

CHEFSACHE

Drive the Change – for Woman and Men

Facts for CEOs

Gender equality in management positions – Myths and reality



Summary

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The topic of **gender equality in management positions** is gaining increasing recognition worldwide. More and more organizations are actively thinking about how they can **increase** the **percentage of women** in general, and in management positions in particular. But what are the advantages for companies? How does the **current imbalance** manifest itself? And what can be done to **effectively** combat it?

This fact check is aimed at **leaders** in business, the social economy, sciences, and media. It looks at the most common **myths** about gender equality, and employs **data-driven analysis**.

As such, this fact check forms the basis for an **objective analysis of the status quo** and **current action areas**.



A reality check: The 5 greatest myths about gender equality in management positions

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A Overview: Status quo

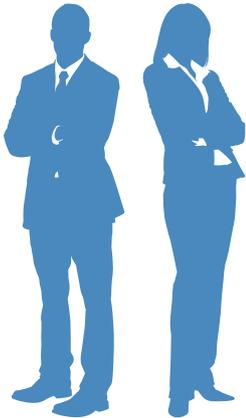
B The 5 greatest myths about gender equality in management positions

- 1 “The differences will resolve themselves”
- 2 “Women rarely strive for management positions”
- 3 “Gender equality is just an image thing”
- 4 “Only women are given preferential treatment these days”
- 5 “Nothing changes despite the raft of measures”

C What to do?

D The Chefsache initiative: A brief intro

E Sources



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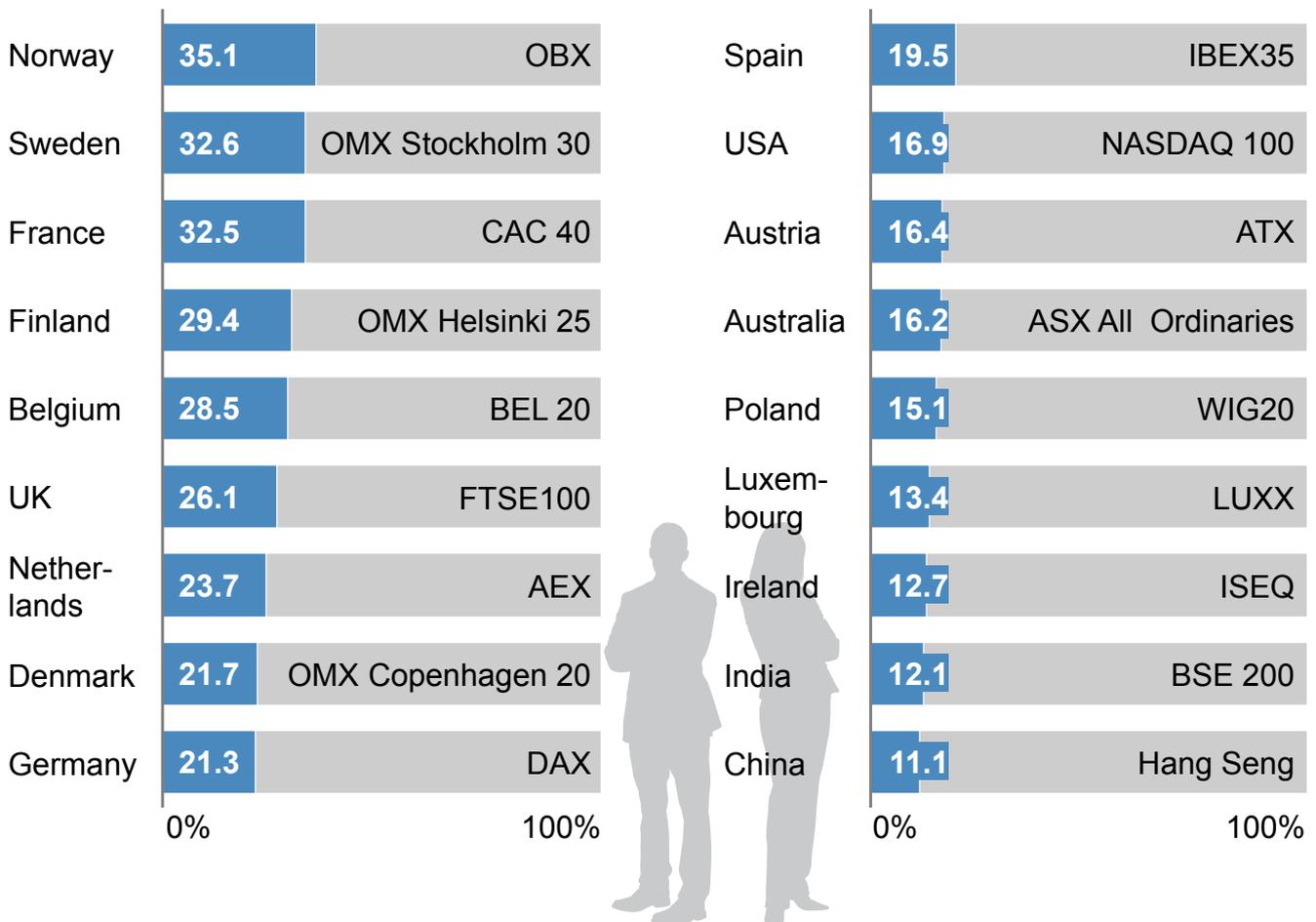
A | Status quo

Status quo – women continue to be under-represented in management positions in large companies



Share of women on boards

Percent



Source: Women on Boards Davies Review 2015

B | The 5 greatest myths about gender equality in management positions

Fact check: Myth 1

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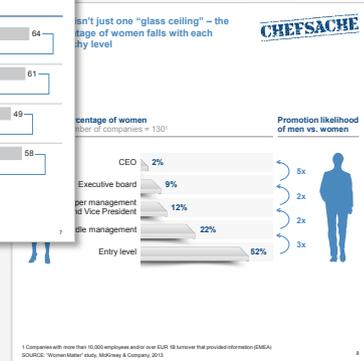
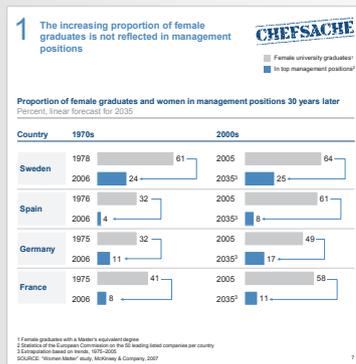
“The differences will resolve themselves”

Over time, current trends alone will lead to gender equality

MYTH

Reality

Despite the increasing proportion of female university graduates and young professionals, the ratio in management positions has barely changed – because the percentage of women decreases as the career level increases

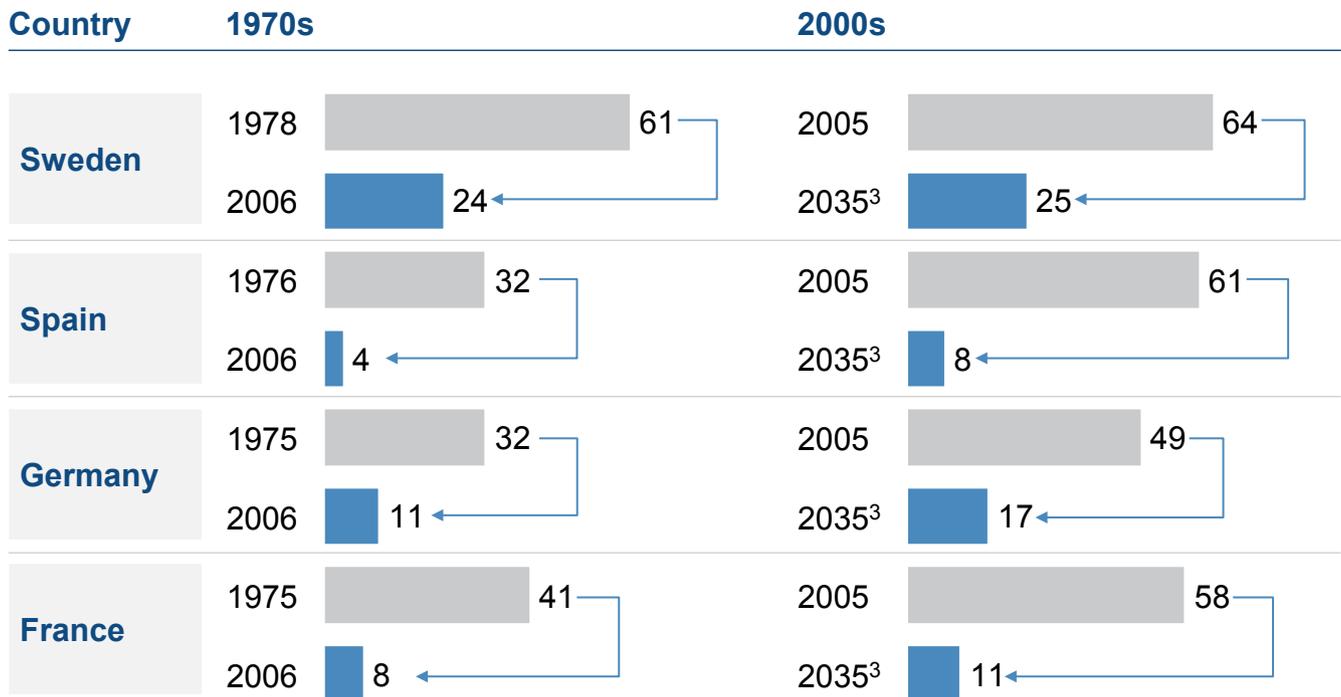


1 The increasing proportion of female graduates is not reflected in management positions



- Female university graduates¹
- In top management positions²

Proportion of female graduates and women in management positions 30 years later
 Percent, linear forecast for 2035



1 Female graduates with a Master's equivalent degree

2 Statistics of the European Commission on the 50 leading listed companies per country

3 Extrapolation based on trends, 1975–2005

Source: "Women Matter" study, McKinsey & Company, 2007

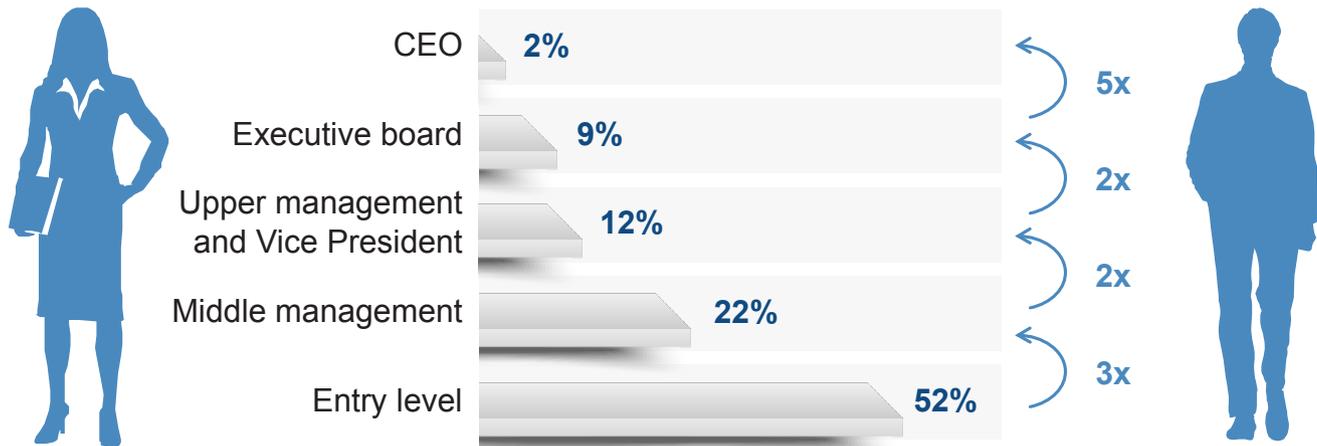
1 There isn't just one "glass ceiling" – the percentage of women falls with each hierarchy level

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Percentage of women

Number of companies = 130¹

Promotion likelihood of men vs. women



¹ Companies with more than 10,000 employees and/or over EUR 1B turnover that provided information (EMEA)

Source: "Women Matter" study, McKinsey & Company, 2013

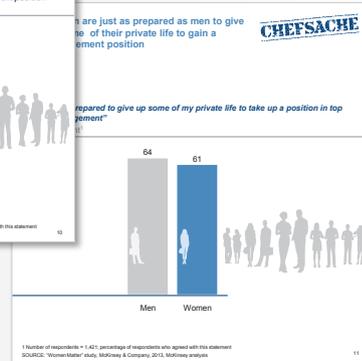
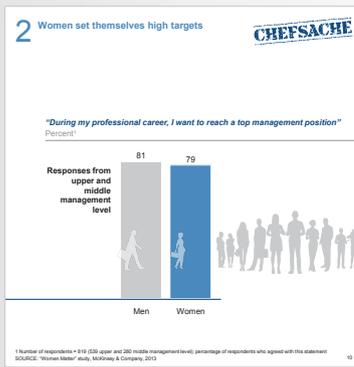
“Women rarely strive for management positions”

Women are generally less interested in management positions than men

Reality

Career plans of women are just as ambitious as those of men, and women are prepared to invest significant time and energy in their career

MYTH **2**

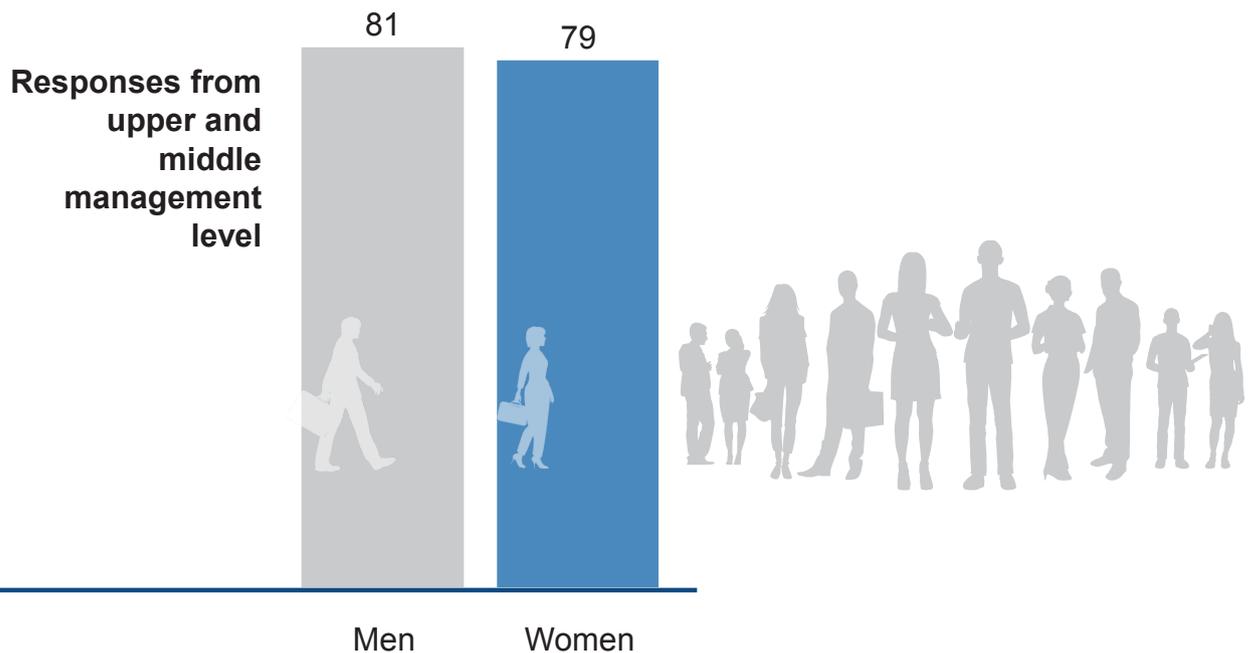


2 Women set themselves high targets

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“During my professional career, I want to reach a top management position”

Percent¹



¹ Number of respondents = 819 (539 upper and 280 middle management level); percentage of respondents who agreed with this statement

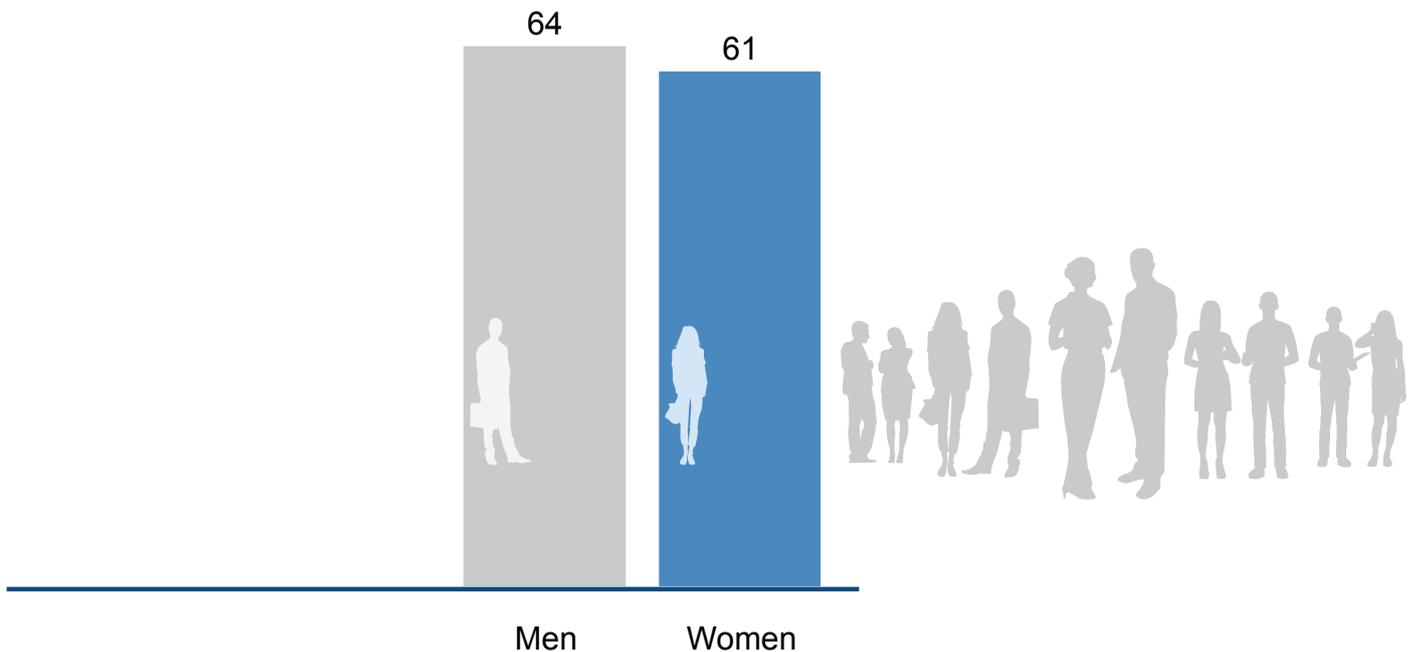
Source: “Women Matter” study, McKinsey & Company, 2013

2 Women are just as prepared as men to give up some of their private life to gain a management position

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“I’m prepared to give up some of my private life to take up a position in top management”

Percent¹



¹ Number of respondents = 1,421; percentage of respondents who agreed with this statement

Source: "Women Matter" study, McKinsey & Company, 2013, McKinsey analysis

Fact check: Myth 3



“Gender equality is just an image thing”

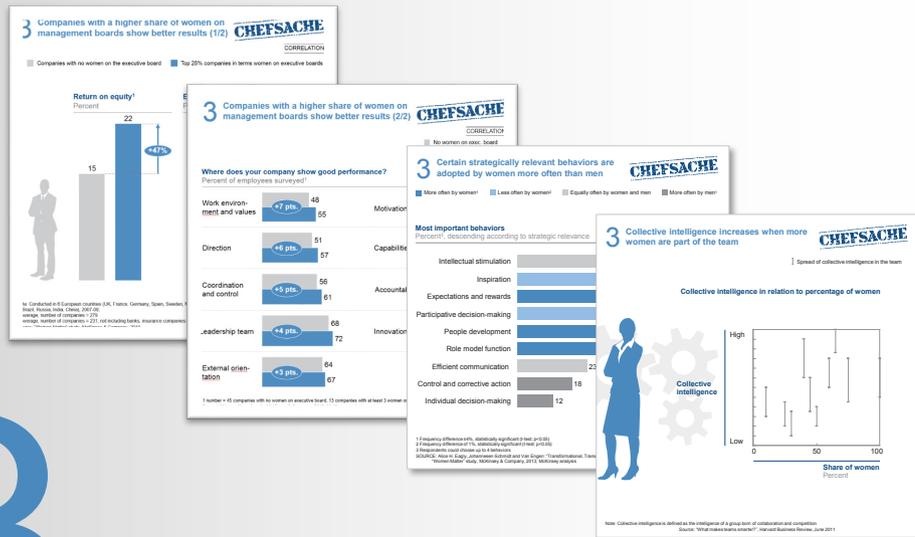
Gender equality is important for the reputation of a company, but not its performance

MYTH

3

Reality

Companies with women on management boards are healthier and financially more successful – because women are relevant for strategic decisions and collective intelligence

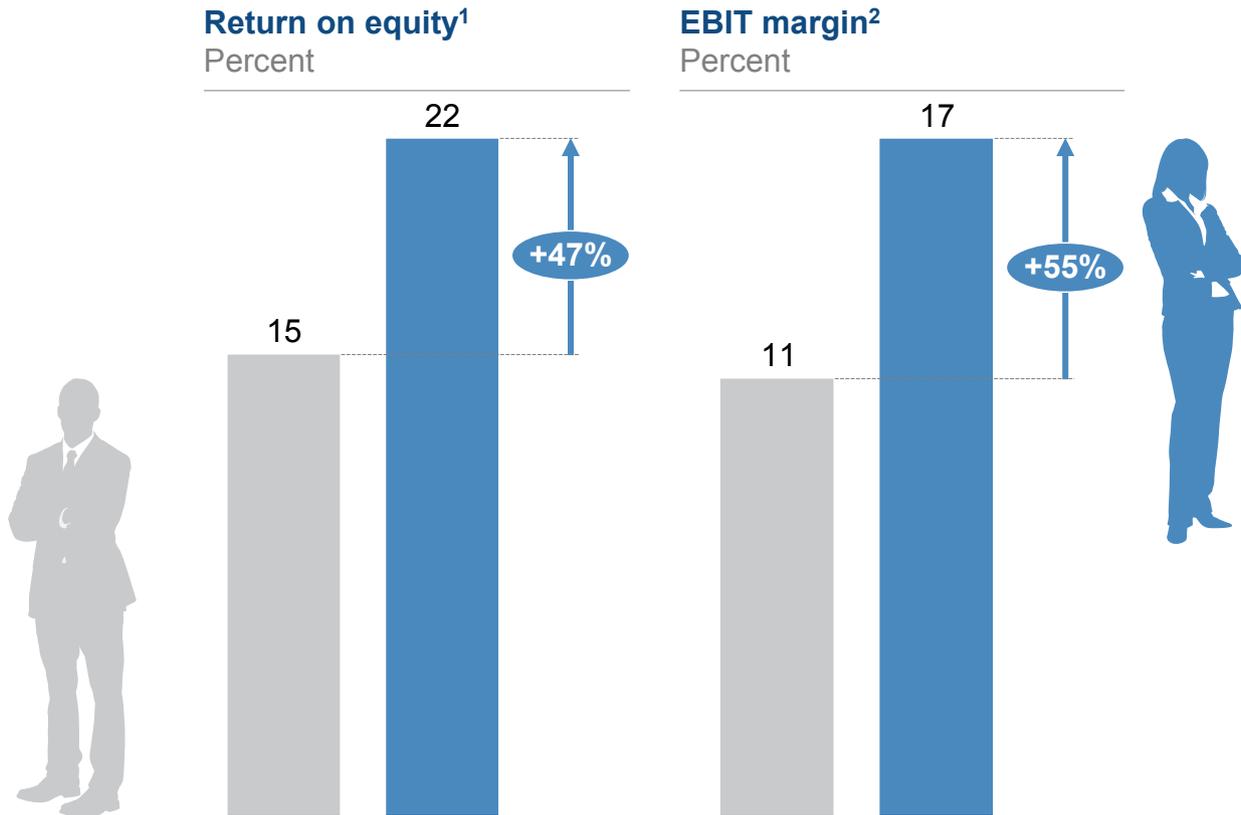


3 Companies with a higher share of women on management boards show better results (1/2)



CORRELATION

■ Companies with no women on the executive board ■ Top 25% companies in terms women on executive boards



Note: Conducted in 6 European countries (UK, France, Germany, Spain, Sweden, Norway) and the BRIC countries (Brazil, Russia, India, China), 2007-09;

1 Average, number of companies = 279

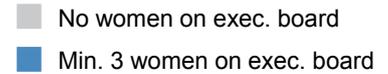
2 Average, number of companies = 231; not including banks, insurance companies or financial service providers

Source: "Women Matter" study, McKinsey & Company, 2010

3 Companies with a higher share of women on management boards show better results (2/2)

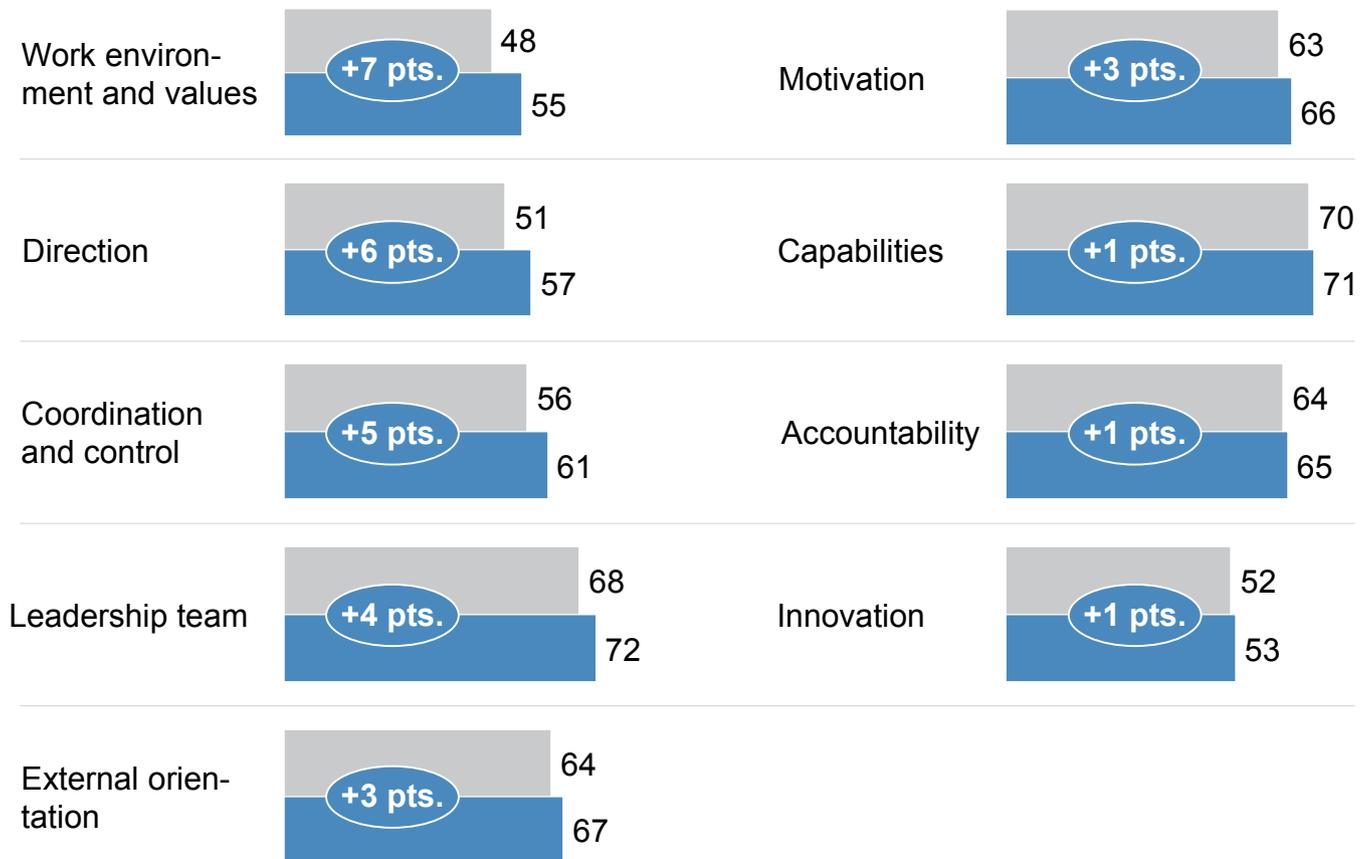


CORRELATION



Where does your company show good performance?

Percent of employees surveyed¹



¹ number = 45 companies with no women on executive board, 13 companies with at least 3 women on executive board

Source: "Women Matter" study, McKinsey & Company, 2013; McKinsey analysis

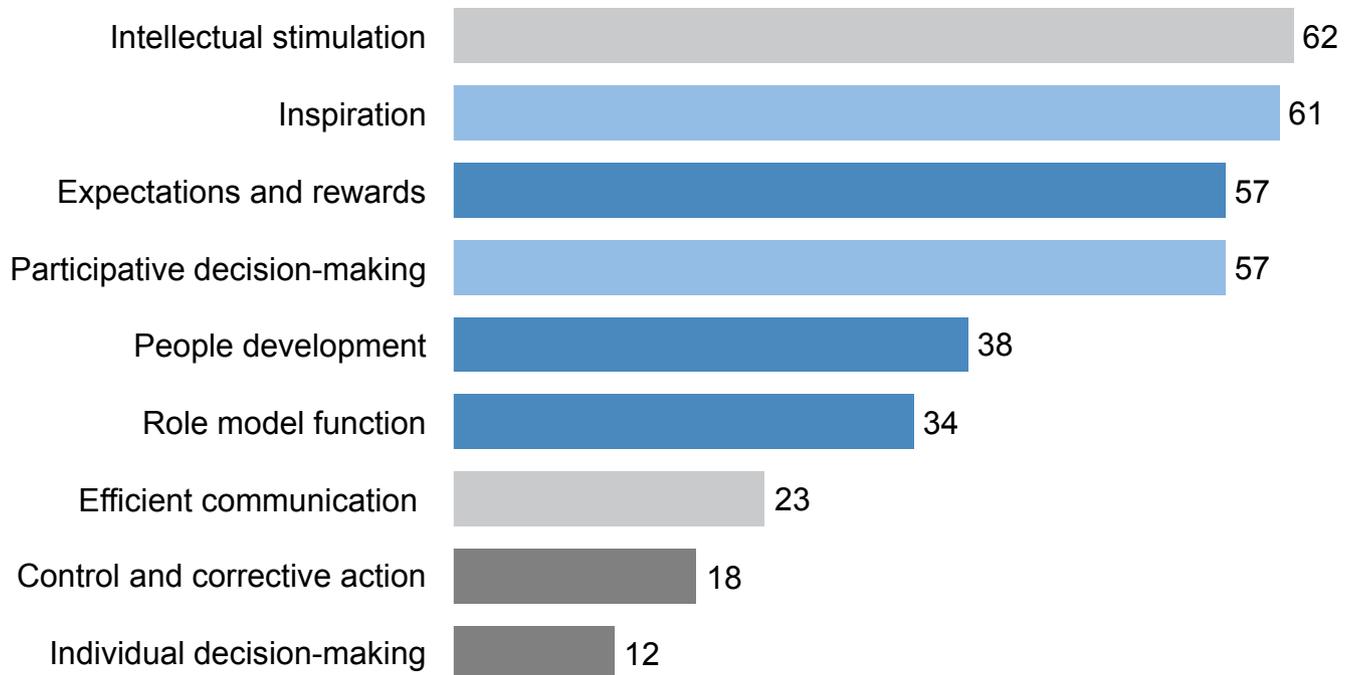
3 Certain strategically relevant behaviors are adopted by women more often than men



■ More often by women¹
■ Less often by women²
■ Equally often by women and men
 ■ More often by men¹

Strategically relevant behaviors

Percent³, descending according to strategic relevance



¹ Frequency difference $\geq 4\%$, statistically significant (t-test: $p < 0.05$)

² Frequency difference of 1%, statistically significant (t-test: $p < 0.05$)

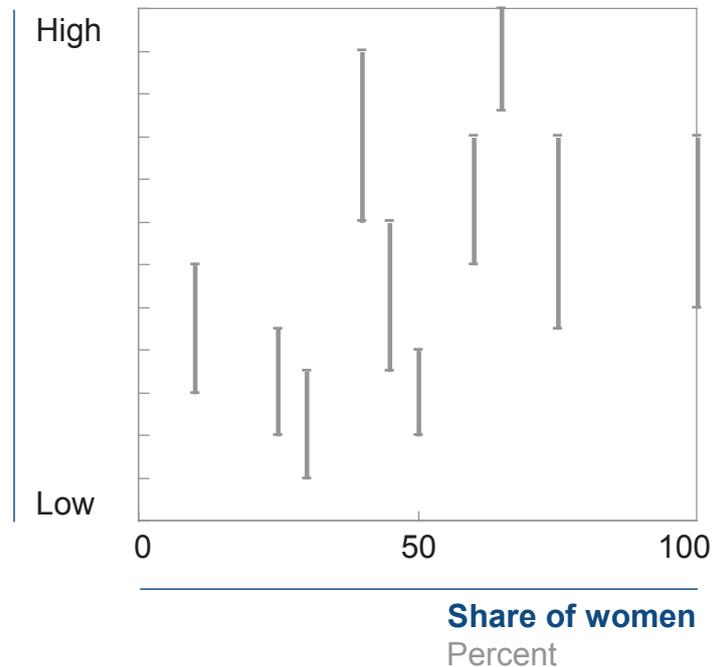
³ Respondents could choose up to 4 behaviors

Source: Alice H. Eagly, Johannesen-Schmidt and Van Engen: "Transformational, Transactional and Laissez-faire Leadership Styles", 2003; "Women Matter" study, McKinsey & Company, 2013; McKinsey analysis

3 Collective intelligence increases when more women are part of the team

┌ Spread of collective intelligence in the team

Collective intelligence in relation to percentage of women



Note: Collective intelligence is defined as the intelligence of a group born of collaboration and competition

Source: "What makes teams smarter?", Harvard Business Review, June 2011

Fact check: Myth 4

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“Only women are given preferential treatment these days”

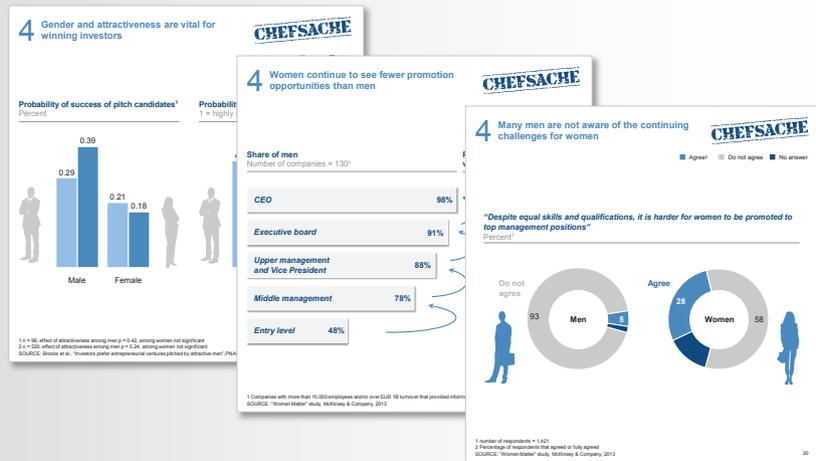
Targeted advancement of women disadvantages male staff and is contrary to the principle of merit

MYTH

4

Reality

Performance ratings reveal significant differences in how both genders are rated in various areas – although men especially are often not aware of this

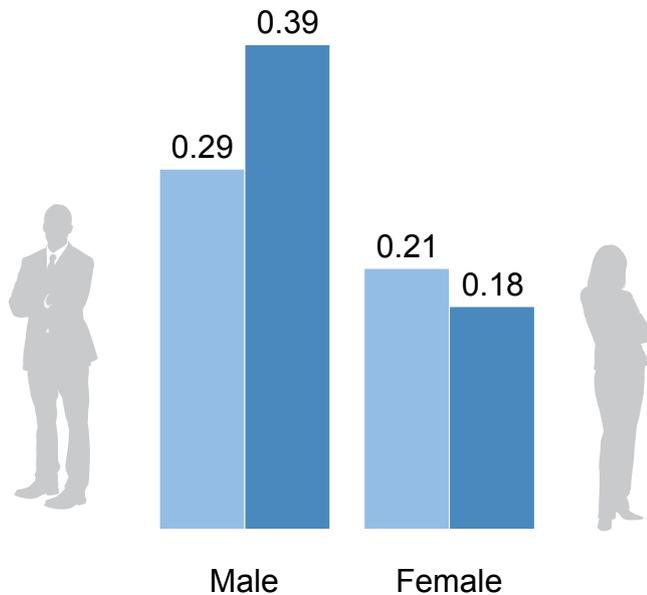


4 Gender and attractiveness are vital for winning investors

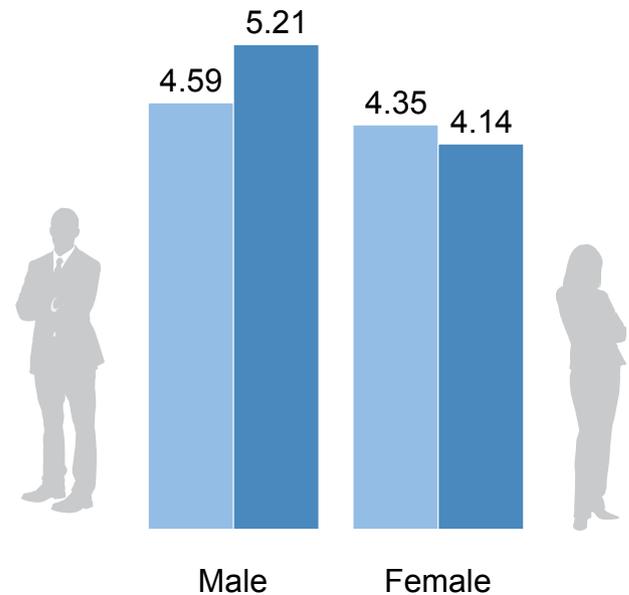


Attractiveness ■ Low ■ High

Probability of success of pitch candidates¹
Percent



Probability of investment²
1 = highly unlikely; 7 = very likely



¹ n = 96; effect of attractiveness among men p = 0.42, among women not significant

² n = 520; effect of attractiveness among men p = 0.24, among women not significant

Source: Brooks et al., "Investors prefer entrepreneurial ventures pitched by attractive men", PNAS, 2014

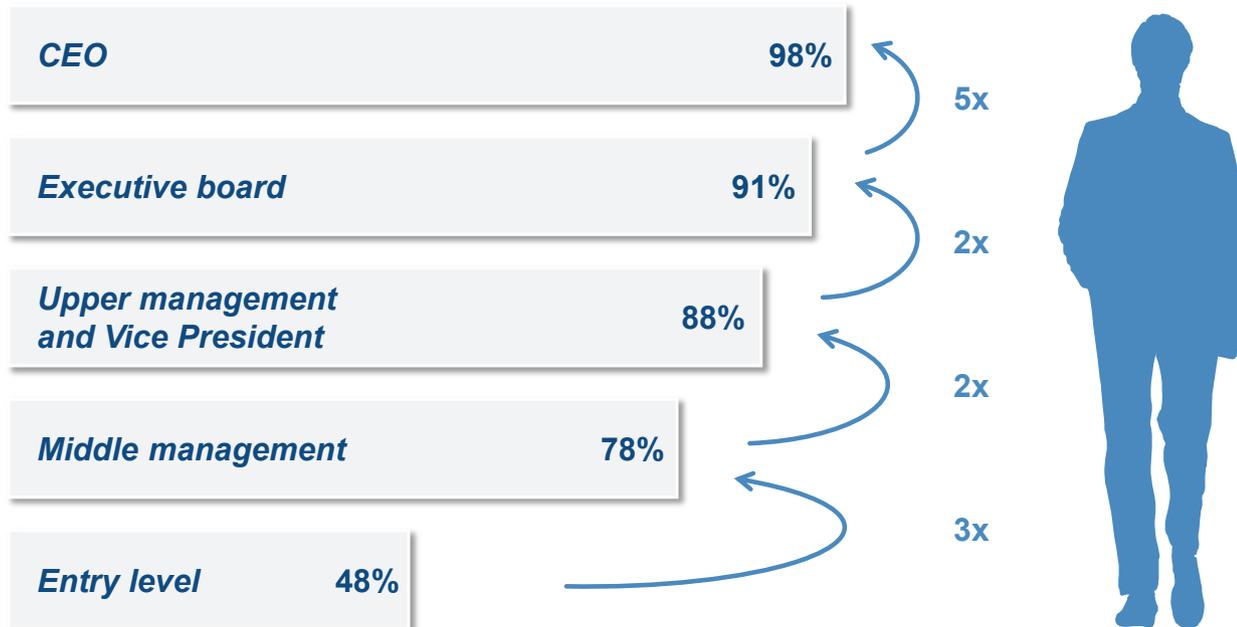
4 Women continue to see fewer promotion opportunities than men



Percentage of men

Number of companies = 130¹

Promotion likelihood of men vs. women



¹ Companies with more than 10,000 employees and/or over EUR 1B turnover that provided information (EMEA)

Source: "Women Matter" study, McKinsey & Company, 2013

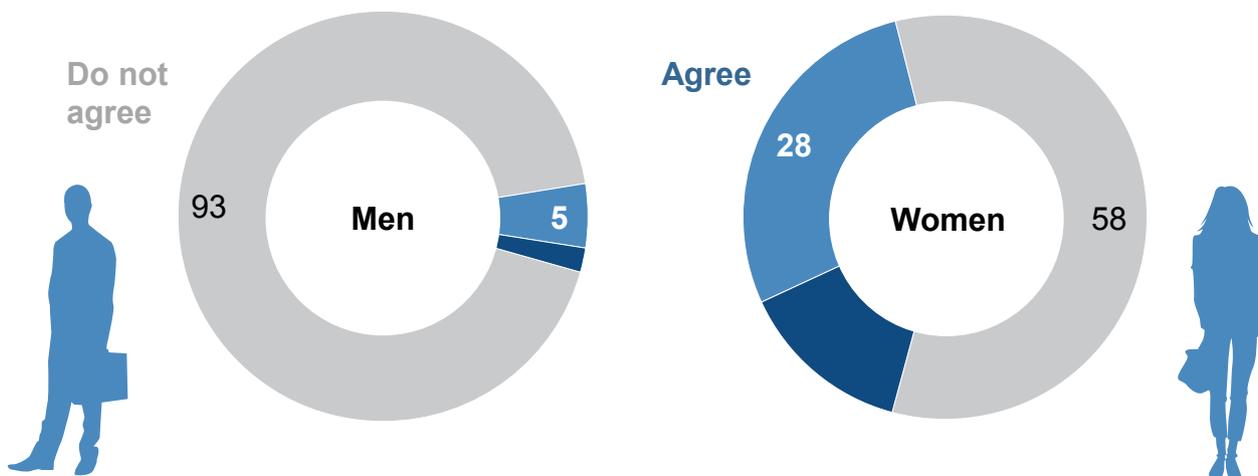
4 Many men are not aware of the continuing challenges for women



■ Agree² ■ Do not agree ■ No answer

“Despite equal skills and qualifications, it is harder for women to be promoted to top management positions”

Percent¹



1 number of respondents = 1,421

2 Percentage of respondents that agreed or fully agreed

Source: “Women Matter” study, McKinsey & Company, 2013

“Nothing changes despite the raft of measures”

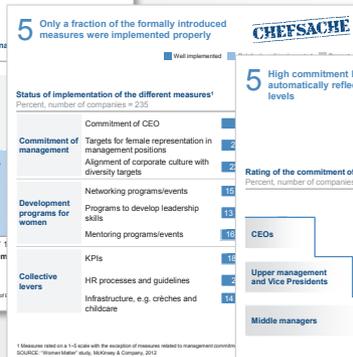
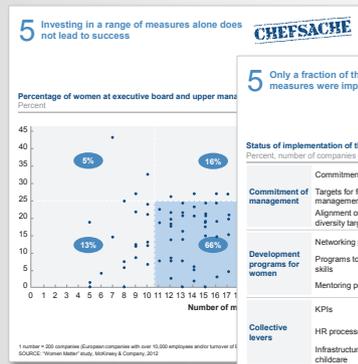
Despite the spread of introduced measures, there are no clear successes

Reality

Introduced programs often do not show any tangible success at first because clear commitment and targeted implementation at management level is critical to the success of diversity measures.

5

MYTH

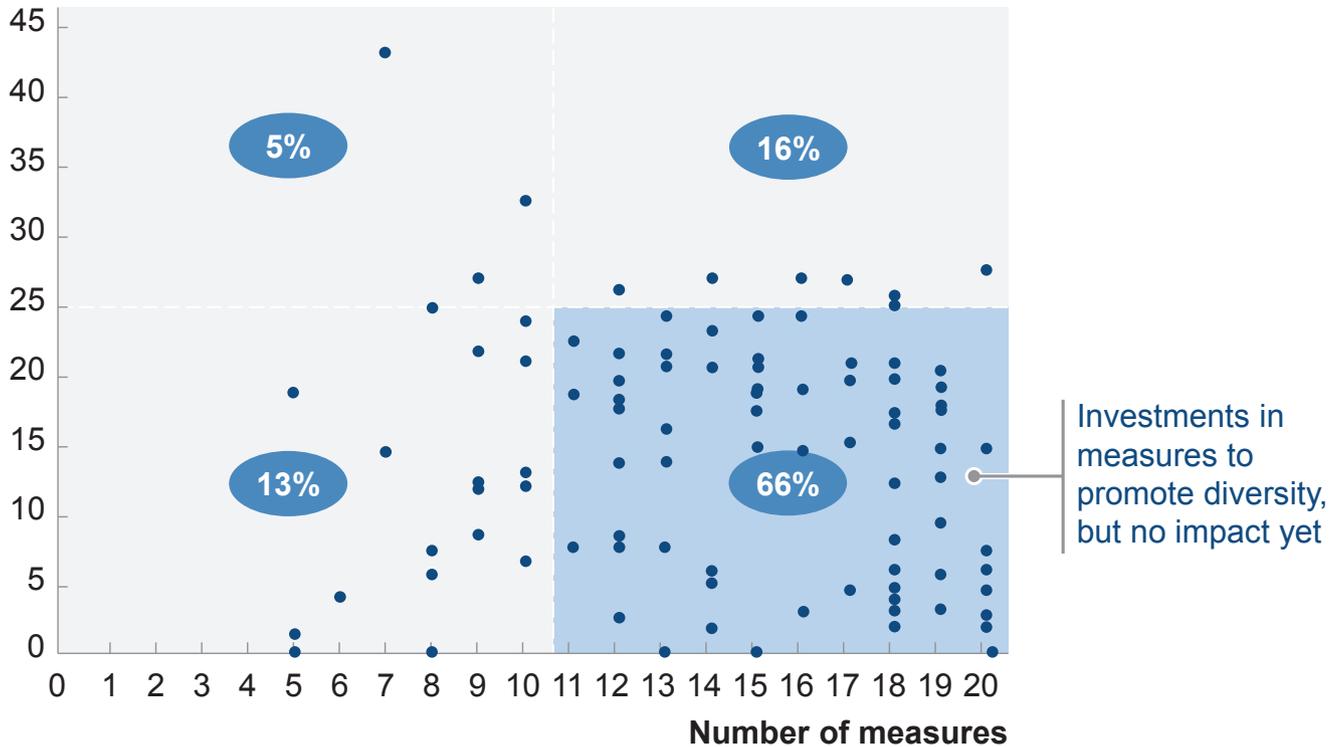


5 Investing in a range of measures alone does not lead to success



Percentage of women at executive board and upper management level¹

Percent



¹ number = 200 companies (European companies with over 10,000 employees and/or turnover of EUR 1B that provided information)

Source: "Women Matter" study, McKinsey & Company, 2012

5 Only a fraction of the formally introduced measures are properly implemented



Well implemented Relatively well implemented Present

Status of implementation of the different measures¹

Percent, number of companies = 235



¹ Measures rated on a 1–5 scale with the exception of measures related to management commitment, which were rated on a 1–4 scale

Source: "Women Matter" study, McKinsey & Company, 2012

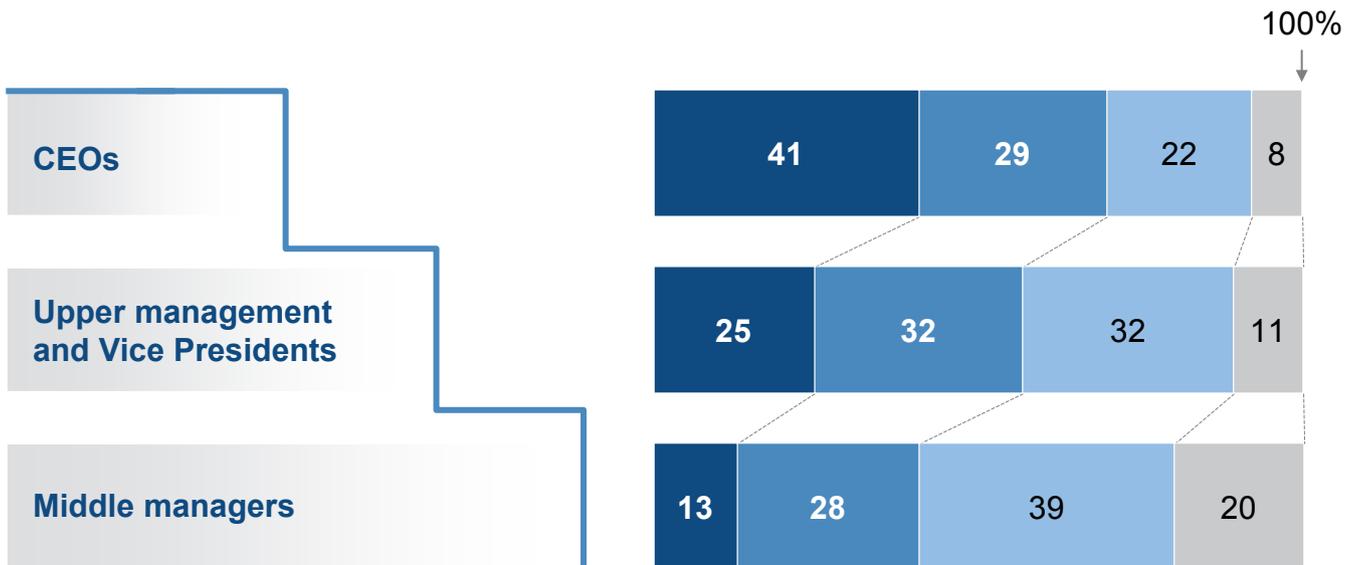
5 High commitment by the CEO is not automatically reflected at other management levels



■ Good ■ Relatively good ■ Present ■ None

Rating of the commitment of different management levels

Percent, number of companies = 235



Source: "Women Matter" study, McKinsey & Company, 2012

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C | What to do?

What are the success factors?

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Clear commitment of upper management



Development and implementation of tailored initiatives



Inclusion of middle management



Change in attitudes



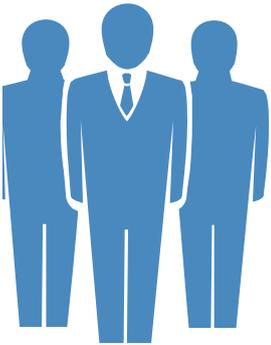
Clear commitment of top management

- Analyze and record the benefits of diverse management teams for the respective corporate context
- Emphasize the relevance of the topic openly and often (internally and externally)
- The executive board should take a lead role in the diversity team
- Ensure that there are sufficient women for promotion to key management roles
- Personally coach top female talent and act as a mentor
- Personally commit managers at all organization levels
- Introduce a range of diversity KPIs, and regularly monitor progress



Development and implementation of tailored initiatives

- Thorough diagnosis to understand the specific challenges in the company: Facts instead of “gut feeling”
- Regular meetings with female talent: What do they need?
- Define clear priorities for measures
- Equal concentration on “strategic measures” and general rethink of corporate culture
- Regularly assess effectiveness of current measures: Discontinue or modify non-functioning programs



Inclusion of middle management

- Give managers practical tips and tricks for more effective communication with their employees and early identification of talent
- Define personal responsibilities and establish transparency of progress
- Devise training formats that appeal to both men and women
- Where possible, integrate diversity programs into current training programs



Change in attitudes

- One thing should be clear to all employees: “Diversity” means promoting top talent, and is crucial to the company’s success
- Commit employees at all organization levels to tackle the challenges together
- Kick-start corresponding measures together; publish the results of measures
- Build networks of the champions of the respective initiatives
- Announce successes and celebrate together

For more information see...

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<http://initiative-chefsache.de/en>



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D | The Chefsache initiative: A brief intro

Our aspiration is to initiate fundamental change in the working world



“Chefsache: Drive the Change – For Men and Women” is a network advocating a better gender balance in top management positions. The initiative is driven by industry executives as well as leaders from scientific institutions, the social sciences and the public sector.

Founded in 2015, ‘Chefsache’ sets out to encourage a shift of mind-set throughout the working world by promoting new ideas and innovative concepts. There is still a distinct lack of women in Germany’s top management levels. Improved gender balance and up-to-date role models will benefit women and men as well as society at large.

German Chancellor Angel Merkel is the initiative’s official sponsor



“We have just passed a law governing the share of women on our major corporate supervisory boards. But even the best law will only be fully effective when it is supported by a commitment throughout society. “Chefsache: Drive the Change – For Men and Women” represents this vital commitment. And therefore I am delighted to be the initiative’s sponsor.”



Foto: Bundesregierung/Kugler

The driving force behind our initiative are the top leaders of our members (1/3)

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Allianz 



Dr. Werner Zedelius
Member of the
Executive Board

We are convinced: variety gives us strength! Communication that is free of blinders will help everyone involved.



Dr. Hartmut Klusik
Chief officer human resources



A better balance of men and women in management is simply good for business: To sustain our innovative advantage and to reflect changes in talent pools and customer expectations.



Bundesministerium
der Verteidigung



Dr. Ursula von der Leyen
Minister of Defense

That which applies to society also applies to the armed forces: a multitude of challenges require a variety of skills and diverse, intelligent individuals. We depend on everyone. If we want to mold things fully, we can't let 50% of our talent fall by the wayside.



BOSCH
Technik fürs Leben



Christoph Kübel
CEO and Director
of Labor Relations

Germany needs more female leadership. That is why Bosch is active in "Chefsache". We are promoting social change.



Martina Koederitz
Chairwoman of the
Board

Change starts in the head – it's only then that you can start negotiating! Talent management and diversity are fundamental values that are anchored in our corporate strategy.

The driving force behind our initiative are the top leaders of our members (2/3)

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Deutscher
Caritasverband e.V.



Dr. Peter Neher
President

Some 80% of employees at Caritas are female; but only one-fourth are in management. We want to change that. It is imperative that we utilize female talent. We are committed to this at Caritas and are taking part in the Chefsache initiative. Gender equality is important – for women and men.



Dr. Frank Mastiaux
Chief Executive Officer

Diversity is key for every future I can think of: it fosters new ways of thinking, supports innovation, and stimulates creativity. As an important element of lived diversity we have to exploit all opportunities to treat men and women equally in society and business.



Fraunhofer



Prof. Dr. Reimund Neugebauer
President

In the past 50 years, the digital world has become something of a matter of course. But some 200 years after the first women's movement of modern times, we are still discussing the issue of women in leadership roles. In order to maintain scientific innovation in the long term, we cannot continue to afford such idleness.



Lufthansa



Dr. Bettina Volkens
Member of the Executive Board,
Chief Officer Corporate Human Resources and Legal Affairs

For us, diversity means great variety, inventiveness, internationality, and different perspectives. We want mixed teams on every level and thus women on every management level.

The driving force behind our initiative are the top leaders of our members (3/3)

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McKinsey&Company



Dr. Cornelius Baur
Managing Partner
Germany

More women within the firm means more success! Whether as a company or a society, we can't do without them.

SIEMENS



Joe Kaeser
Chairman of the
Board

"Chefsache" is management work, as development, promotion, and leadership for staff can't be delegated.



Angelique Renkhoff-Mücke
Chairwoman of
the Board

I am convinced that a holistic approach is needed to consistently move women forward and upward. We have a long and likely difficult journey ahead of us before all of the individuals involved demonstrate the acceptance and willingness needed.



Thomas Biedermann
Member of the
Executive Board
of Management

We rely on a variegated business culture and a diverse team structure. Finding prospects for personal growths of women within our company is a top priority for us in order to reach the share of women on management level we need. Equal opportunities are seen as a matter of leadership and management, this is why we support the initiative.

DIE ZEIT



Dr. Rainer Esser
CEO

Talented and satisfied employees are the heart of a successful company. Therefore, personnel is "Chefsache". At ZEIT, we have a diverse team of women and men. We work together closely, and we have a family friendly company culture. We've had great success with this model and work is also a lot of fun.

'Chefsache': The name says it all

CHEFSACHE

For the initiative's executive members, **establishing a level playing field** for men and women in top management positions is a **personal priority**. 'Chefsache' sets out to raise awareness for the **perceptual stereotypes** still **deeply rooted** in industry's and society's **communication and decision processes**, inhibiting the advancement of women into top management positions. The qualification of women is higher today than ever before. The initiative's title '**Chefsache**' should also be understood as a **call to action** specifically addressing the vast majority of men in leadership functions. A better gender balance will benefit all. Whether the boss is a "he" or "she" becomes irrelevant.



Chefsache

'Chefsache' is a network of leaders from industry and science, the public sector and the media **personally committed** to make gender balance a top management priority.

Drive the Change

The 'Chefsache' initiative is committed to lead by example, exploring new concepts and approaches to promote the **required change of mind-set** throughout society

For men and women

Our conviction: **Gender balance** helps to strengthen Germany's competitiveness and is a fundamental driver for economic vitality and prosperity

Our aspiration is to initiate fundamental change in the working world



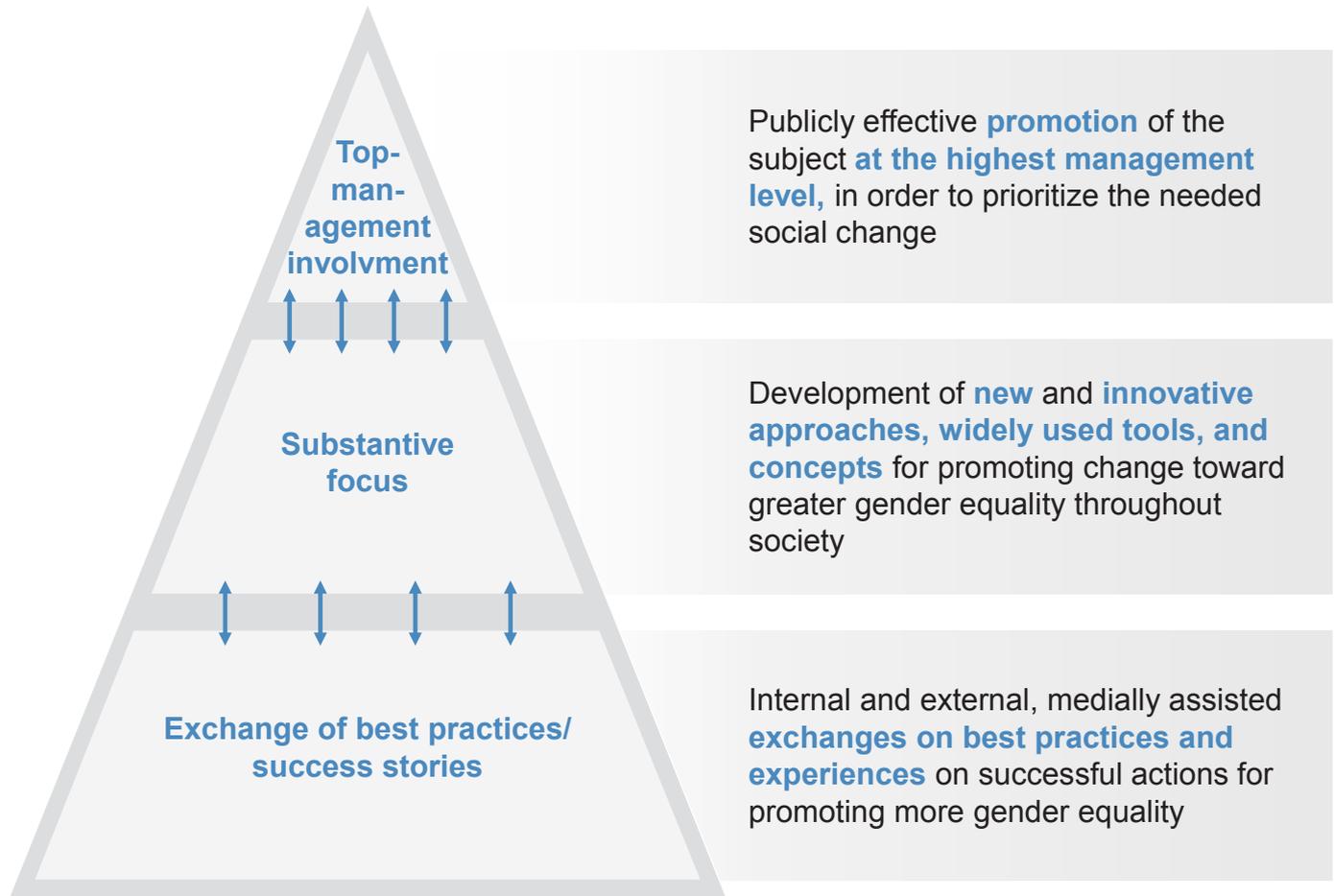
We are **committed to a balanced gender ratio in top-management** positions. Germany **cannot afford to exclude good talent** from success. Only when every individual – **regardless of gender** – has the opportunity to take on responsibility in accordance with their strengths will we as a society use our resources and our potential for new ideas. A **management culture that is open to everyone** is not only a question of fairness, it also directly **pays off economically**.

Therefore, we want to **initiate fundamental change** in the working world: our aim is to establish a **new culture of appreciation** in our companies and institutions – one that recognizes varying career biographies and that leaves traditional mentalities in staffing decisions behind. To this end, we would like to appeal in particular to those individuals in our society who have **leadership and multiplier functions**



Statistics show that in Germany, there are conspicuously few women in top-management positions. Among the executive boards of the 200 largest German companies, the ratio of men to women is 18:1.

From our goals and aspirations we derived three directions of impact

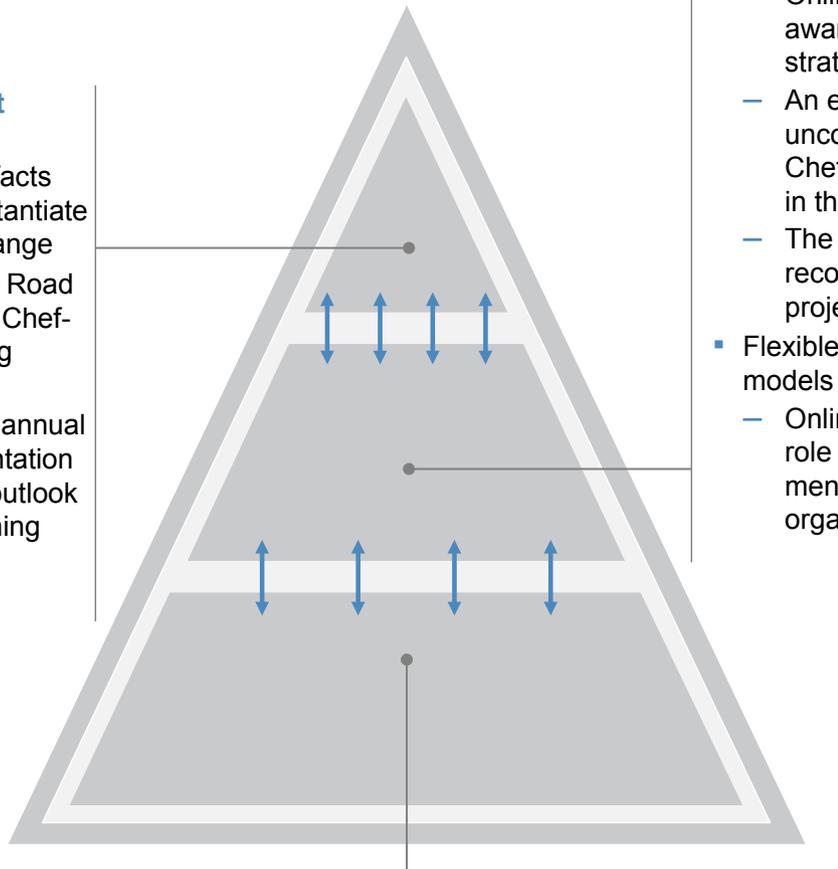


Concrete measures are driving the change – focus topics in 2016 are unconscious bias and flexibility

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Top-management involvement

- “15 convincing facts for CEOs” substantiate the need for change
- The 'Chefsache Road Show' presents Chefsache at existing events
- The Chefsache annual meeting: presentation of results, and outlook on annual planning



Substantive focus

- Unconscious bias
 - Online training creates awareness and provides strategies on avoidance
 - An expert forum shows unconscious-bias work from Chefsache at a conference in the Federal Chancellery
 - The 'Chefsache Award' recognizes outstanding projects in
- Flexible work and career models
 - Online magazine introduces role models and implementation advice for organizations

Success stories/exchange of best practices

- Success stories at Chefsache Web sites are regularly expanded
- “Zeit Spezial” special edition of Die Zeit illustrates Chefsache’s work

E | Sources

List of sources

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Sciences



Media

DIE ZEIT

Economy



Public institutions



Bundesministerium
der Verteidigung



BOSCH
Technik fürs Leben

Social economy



Deutscher
Caritasverband e.V.

SIEMENS



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TÜVRheinland[®]
Genau. Richtig.



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Drive the Change – for Women and Men

www.initiative-chefsache.de

Status: August 2016