



# GERMANY'S FEMALE EXECUTIVES

How women make it to  
the top in corporate management

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ODGERS BERNDTSON

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## PREFACE



Hardly a social issue has been more heatedly debated over the past months than that of «women in the boardroom». Several major German corporations have recently made a voluntary commitment to introduce a concrete quota of women, adding to the dynamics of the debate. Though companies are increasingly recognizing that they cannot do without qualified and experienced women in corporate management, women still make up a negligible share at the top.

It is well known that women act, communicate and lead differently than men do. But what are the characteristics of the women who have successfully broken into executive positions in the largest corporations in Germany? Which routes have these C-level women taken, which methods have they used, what recommendations do they offer to young women pursuing ambitious careers?

Although governments, society at large and corporations are calling for more women in positions of leadership, many high-potential female employees shy away from the decision to move to the top of the career ladder – a choice that is still unusual for women in Germany to make – with all of the consequences it entails. In addition, conservative representatives from various political parties continue to promote their ideal of the housewife tending the home fires by providing benefits and incentives.

Women aiming to break out of this vicious circle must commit fully to pursuing a career. The female executives we surveyed say women must organize their professional and private lives with particular skill and prove themselves by taking on the challenges they meet on their route to the top. They should also learn from their male colleagues. Without giving up their female strengths, women in positions of leadership need to embrace self-assertiveness and decisiveness, strategic and visionary thinking and unshakeable self-assurance. The female bosses of tomorrow must not hesitate to use their characteristic strengths and assert themselves as leaders with great consistency.

We hope our study will encourage more women to choose a career in upper management and will motivate more companies to promote women from their ranks in order to increase the share of women in corporate management in Germany.

Gabriele Stahl  
Partner

# 1.

## GOALS AND METHODOLOGY OF THE STUDY

The boardrooms of the 500 largest corporations in Germany include only 49 women. This represents all of 2.4 % of the executive board and top management positions in these companies.

Why is the share of women specifically at the very top of management still so low? Why do so few women manage to rise from the ranks of middle management to head companies? What needs to happen in order to increase the share of women in corporate leadership in Germany?

In this study we aimed to get to the root of these and similar questions, and to do so we interviewed the 49 women at the top level of management - Germany's female bosses - for the first time on the issue of «women in executive positions».

The goal of our study was to glean concrete recommendations for corporate and political policymakers, and for the female managers themselves.

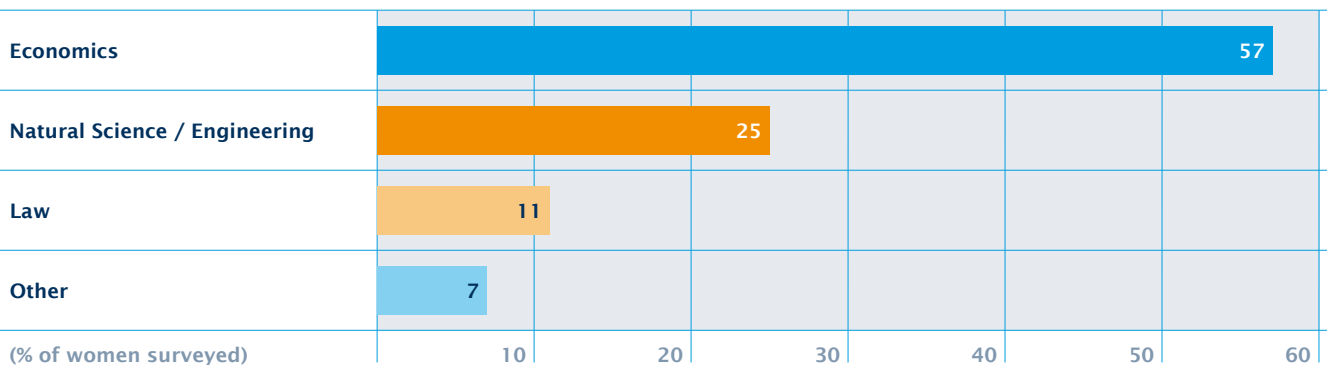
The 500 companies with the highest turnover, the 30 banks with the largest balance sheet total and the ten insurance companies with the highest premium income in Germany were considered in this study. The statistical data was obtained from Hoppenstedt Information for Businesses provided online as of June 2009.

# 2.

## THE PROFESSIONAL DEVELOPMENT OF GERMANY'S FEMALE EXECUTIVES

Career path: Not always straight and narrow

Illustration 1  
Academic degree

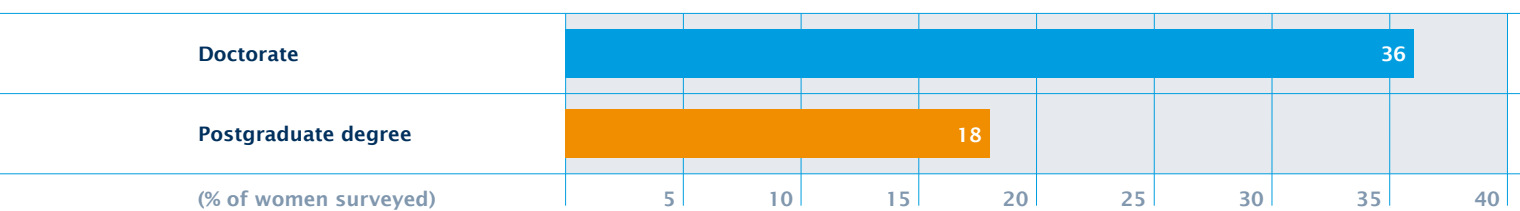


88 % of the participants in our study have an academic degree. Their degrees fall mainly into three courses of study: The majority, or almost 60 %, were earned in economics, with the natural sciences and engineering in second place, making up nearly 25 %. Law, which 11 % of the women have a degree in, plays a lesser role.

The distribution of the degrees, however, does not allow for conclusions to be drawn regarding the actual position held by the participants. The survey, for instance, does not show that a degree in economics will inevitably lead to a position as a CFO, or that a degree in natural science can only lead to a career in the pharmaceutical industry.

Illustration 2

### Postgraduate qualifications

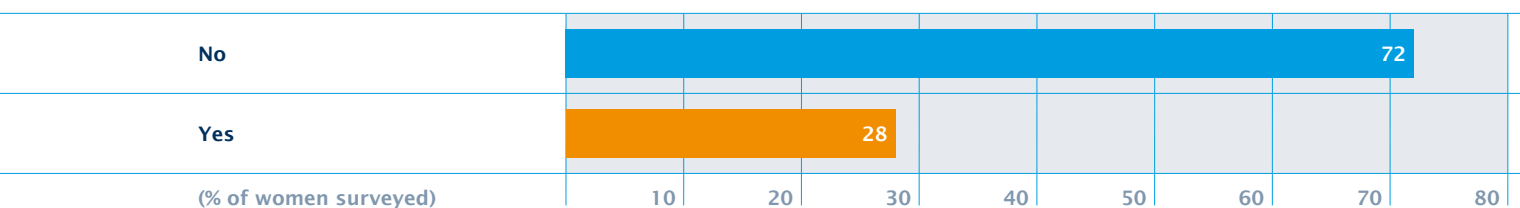


Slightly over a third (36 %) of the women with academic qualifications hold a doctorate. 18 % of the women surveyed with an academic background completed a postgraduate degree. This, the women say, reflects their dedication to lifelong learning and is also a sign of their determination and stamina.

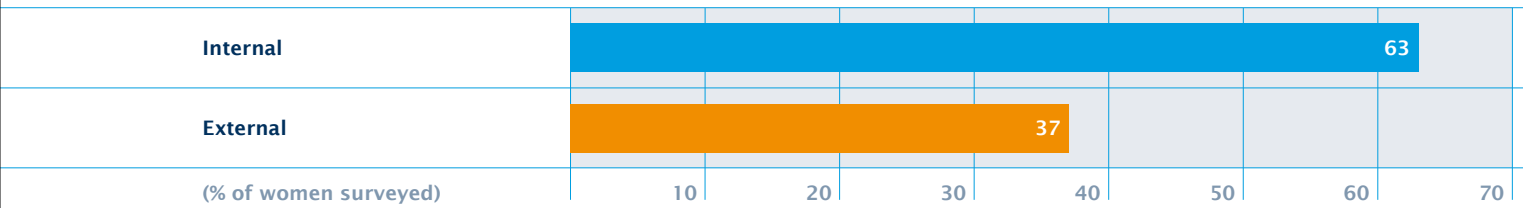
### Success based on deep market knowledge and early operational responsibility

Illustration 3

### Changed business sectors



**Illustration 4**  
**Promotion to the top executive position**



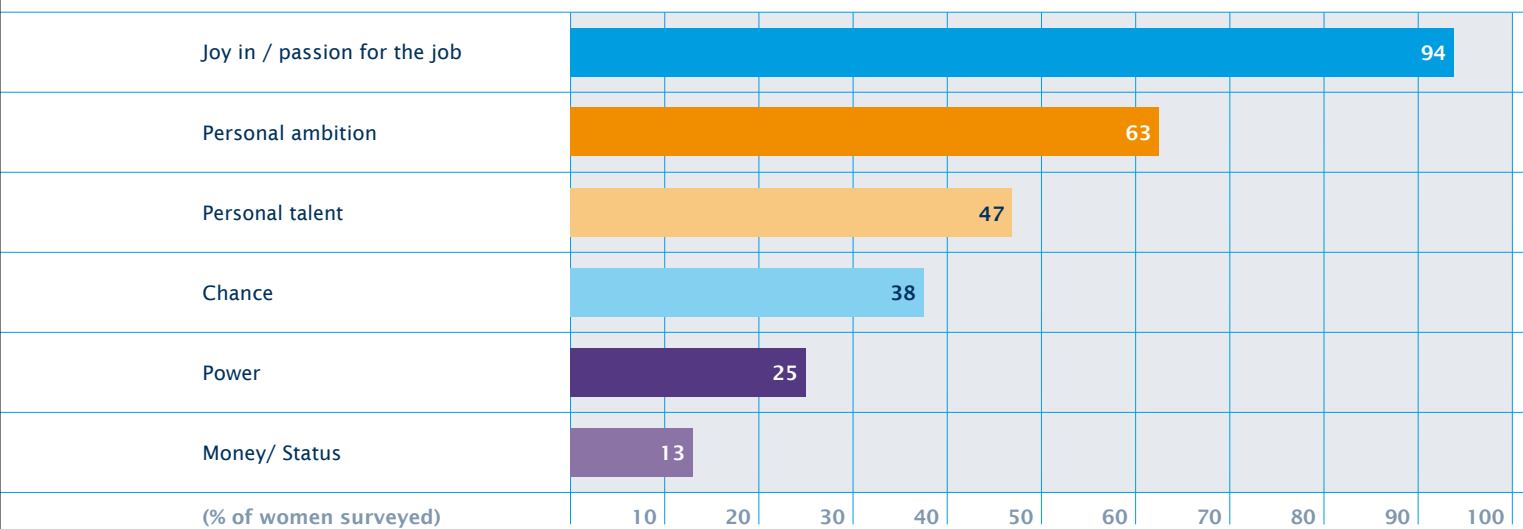
The majority of those surveyed (72 %) have remained in their line of business for the entire course of their career, whereas only nine women have changed sectors. The surveyed women think the advantages of changing sector, viz. cross fertilisation and best practice, pale in comparison to the advantages of acquiring in-depth knowledge in one’s own business sector.

Another indication of this focus is the fact that 63 % of the female executives were recruited for their leading position from within the company. The women surveyed recommend taking on operational responsibility in the core business area of a company as early on as possible.

**Career drivers:**  
**Being passionate about work ahead of status considerations**

Being passionate about their professional responsibility (94 %) and their personal ambition (63 %) were the crucial motivators in the careers of Germany’s female executives. Power (25 %) and money and status (16 %) were named far less frequently.

**Illustration 5**  
**Career drivers**

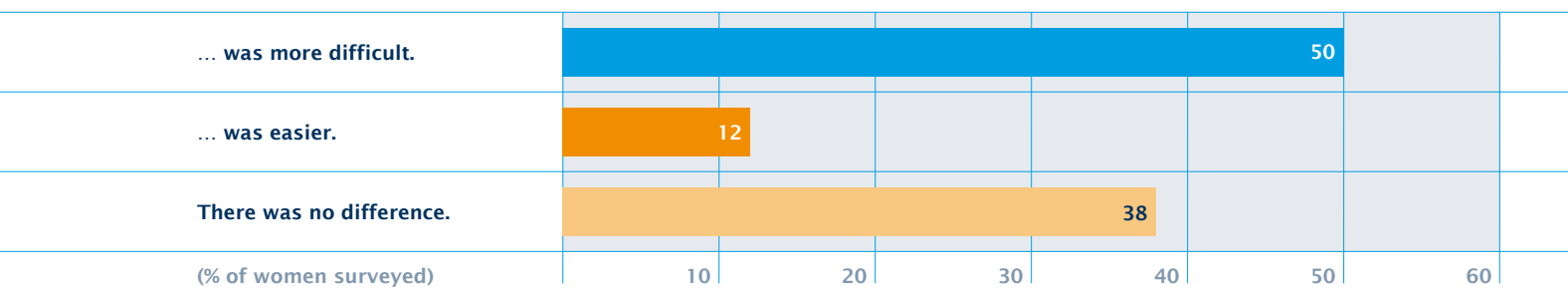


Three choices possible.

## Breaking into the boardroom is the hardest step

More and more women are represented in middle management in major German companies. But only a relatively small number of them manage to get onto the board.

Illustration 6  
The last career step...

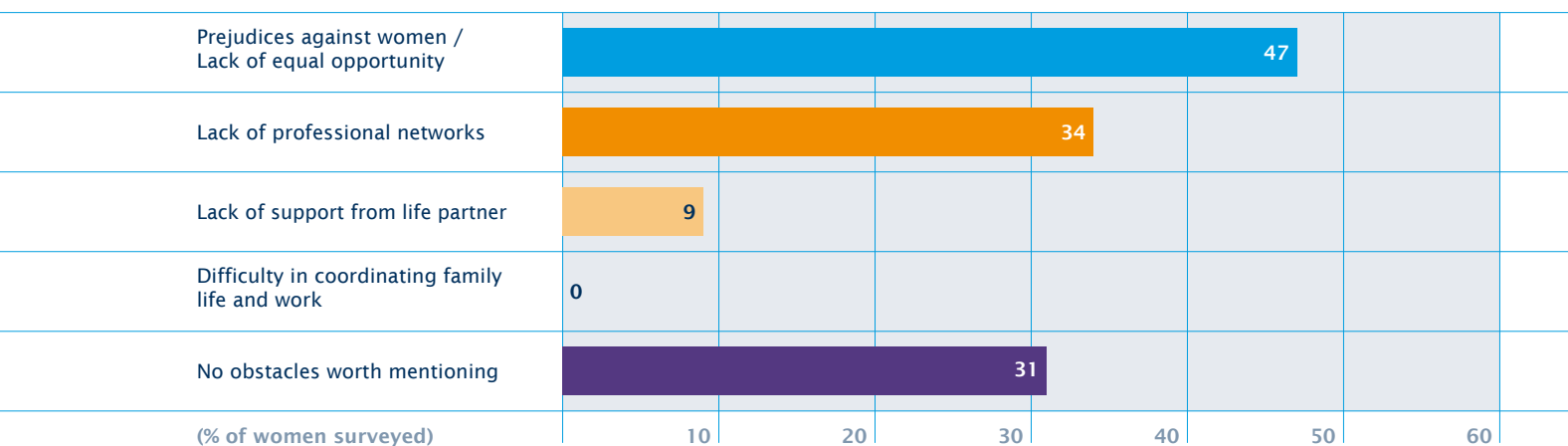


50 % of the participants in the study considered the last step in their career to be more difficult than those before. The women in question said that at this point in their career they were often confronted with reservations about women in leadership.

They were generally the first and only woman on the board and therefore under intense scrutiny, and were not granted the confidence or leap of faith that men often enjoy at comparable points in their career.

## Family is not a career killer

Illustration 7  
Career constraints



Three choices possible.

Most of the women surveyed clearly found the path to the top to be stony. Less than a third of them said they had not encountered any obstacles worth mentioning. By contrast, almost half of the women (47 %) said they felt that prejudices against women in leading positions and a lack of equal opportunity had hampered their progress into top management.

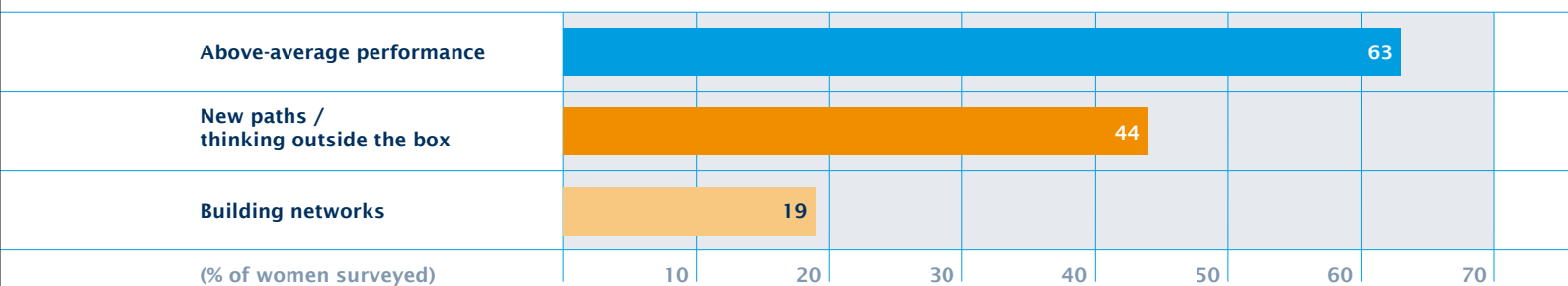
The much-discussed difficulty of achieving a balance between work and family life, surprisingly enough, was rarely mentioned as a constraint to having a career. None of the surveyed women said that interrupting their career to go on maternity leave, or having to arrange child day care or needing to deal with inflexible working hours had presented major problems. In this connection it is interesting to note that 81 % of the female executives are married or live in a stable partnership; 44 % of the women have children.

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### Above-average performance overcomes prejudices

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**Illustration 8**  
**Strategies to overcome prejudice**



Several choices possible.

Most of Germany's female executives were able to successfully overcome career constraints through exceedingly hard work and enormous stamina. In addition, almost half have pursued new paths and have seized opportunities that presented themselves in the context of realignment.

### 3.

## COMPETENCIES OF GERMANY'S FEMALE EXECUTIVES

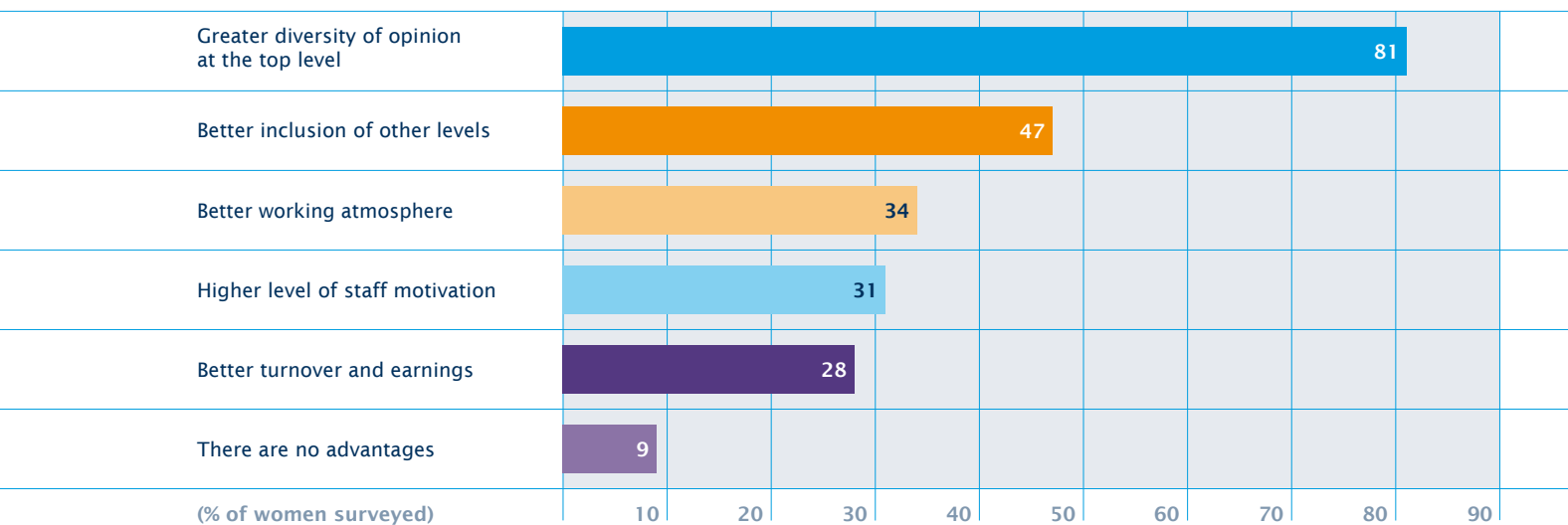
### Female executives bring companies advantages

According to Germany's female executives, C-level women contribute to a more open, in-depth process of forming opinions and finding solutions.

At the same time they have a positive influence on the atmosphere, the staff motivation, the image and last but not least, the bottom line.

Illustration 9

### Advantages of female executives according to Germany's female executives

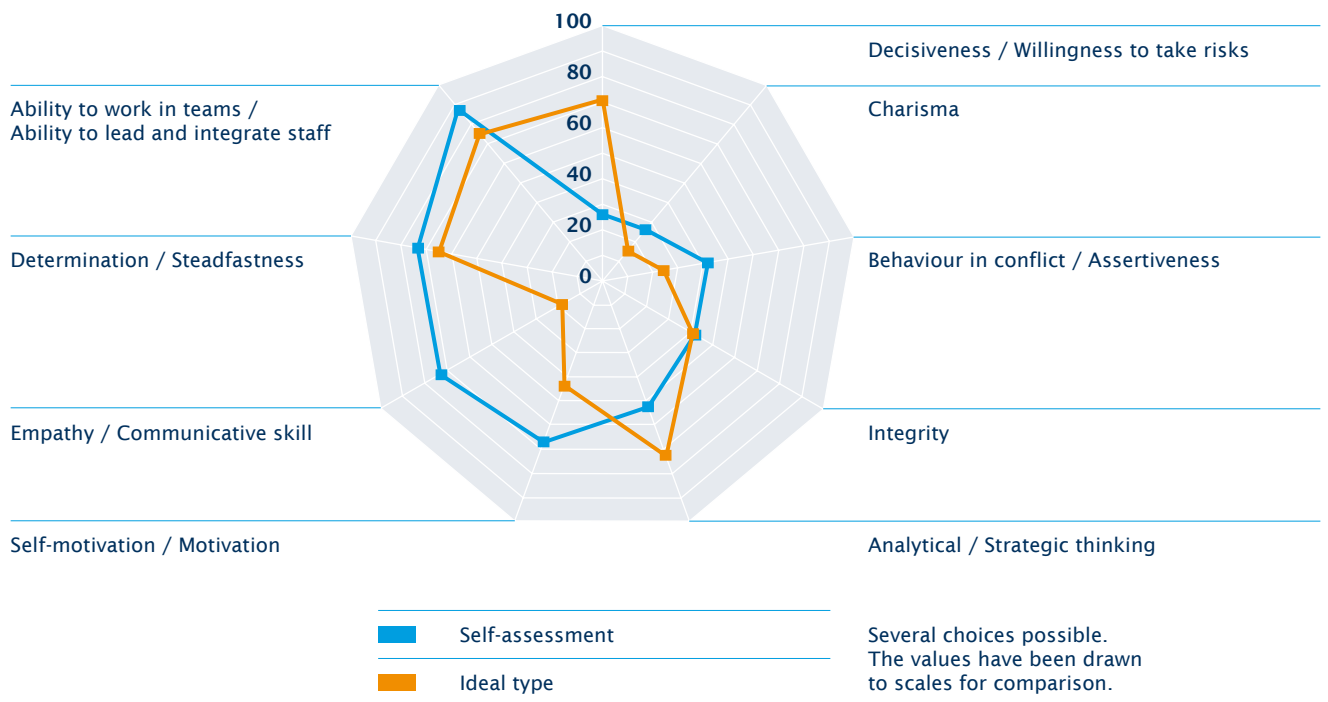


Three choices possible.

### Germany's female executives show more empathy and are more communicative

The characteristics Germany's female executives think best qualify them personally to carry out the job they are currently doing are their empathy and their communicative skills. However, they do not demand these typically female soft skills to the same degree from other executives – be they male or female.

**Illustration 10**  
**Comparing competencies:**  
**Self-assessment**  
**by the female executives –**  
**Ideal type of a manager**



**A lack of decisiveness**  
**and strategic-visionary**  
**thinking that needs**  
**to be addressed**

The women surveyed see their decisiveness and their willingness to take risks to be relatively low. Top managers must, however, be able to make «lonely» decisions in their everyday working. In addition, women executives lag behind in terms of developing and modelling visions and strategies, and need developing.

4.

## WHAT GERMANY'S FEMALE EXECUTIVES WANT

### Women have to know whether they want a career

First of all, the female executives invite working women to be honest with themselves and to assess their own talents, abilities and career goals realistically. Just like their male colleagues, women must be clear about the fact that they will have to make concessions in their private life if their career is to lead them to the very top in management. In particular this means having to put children, partnership, friends etc. on the back burner when the job requires it.

Germany's female executives say many women are not willing to pay this price. In addition, they say, women do not understand that they simply cannot do equal justice to both the career and the family.

If they do decide on a career, the women surveyed say it is equally important to be self-assured. Women should be assertive and expect a great deal of themselves in terms of career aspirations, and develop trust in their own capabilities and strengths.

### Female managers must build better networks

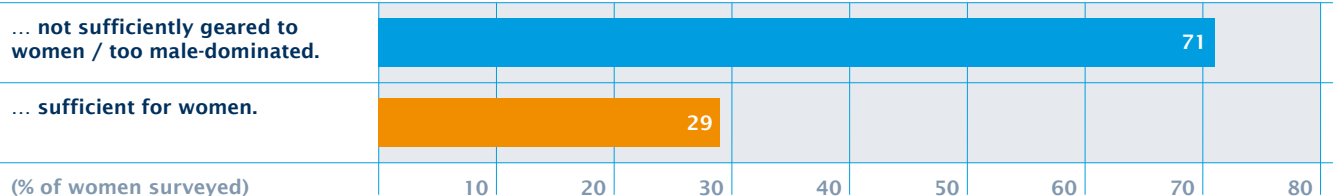
In their private lives women are excellent networkers. A private network is often built in order to organize housekeeping and child-care or to keep up private contacts, and is based on trust and giving and taking on equal terms.

But professional networks work differently, as they consist of heterogeneous participants pursuing their individual goals. They are exceedingly important for professional development, as belonging to a network provides access to people and information as well as creating specific structures and fostering relationships that could be of help in taking future career steps.

However, using networks purposefully as a career springboard to generate business or find jobs is difficult for most women. They often consider it to be cronyism – whereas women want to make it into upper management on their own steam. According to Germany's female executives, men use career networks differently and without the described reservations. They join them with the clear goal of promoting their own career. What counts most for them is their own personal benefit.

Illustration 11

### The existing networks are...

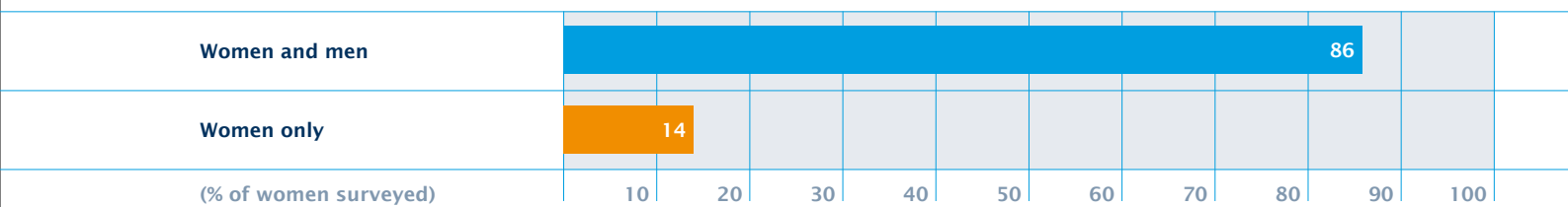


## Women in top management do not want women-only networks

Existing external networks are usually of the old boys' club type. Indeed, the majority of the participants in this study (71 %) lament the fact that the existing networks

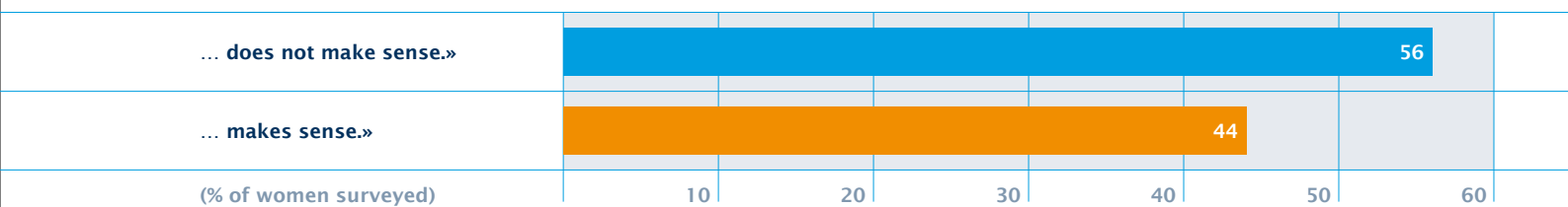
are not sufficiently geared to women's needs. But this does not mean that they want to establish an old girls' club for women only. On the contrary: According to Germany's female executives, women must learn to use the existing networks – consisting of men and women – more effectively to their own purposes rather than relying on the establishment of women's organisations.

### Illustration 12 Desired network members



## The introduction of a quota for women is helpful

### Illustration 13 «I believe that a quota for women ...»



For years women have been demanding that companies change their attitude towards women in positions of leadership, making sure that more women become board members. Diversity programmes, though widely introduced, have resulted only in minor changes so far. Still, 56 % of the participants in the study would oppose the introduction of a women's quota based on the Norwegian model for the time being, while 44 % would endorse such a ruling, yet would favour a quota below 40 %.

The reason behind women opposing a quota is their understandable fear that women in leadership will be seen as mere tokens. The share of women would be enforced by rule rather than based on conviction. Both the proponents and the opponents of a women's quota, however, agree that introducing a quota would sound the appeal and finally get things moving in the upper echelons of management. So the majority of the women surveyed think that the introduction of a quota would temporarily speed up the necessary change in thinking.

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### Women want support geared to their needs

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Women seek to improve their skills in specialized areas and are looking for support to get the necessary training. In particular, Germany's female executives expect companies to find skilled and talented women in their own ranks who can be interested in and groomed for managerial responsibilities.

Women need the opportunity to work on their specific weaknesses in order to develop into good leaders – for instance to become more assertive and self-confident. Companies offering specialized leadership and mentoring programmes can develop female leadership potential more effectively.

This, Germany's female executives say, also includes the willingness to hire and promote management personnel according to objective criteria and formalized procedures and not to pick and choose candidates from within the old boys' network when looking for new board members. Instead, clear job profiles should be compiled independently of any individual persons, and a professional consultant should be involved.

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## Working women must become a part of everyday life in Germany

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Making family and working life compatible has long ceased to be an issue that women must deal with alone. It is a social necessity. Germany's female executives call for society at large to give women more moral support, including promoting a positive image for working women – and for working mothers in particular.

This cultural change will be driven by the dramatic demographic developments in Germany: While only every fourth woman working as a specialist or a manager is above the age of 50, in ten years at the latest every third person will belong to this age bracket. By 2025 there will be roughly 600,000 fewer specialists and managers under the age of 50 than today. This represents a relative drop of 20 per cent.\* Without making greater use of female potential, this demographic gap will remain. Politics and society must now begin to make leadership positions more attractive for women with children in order to secure Germany's sustainability and competitiveness.

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\* This is the result of a study carried out in 2006 and updated in 2008 by IZA Institute for the Study of Labor and Odgers Berndtson.

In order to move more women into leading positions in the German business world, conditions for career women need to improve. This is a corporate, political and social responsibility. However, the women themselves also have an active role to play. They must not underestimate their own talents and abilities, must lead with confidence, formulate career goals for the long run and take the opportunities when they come knocking.

Women should also use the possibilities that professional networks provide to support their careers. They need to overcome their prejudice that networking is cronyism.

In order to finally get the management boards moving, the participants in our study advocate the introduction of a women's quota. Many women fear that a legal provision would cause women in leadership positions to be disqualified as mere tokens. Nevertheless, forcing the hand of decision-makers temporarily is the only way Germany's female executives see to increase the share of women in corporate leadership in the foreseeable future.

Finally, the lack of experts and managers in the coming years caused by demographic change will show the German business world clearly that it cannot do without the potential of talented, qualified and hard-working women if it wants to remain sustainable and competitive down the line.

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