

The current situation of gender equality in Germany – Country Profile

2012



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Foreword

Dear Reader,

We are happy that we have raised your interest in the EU-Initiative "Equality Pays Off". The initiative supports large companies in successfully adapting to upcoming labour market challenges: Due to demographic change as well as a stronger focus on service and knowledge intensive industries, Europe will face a significant shortage of (qualified) skills in the next decades. The initiative covers all EU-27 countries plus Croatia, Turkey, Former Yugoslav Republic of Macedonia (FYROM), Serbia, Norway, Iceland and Liechtenstein – in total 34 countries.

To secure qualified labour, it will be of vital importance for large companies to diversify the pool of (potential) employees by gaining better access to the female labour force. The initiative supports companies in Europe to increase female participation, to support employees that involuntarily work part-time due to family obligations, to motivate students to enter atypical fields of education and to reduce horizontal¹ as well as vertical segregation². Consequently, the initiative contributes to a reduction of the gender pay gap in Europe.

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This country report serves as background material for workshops taking place in each country in the context of "EQUALITY PAYS OFF".³ These workshops shall enhance knowledge exchange between business leaders and key decision-makers of participating companies. The quick and country-specific overview of the status quo will serve as a basis to explore starting points for each company to tap the female talent pool in a better way.

The country report is structured into four parts: After the management summary, Part 1 describes the status quo of gender equality in the German labour market. Part 2 describes our recommended strategic approach to gain better access to female talent in the labour market and within a company. Part 3 lists initiatives of the public and private sector in Germany that support companies in their ambition to enhance gender equality.

Further information on the EU-Initiative and its respective activities as well as on involved stakeholders can be found at <http://ec.europa.eu/justice/equality-pays-off>.

¹ Horizontal segregation refers to the under-/overrepresentation of women and men in occupations or sectors

² Vertical segregation refers to the under-/overrepresentation of women and men in hierarchical levels

³ The information on the website has been summarized in this country report. Detailed information can be found on the website: <http://ec.europa.eu/justice/equality-pays-off>

Management Summary

Demographic change as well as a stronger focus on service and knowledge intensive industries will lead to a significant shortage of (qualified) skills in Europe. In order to fill the upcoming gap between labour demand and labour supply companies need to improve their access to the talent pool by ensuring gender equality.

Currently, German companies do not make full use of the existing labour force potential. Five groups of indicators show the status quo in 2011:

- The **general participation rate** of women in the German labour market (67.7%) is still lower than the general participation rate of men (77.3%).⁴
- The rate of **employees working part-time** is significantly above EU-27 average. 45.1% of German women work part-time (vs. 31.6% EU-27 average). Thus, there is ample need to efficiently integrate part-time workers in the workforce.⁵
- The **choice of education** of German students shows that there is an overrepresentation of women in "typical" female fields (e.g. education) and an overrepresentation of men in "typical" male fields (e.g. engineering).⁶
- The status quo of **horizontal segregation** shows that the distribution of women across economic sectors and occupations varies significantly from the distribution of men.⁷
- The status quo of **vertical segregation** shows that women are underrepresented in decision-making positions. The share of women on boards is 16% in Germany (number from 2012).⁸

The **unadjusted gender pay gap** in Germany hence exceeds the EU-27 average significantly. In Germany, women earned 23.1% less than men in 2010 (EU-27: -16.4%).⁹

⁴ Eurostat Labour Force Survey (LFS) (2011)

⁵ Eurostat Labour Force Survey (LFS) (2011)

⁶ Eurostat Education and Training (2011)

⁷ Eurostat Labour Force Survey (LFS) (2011)

⁸ EC DG Justice; Horizontal and vertical segregation - Meta-analysis of gender and science research (2012)

⁹ Eurostat Structure of Earnings Survey (2009, 2010)

1. How German companies access the talent pool

In the following, we give a brief overview over the current situation of employment of women and men in Germany in comparison to the overall EU-27 average.

1.1 General participation of women in the labour market¹⁰

The employment rate of women in Germany is significantly higher than the EU-27 average. However, women still do not participate in the labour market to the same degree as men. The difference between the male and female employment rate in Germany was around 10 percentage points in 2011. The employment rate gap between women and men increases by age group. It is highest in the age group of the 55 to 64 years old (14.5 percentage points in 2010).

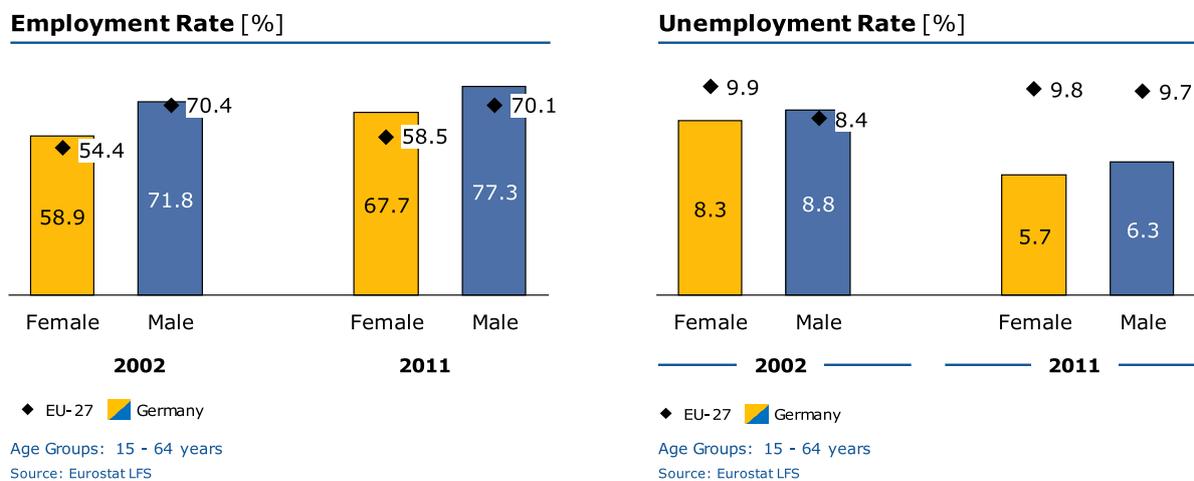


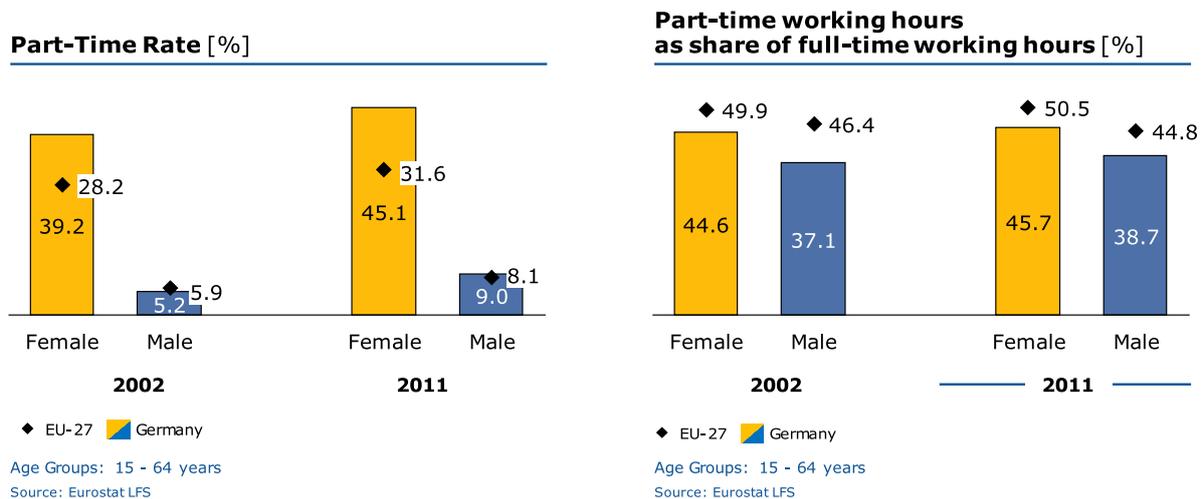
Figure 1: Labour market participation of women and men in Germany in comparison to the EU-27

The data reflects the social and economic development in Germany. Especially in the former Western German regions, women traditionally were full-time mothers and housewives, resulting in a low participation rate of women in the labour market. In the past decades more women have been entering the labour market due to economic necessity as well as a change of thinking concerning gender roles. However, especially middle aged women often still work less than men. This indicates that working conditions in Germany (e.g. lack of childcare opportunities or flexible work arrangements) still need to be improved to enable women to fully participate in the labour market.

¹⁰ Source for statistical data (unless stated otherwise): Eurostat Labour Force Survey (LFS) (2002, 2011)

1.2 Part-time segregation¹¹

Almost half of Germany's female employees work part-time (45.1%). On average female part-time employees work 18.5 hours per week, while female full-time employees work 40.5 hours per week on average. Thus, German part-time employees work only 45.7% of the hours of German full-time employees. The high part-time rate underlines the German economy's dependence on part-time workers. Thus, German companies need to attract, retain and develop part-time employees to the same extent as full-time employees.



6 Figure 2: Part-time segregation in Germany in comparison to the overall EU-27

The further development of childcare arrangements is a prerequisite to gain better access to part-time working parents. Currently, only 13% of all children younger than three years have a formal childcare arrangement with more than 30 hours per week. However, from 2013 on, German parents are legally entitled to a childcare arrangement for all children under three years.

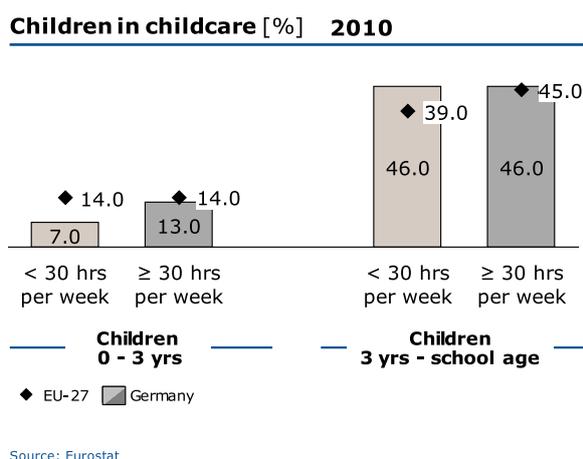


Figure 3: Childcare arrangements in Germany in comparison to the EU-27

¹¹ Source for statistical data (unless stated otherwise): Eurostat Labour Force Survey (LFS) (2002, 2010, 2011)

1.3 Qualification level and choice of education¹²

Secondary school (secondary education) and college/university (tertiary education) attainment of German men and women has risen significantly in the last decade (see figure 4). However, women still attain tertiary education less frequently than men (2011).

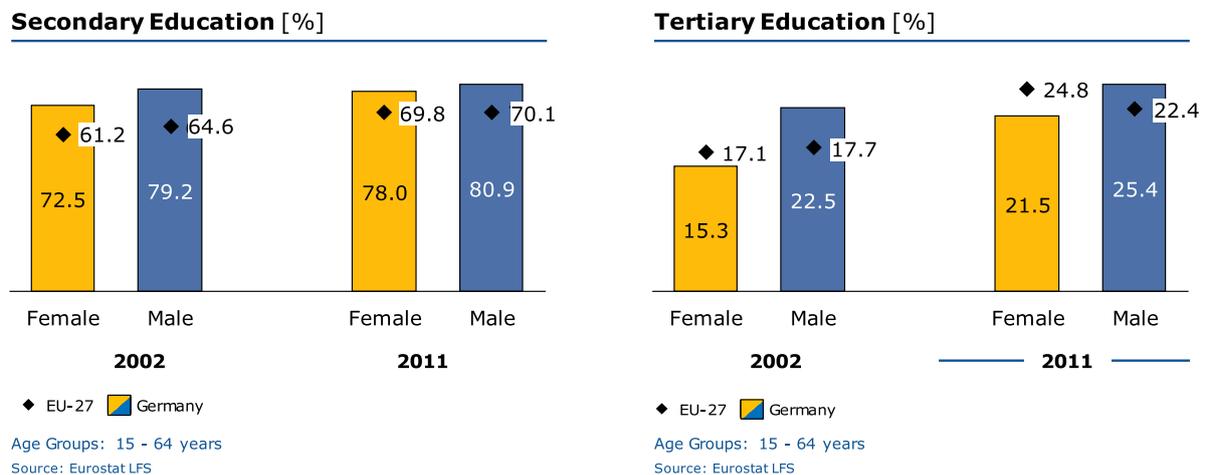


Figure 4: Education attainment in Germany in comparison to the EU-27

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Additionally, in Germany, the existence of "typical" female fields of study as well as "typical" male fields of study is predominant.

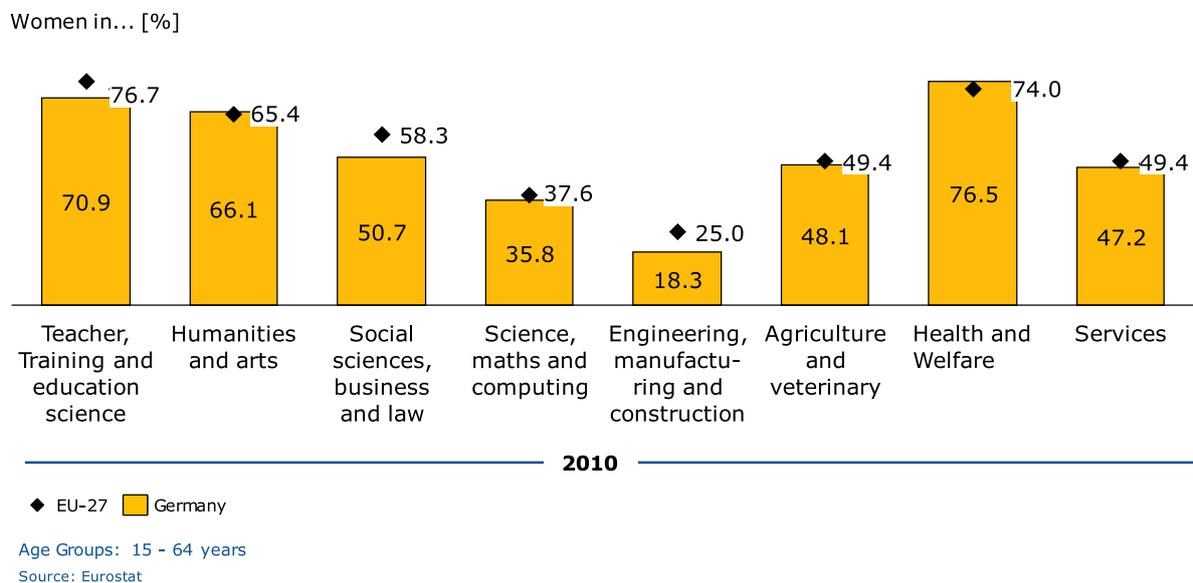


Figure 5: Share of women in different fields of education in Germany in comparison to the EU-27

¹² Source for statistical data (unless stated otherwise): Eurostat Education and Training (2002, 2010, 2011)

1.4 Under-/overrepresentation of women and men in occupations or sectors – "Horizontal segregation"¹³

The distribution of women and men across the sectors of the German economy shows a strong gender bias. The distribution of employees across economic sectors in the EU-27 shows a similar pattern.

% of women employed in	Germany	EU-27	% of men employed in	Germany	EU-27
Health & Social Work	20.2	17.8	Manufacturing	27.4	20.5
Wholesale & Retail	15.6	15.3	Wholesale & Retail	11.7	13.1
Manufacturing	11.8	10.3	Construction	10.8	12.9
Education	9.2	11.7	Public administration	7.3	7.2
Public administration	7.4	7.4	Transportation & storage	6.5	7.3
Accumulated concentration	64.2	62.5		63.7	61.0

Source: Eurostat LFS (2010), RB Calculations

Figure 6: Distribution of Employment in the main NACE-2 digit sectors (2010)

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The distribution of women and men across occupations is additionally characterised by a strong gender bias. The distribution of the EU-27 employees across occupations shows a similar pattern.

% of women employed in	Germany	EU-27	% of men employed in	EU-27
Legal, social, cultural professionals	16.1	10.9	Metal, machinery and related trades workers	8.6
General and keyboard clerks	15.4	12.7	Building and related trades workers	9.9
Personal service workers	12.8	13.4	Legal, social, cultural professionals	6.9
Sales workers	7.5	8.0	Science and engineering professionals	5.5
Health associate professionals	6.8	5.1	General and keyboard clerks	5.2
Accumulated concentration	58.6	50.1		36.1

Source: Eurostat LFS (2010), RB Calculations

Figure 7: Distribution of Employment in the main ISCO 3-digit occupations (2010)

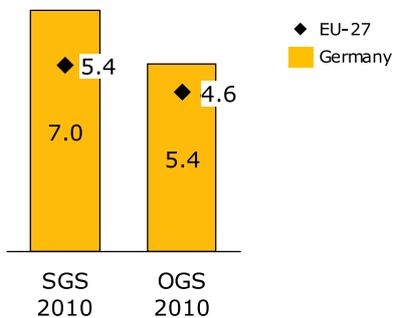
¹³ Source for statistical data (unless stated otherwise): Eurostat Labour Force Survey (2010)

In order to compare the extent of horizontal segregation in Germany with the overall EU-27 average, two horizontal segregation indicators are calculated: (1) Sectorial Gender Segregation Indicator (SGS)¹⁴, (2) Occupational Gender Segregation Indicator (OGS):

The extent of sectorial gender segregation (SGS) in Germany (7.0 pp) is significantly higher than the overall SGS of the EU-27 (5.4 pp). Consequently, Germany needs to focus on motivating women to enter "typically male" economic sectors and men to enter "typically female" economic sectors

- The extent of occupational gender segregation (OGS) in Germany (5.4 pp) is significantly higher than the overall OGS of the EU-27 (4.6 pp). Consequently, Germany needs to focus on motivating women to enter "typically male" economic occupations and men to enter "typically female" occupations

Horizontal Gender Segregation Indicators [pp]



Source: Eurostat LFS, RB Calculations

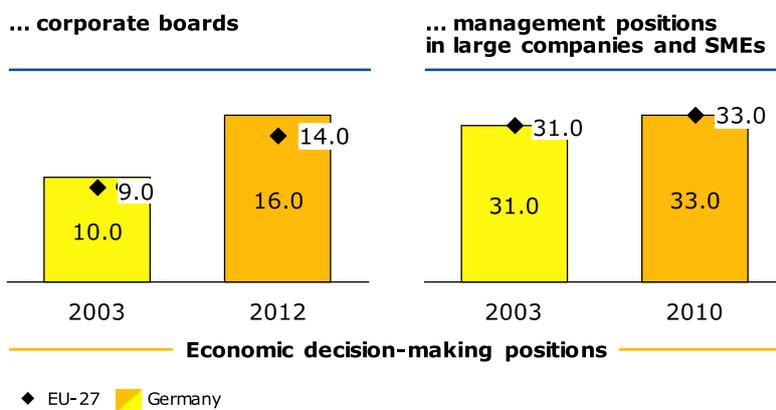
Figure 8: Horizontal Gender Segregation Indicators

¹⁴ Comparing the share of female employees that work in one economic sector to the share of male employees that work in the respective economic sector shows the extent of gender segregation in that specific economic sector. For instance, the sector "Health and Social work" is marked by a strong gender segregation: 20.2% of German female employees work in the sector while only 5.2% of German male employees work in the sector (difference in percentage points: 15.0 pp). The Sectorial Gender Segregation Indicator (SGS) reflects the weighted **average difference** in absolute percentage points (share of all male employees in an economic sector [%] *minus* share of all female employees in resp. economic sector [%]) across all economic sectors.

1.5 Under-/overrepresentation of women and men in hierarchical levels – "Vertical segregation" ¹⁵

Women are significantly underrepresented in economic decision-making positions in Germany as well as in the EU-27. Only 16% of board positions in large companies are occupied by women (EU-27: 14%). The share of women in (executive) management positions in large companies and SMEs is 33% (EU-27: 33%). Despite an existing voluntary agreement of German businesses from 2001 to bring more women into leadership positions, the share of women on boards in 2010 is only 6 pp above the share in 2003. The share of women in management positions only rose by 2 pp. In 2011, the 30 largest listed companies agreed to voluntarily raise the share of women in management positions up to 35% by 2020.

Women in... [%]



Source: EC DG Justice, Gender and Science 2012

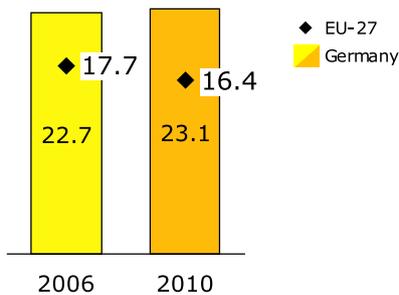
Figure 9: Women in economic decision-making positions

¹⁵ Source for statistical data (unless stated otherwise): EC DG Justice; Horizontal and vertical segregation - Meta-analysis of gender and science research, 2010, 2012

1.6 Gender pay gap¹⁶

In Germany the average female employee earns 23.1% less than the average male employee. In comparison, the gap for the overall EU-27 lies on average at 16.4%. To reduce the gender pay gap, corporate, private and public actors need to conjointly tackle female participation, part-time segregation, horizontal segregation, vertical segregation as well as direct discrimination.

Unadjusted Gender Pay Gap [%]



Source: Eurostat SES

Figure 10: Unadjusted gender pay gap

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The adjusted gender pay gap, which, among other factors, takes horizontal and vertical segregation into account, lies at 16.8% (2006).¹⁷ As studies adjusting the wage gap are different for each country regarding the method and the explanatory variables used, a comparison between countries is not presented here.

¹⁶ Source for statistical data (unless stated otherwise): Eurostat Structure of Earnings Survey (2009,2010)

¹⁷ Source: Eurostat, Development of econometric methods to evaluate the Gender pay gap using Structure of Earnings Survey data, 2006, 2010

2. How to gain better access to the talent pool?

More gender equality within the business sector and a reduction of the gender pay gap can only be sustainably realised if companies follow a comprehensive approach including corporate strategy, management, operational implementation by business units and HR work organisation and monitoring ("strategic pillars"):

CORPORATE STRATEGY – Establish gender equality as a part of the company's DNA

MANAGEMENT – Understand and position management as driver and role model

**WORK ORGANISATION
create the frame-
work to enable
necessary changes**

**MONITORING –
monitor and follow
up target
achievement**

**OPERATIONAL IMPLEMENTATION –
Business units and HR striving for more
gender equality in daily work**

Fields of action

1. Raise awareness among high school graduates regarding the full spectrum of fields of education
2. Attract top talent irrespective of gender
3. Strengthen the work-life balance
4. Promote career advancement
5. Evaluate the remuneration system
6. Communicate company's activities to tap the talent pool in a better way

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Focusing on one pillar will lead to partial improvements only.

Corporate Strategy – Establish gender equality as part of the company's DNA

The corporate strategy sets the framework for doing business and determines the internal work culture. Experience shows that gender equality – in order to be sustainably established – has to be(come) a company rationale: The concept of gender equality has to be an integral part of the overall corporate strategy. This is the foundation for successfully addressing the gender pay gap within a company.

Management – Understand and position management as driver and role model

A management which is convinced of and fully endorses the company's strategy towards gender equality is vital to sustainably establish and live the principles of equality between women and men throughout the company and contribute to a sustainable reduction of the gender pay gap. The management is responsible for the implementation of the corporate strategy. Also, managers act as role models and multipliers within and outside the company.

Operational implementation – Business units and HR striving for more gender equality in daily work

- Business units are responsible for operationalising strategic targets regarding gender equality by actually implementing measures which have been agreed upon in their daily work, e.g. by offering internships. They contribute to a sustainable attraction, retention and development of employees.
- HR – as central point of contact for human resource issues of business units – offers strategic advice on how to address gender equality sustainably and provides instruments and processes to attract, retain and develop top talent, e.g. by designing regular evaluation processes.

There are six main fields of action for operational implementation:

- **Raise awareness among high school graduates regarding the full spectrum of fields of education** - To enlarge the potential talent pool, companies need to sensitise high school graduates regarding the full spectrum of fields of education and hereby motivate them to also consider gender "atypical" fields of specialisation.
- **Attract top talent irrespective of gender** – To attract top talent, companies need to build up a relationship with talented graduate students early on and show them how it is to work in their company. Additionally, they need to tap the dormant work force by mobilising women to start working.
- **Strengthen the work-life balance** – To retain the talent pool, companies need to motivate talents to continue working, to return early from leave and to facilitate the career advancement of employees with family care obligations.
- **Promote career advancement of women** - To promote the most qualified female employees, companies need to establish a culture and promotion process that equally honours male and female talent and institutionalise a systematic succession planning.
- **Evaluate the remuneration system from a gender perspective** - To attract and retain female employees, companies need to evaluate and – if necessary – adapt their remuneration system to eliminate discriminatory practices.
- **Communicate internally and externally company activities aimed at tapping the talent pool in a better way** - To maximise the positive impact of their efforts to champion gender equality, companies need to communicate their actions enhancing corporate gender equality internally and externally.

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Work Organisation – Create the framework to enable necessary changes

Often, workflows within the company are organised in a way which does not easily allow for necessary changes towards more gender equality. This especially refers to the flexibility of the working environment. In the context of this project, flexibility comprises working hours, workplace options and work arrangements. It is therefore vital to evaluate the organisation of current business activities and requirements systematically and identify room for change in favour of employees but beneficial for both parties (employers and employees).

Monitoring – Monitor and follow-up target achievements

To ensure that gender equality is taken seriously, companies need to monitor gender equality targets in the same way as financial targets. Monitoring should include indicators that measure company-wide progress regarding corporate efforts to enhance gender equality as well as the success of individual managers in promoting gender equality in their departments/teams. Additionally, it should be part of regular feedback talks with the top management.

3. Where companies find support to gain better access to the talent pool - Examples

In order to foster a sustainable change towards accessing the labour force potential of women in a better way, a series of public and private initiatives – with legislative and non-legislative focus - have been implemented in Germany. In the following we give an overview over sample initiatives:

3.1 Legislative initiatives (examples)

Year	Legislation	Website Link
2001 (amended 2009)	Bundesgleichstellungsgesetz – Gesetz zur Gleichstellung von Frauen und Männern in der Bundesverwaltung und in den Gerichten des Bundes (Federal Gender Equality Law – law on equal treatment of women and men in the German federal administration and courts)	http://www.gesetze-im-internet.de/bgleig/BJNR323410001.html
2002 (amended 2011)	Mutterschutzgesetz – Gesetz zum Schutz der erwerbstätigen Mutter (Maternity Protection Law – law on protection of working mothers)	http://www.gesetze-im-internet.de/bundesrecht/muschg/gesamt.pdf
2006 (amended 2009)	Allgemeines Gleichbehandlungsgesetz (General Equal Treatment Law)	http://www.gesetze-im-internet.de/agg/index.html
2006 (amended 2011)	Bundeselterngeld- und Elternzeitgesetz – Gesetz zum Elterngeld und zur Elternzeit (Federal Parental Benefit and Parental Leave Law – law on parental leave and benefits)	http://www.gesetze-im-internet.de/beeg/BJNR274810006.html
2006 (amended 2010)	Gesetz über die Statistik der Verdienste und Arbeitskosten (Law on the Statistics of Earnings and Work Costs)	http://www.gesetze-im-internet.de/bundesrecht/verdstatg/gesamt.pdf
2011	Familienpflegezeitgesetz (Family Care Period Law)	http://www.gesetze-im-internet.de/fpzg/BJNR256410011.html

3.2 Public non-legislative initiatives (examples)

Name	Sponsor	Target Group	Target	Website Link
Bundesinitiative zur Gleichstellung von Frauen in der Wirtschaft (Equal Opportunities for Women in German Business)	Bundesministerium für Arbeit und Soziales funded by European Social Funds in cooperation with social partners	<ul style="list-style-type: none"> Private and public companies Educational/Research institutions Associations 	Promote and financially support projects aiming at the equality of women and men in the German labour market	www.bundesinitiative-gleichstellen.de
Perspektive Wiedereinstieg (Perspective Re-entry)	Bundesministerium für Familie, Senioren, Frauen und Jugend and Bundesagentur für Arbeit, partially funded by the European Social Funds	<ul style="list-style-type: none"> Mothers seeking re-entry into working life after parental leave 	Provide mothers with information to facilitate their re-entry	http://www.perspektive-wiedereinstieg.de
Komm Mach Mint/ Nationaler Pakt für Frauen in MINT-Berufen (Go MINT/ National Pact for Women in MINT Careers)	Bundesministerium für Bildung und Forschung	<ul style="list-style-type: none"> Female students Private and public organisations 	Motivate female students to enter MINT subjects	http://www.komm-mach-mint.de
Logib-D. Lohngleichheit im Betrieb - Deutschland (“Logib-D. Equal Pay in Companies)	Bundesministerium für Familie, Senioren, Frauen und Jugend	<ul style="list-style-type: none"> German companies 	Enable companies to measure and analyse the Gender Pay Gap in order to reduce it	http://www.bmfsfj.de/BMF/SFJ/Service/Publikationen/publikationsliste,did=134858.html
Fair P(I)ay - Entgeltgleichheit für Frauen und Männer (Fair P(I)ay - Equal Opportunities for Women and Men)	Bundesministerium für Familie, Senioren, Frauen und Jugend	<ul style="list-style-type: none"> German companies 	Provide guidance on how to tackle the gender pay gap in order to promote the principle of "equal pay for equal work"	http://www.bmfsfj.de/BMF/SFJ/Service/Publikationen/publikationen,did=100390.html

Name	Sponsor	Target Group	Target	Website Link
Charta für familienbewusste Arbeitszeiten (Charta for Family-Friendly Working Hours)	Bundesministerium für Familie, Senioren, Frauen und Jugend	<ul style="list-style-type: none"> · Bundesministerium für Familie, Senioren, Frauen und Jugend · Social Partners 	Promote family-friendly working hours to enhance the compatibility of work and family life as well as the retention of employees	http://www.bmfsfj.de/mag/root-februar-8.html
Erfolgsfaktor Familie (Success Factor Family)	Bundesministerium für Familie, Senioren, Frauen und Jugend funded by the European Social funds in cooperation with social partners	<ul style="list-style-type: none"> · German companies 	Improve the compatibility of work and family life	http://www.erfolgsfaktor-familie.de
Erfolgsfaktor Familie. Unternehmen gewinnen. (Success Factor Family. Businesses Win.)	Bundesministerium für Familie, Senioren, Frauen und Jugend funded by the European Social funds in cooperation with social partners	<ul style="list-style-type: none"> · German companies 	Award companies that offer a good work-life balance to improve the compatibility of work and family life	http://www.erfolgsfaktor-familie.de
Initiative Lokale Bündnisse für Familie (Initiative Local Alliances for the Family)	Bundesministerium für Familie, Senioren, Frauen und Jugend	<ul style="list-style-type: none"> · Regional players from business, politics and civil society 	Support regional networks in order to improve the compatibility of work and family life	http://www.lokale-buendnisse-fuer-familie.de
CSR - Made in Germany	Bundesministerium für Arbeit und Soziales	<ul style="list-style-type: none"> · German companies 	Promote the broad field of CSR	http://www.csr-in-deutschland.de

3.3 Private initiatives (examples)

Name	Sponsor	Target Group	Target	Website Link
genderdax	I.P.A. Institute for Human Resources and International Management	<ul style="list-style-type: none"> · Women in leadership positions · Young professionals · Women planning to re-enter their job 	Provide women with gender-specific company information and research results as well as promoting companies committed to diversity management	http://www.genderdax.de
Girls' Day	Kompetenzzentrum Technik-Diversity-Chancengleichheit e.V.	<ul style="list-style-type: none"> · Companies · Research centers · Training facilities · Universities · Female students 	Attract a larger female talent pool towards "typically male" occupations	http://www.girls-day.de
Equal Pay Day	Business and Professional Women Germany (BPW)	<ul style="list-style-type: none"> · Employers and relevant players in the labour market 	Raise awareness on the gender pay gap	http://www.equalpayday.de
Audit berufundfamilie (Audit Work and Family)	Hertie Stiftung and the Bundesministerium für Familie, Senioren, Frauen und Jugend	<ul style="list-style-type: none"> · German companies 	Audit und support companies in regard to family friendliness	http://www.beruf-und-familie.de
Total-E-Quality-Prädikat (Total-E-Quality-Award)	TOTAL E-QUALITY Deutschland e.V.	<ul style="list-style-type: none"> · Organisations from business, industry and administration · Science and research institutions 	Bestow companies with an award in order to promote more women into management positions	http://www.total-e-quality.de
Charta der Vielfalt (Diversity Charter)	Daimler, BP Europe SE, Deutsche Bank and Deutsche Telekom	<ul style="list-style-type: none"> · German companies 	Promote companies' commitment to diversity	http://www.charta-der-vielfalt.de