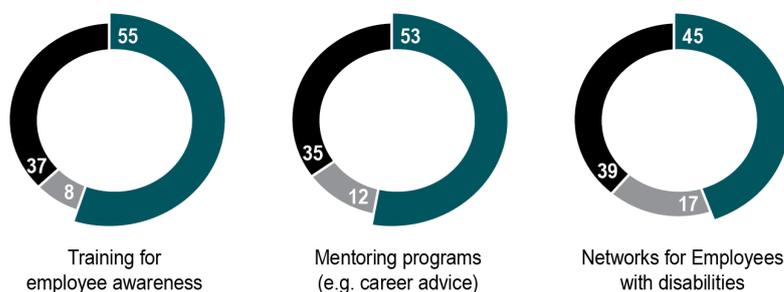
Details in %  
 ■ Yes ■ In Planning ■ Non

Note: n=102-105; Source: BGA Study

Just under half of the companies surveyed offer targeted support measures for the diversity category, disabilities. The three most common support measures are: training to raise awareness among employees (55%), mentoring programs (53%) and networks (45%).

### MEASURES TO PROMOTE EMPLOYEES WITH DISABILITIES

Does your company take the following measures to promote employees with physical disabilities?



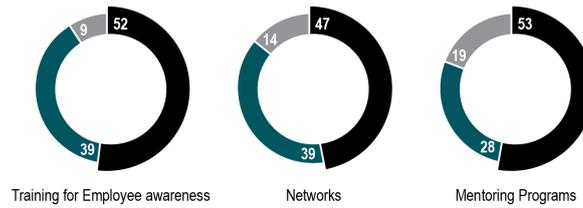
Details in %  
 ■ Yes ■ In Planning ■ No

Note: n=101-103; Source: BGA Study

In the LGBT + diversity category, fewer than 40% of the companies surveyed have specific measures in place. The three most frequently implemented measures are: training to raise awareness among employees (39%), networks (39%) and mentoring programs (28%).

#### MEASURES TO PROMOTE LGBT + DIVERSITY

Does your company take the following measures to promote LGBT + diversity?



Details in %  
 ■ Yes ■ In Planning ■ No  
 Note: n=105; Source: BGA Study

Companies cannot fully utilize the potential of diversity if individual diversity categories are not anchored in the company. If certain categories of diversity are excluded, those perspectives and experiences in the company are missing and can therefore not be used by the company.

# CONCLUSION

The results of the **German Diversity Monitor** 2020 make it clear that diversity is more lip service than reality in many German companies. The benefits of diversity for economic success are often not recognized and the understanding of diversity is insufficient. A lack of data management across all diversity categories, the non-targeted use of diversity budgets and the adherence to familiar composition patterns at board level favor homogeneous management teams. Therefore, BeyondGenderAgenda calls on company management to make diversity a top priority, to establish systematic data management and a comprehensive understanding of diversity across all categories, and to introduce measures for an inclusive work environment.