

## Germany has fewer women in executive positions than the international average



No. 173, 28 February 2019

Author: Dr Jennifer Abel-Koch, phone +49 69 7431-9592, Jennifer.Abel-Koch@kfw.de

### In Europe, management is typically male

Women are often underrepresented on the executive floors of European businesses. There is no parity even in the Baltic, eastern European and Scandinavian states, the European economies with the highest proportion of women in leadership positions. In Latvia, for example, women occupy just 44% of middle to upper management positions. In Slovenia that share is around 42% and in Sweden about 40%. In most European countries, less than one third of all executives are female. Germany ranks in the bottom third, with women occupying just 28% of medium and upper management positions. Italy and Luxembourg are at the end of the list (see figure).

### Significant differences between global regions

Outside Europe, the US has a particularly high proportion of female managers at around 41%. Four in ten

managers are female in emerging economies such as Russia, Brazil and Mexico. But in Turkey, not even two in ten managers are female (see figure).

There are no directly comparable figures for most developing countries. But the World Bank has conducted representative surveys of SMEs which indicate that large regional differences exist here as well. In East Asia and the Pacific, around one third of SMEs are managed by women. In Latin America and the Caribbean it is around one fifth and in the Middle East and North Africa significantly less than one tenth.

### The air gets very thin at the top

Overall, the higher the management position and the bigger the company, the less likely it is to find a woman in that position. In Germany, for example, according to a recent survey by KfW Research, only 15% of SMEs are managed by a woman.<sup>1</sup> In 2018, not a single one of the 30 largest publicly

listed German enterprises had a female CEO.

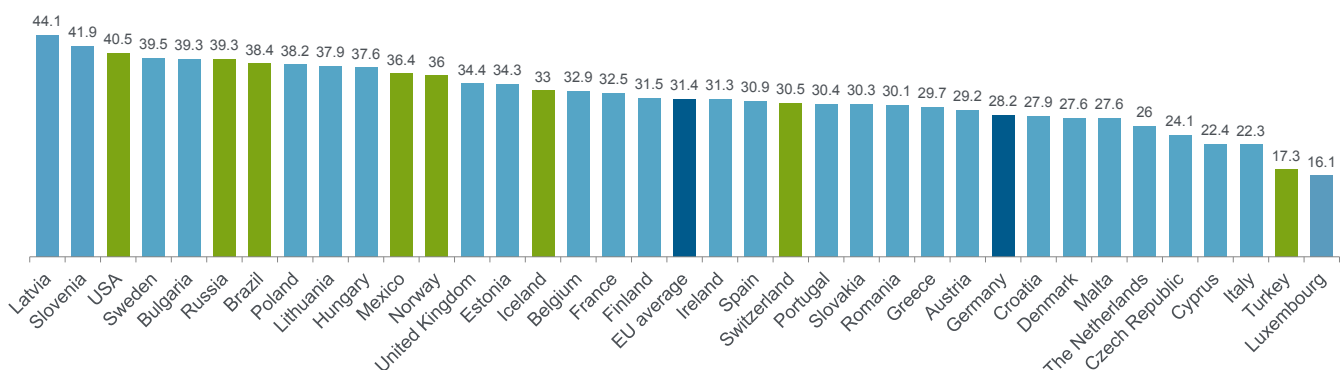
### The causes are varied

How heavily women are represented on executive floors does not only depend on the conditions for balancing work and family life. These are significantly worse in the US, for example, than in many European countries. Internationally, socio-cultural role stereotypes and norms are also an important starting point for explaining different proportions of women in leadership.<sup>2</sup> Not least, corporate culture also has an important impact on women's career prospects.

There is no universal approach to closing the gender leadership gap because the causes are too varied and the differences are country-specific. In any case, however, policymakers, society and business will need to undertake joint efforts to achieve lasting progress in this area. ■

**Figure: Many countries are ahead of Germany when it comes to women in leadership**

Share of women in middle and upper management positions (in per cent). EU countries marked blue, non-EU countries green.



Source: International Labour Organization (ILO). Data for the year 2017.

<sup>1</sup> Cf. Schwartz, M. (2018): **Female ownership decreases further in Germany's SME sector**, Economics in Brief No. 174, KfW Research, Frankfurt am Main.

<sup>2</sup> Cf. Henning, K. (2018): **Geschlechtergerechtigkeit und Unternehmertum – es bleibt viel zu tun!** (*Gender equality and entrepreneurship – much remains to be done!* – in German only) Entwicklungspolitik Kompakt Nr. 5, KfW Development Research, Frankfurt am Main.