

# FINDING WOMEN

**Companies count on  
headhunters  
to provide more diversity to  
executive boards**

**ABSTRACT**

**ALLBRIGHT**

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# ALLBRIGHT

**THE SWEDISH-GERMAN ALLBRIGHT FOUNDATION** is a politically independent and non-profit foundation based in Stockholm and Berlin. It is committed to promoting more women and diversity in executive business positions. It seeks equal career opportunities for men and women and better business results with diverse and contemporary management teams. AllBright addresses management and HR executives in companies as well as thought leaders and media, and intends to raise awareness for successful solutions in particular.

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## **NOTICE:**

This report provides information as of 1 March 2023 on the executive boards of the companies listed in the DAX40, MDAX and SDAX as well as on the management teams and consultants hired in executive search at the executive search firms Egon Zehnder, Heidrick & Struggles, Korn Ferry, Russell Reynolds Associates and Spencer Stuart in Germany.

The information used can be found on the websites, in business reports and press releases of the companies as well as the LinkedIn profiles of the consultants hired at the executive search firms. Details on the number of consultants hired in executive search originate from the executive search firms themselves.

The AllBright Foundation takes the utmost care to ensure the correctness, topicality and completeness of the information, but does not accept any liability in this connection.

## **LEGAL INFORMATION:**

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# Headhunters can help find women – ultimately, the companies themselves need to put more women in leadership positions.

**The competition for the best minds for German management teams is in full swing. This is particularly the case for top female executives who are still clearly underrepresented. Businesses that have not promoted enough female managers within their own company use headhunters to find women at competitors. 63 percent of female executive board members today did not pursue their career within the company, but were recruited externally for the executive board or the management level below. The importance of executive search firms for expanding the proportion of women in business management positions has therefore increased considerably.**

In Germany, external recruitment for executive board positions at major listed companies is strongly dominated by the five largest executive search firms in the world. Egon Zehnder, Heidrick & Struggles, Korn Ferry, Russell Reynolds Associates and Spencer Stuart not only bear the names of their male founders, in this country they are still predominantly male and run by men to this day.

These headhunters are currently hiring more women as consultants themselves in order to serve the demand of companies for top female executives more effectively using their female networks. Indeed, they have meanwhile become more successful at finding female leaders for the executive boards of listed companies. While the proportion of women among new executive board members recruited by headhunters in the DAX, MDAX and SDAX was just 14 percent five years ago, this share was already 46 percent in the period from January 2022 to March 2023.

However, in order to provide credible and sustainable consulting services to companies seeking to achieve a balanced composition of the top management team and in management issues, the executive search and leadership advisory firms need to be a step ahead of their

clients. They need to implement and practise diversity in management and an inclusive leadership culture successfully themselves. For them, it is now about consistently promoting women to their own management teams.

Headhunters discover female talents wherever companies evidently do not recognise their potential and recruit them for other companies in which they can then continue their career. But this can only be part of the solution when it comes to significantly increasing the proportion of women in executive business positions for the long term.

There is no getting around it: if we want to achieve parity not only with external recruitment but also with internal promotions to executive management, the companies themselves need to systematically develop a much larger pool of female managers at all levels.

There will be enough women for all hierarchical levels, including the executive boards, when the conditions are such that women want to perform management roles there.



*Wiebke Ankersen & Christian Berg  
Executive Board of the AllBright Foundation*

# Companies more often find women through headhunters than in their own pipeline.

Share of external recruits among executive board members of the 160 companies listed in the DAX, MDAX and SDAX on 1 March 2023

63%



...of women in executive boards were recruited externally.

44%



...of men in executive boards were recruited externally.

Every year, 15 to 20 percent of executive board positions in the 160 DAX, MDAX and SDAX companies are newly filled, equating to around 100 people. In other words, there is plenty of opportunity to modernise the composition of executive boards on an ongoing basis. Currently, this is increasingly used to increase the still very low proportion of women.

Over the last year (between 1 September and 1 March), almost as many women as men were newly appointed to executive boards. This is more women than was previously typical and the proportion of women has grown to 17.1 percent as of 1 March 2023. Generally, around half of the new vacancies in executive boards are filled with external executives, and executive search firms are commissioned with searching for them.

## FEMALE EXECUTIVE BOARD MEMBERS COME LESS OFTEN FROM WITHIN THE COMPANY

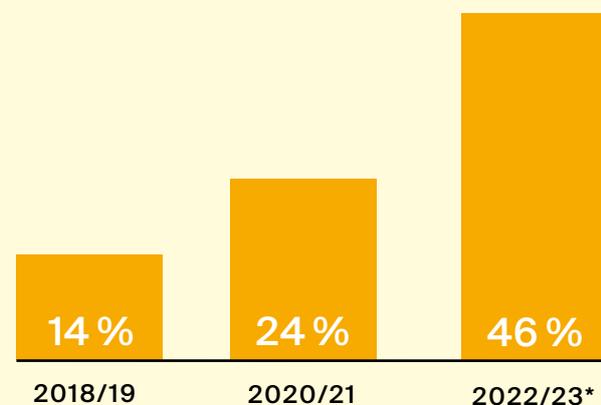
While male executive board members are primarily promoted to the top of their company in-house, almost two-thirds (63%) of female executive board members are found externally by executive search firms at other companies.

Female talents only reach the top level of management within the company in exceptional cases. 83 percent of the executive board members promoted internally in the last five years were men. The companies have failed to develop a substantial pool of female managers that would enable them today to promote just as many women as men to the executive board.

## THE PROPORTION OF WOMEN AMONG EXTERNALLY RECRUITED EXECUTIVE BOARD MEMBERS HAS INCREASED SHARPLY IN THE LAST FIVE YEARS

Companies strongly depend on external recruiting to increase the proportion of women. While almost as many women as men (46%) were found for externally recruiting executive board positions in the last year, women only accounted for 14 percent five years ago. External women are also increasingly sought for the level below the executive board in order to fill the talent pool with female executives.

The role of executive search firms in increasing the proportion of women in German top management positions has thus gained in importance.



Proportion of women among externally recruited new executive board members in listed companies

\* 2023: Jan – Mar

# The executive search firms have to become more diverse themselves in order to advise companies on diversity in management.

The main players for recruiting leaders for the executive boards of the 160 listed companies in Germany are the five largest international executive search firms in the world. Besides the Swiss company Egon Zehnder, by far the largest player, four US firms dominate the German market.

- **EGON ZEHNDER**

Switzerland, 79 executive search consultants in Germany, managing director Germany Hanns Goedel

- **HEIDRICK & STRUGGLES**

USA, exchange listed, 17 executive search consultants in Germany, managing director Germany Nicolas von Rosty

- **KORN FERRY**

USA, exchange listed, 21 executive search consultants in Germany, managing director Germany Hubertus Graf Douglas

- **RUSSELL REYNOLDS ASSOCIATES**

USA, 40 executive search consultants in Germany, managing director Germany Matthias Scheiff

- **SPENCER STUART**

USA, 24 executive search consultants in Germany, managing director Germany Lars Gollenia

Among the competitors that play a somewhat minor role in the market for executive board recruiting in DAX, MDAX and SDAX, there are two that have appointed women to their executive board: **Kienbaum** (Germany, 51 executive search consultants in Germany, managing directors Fabian Kienbaum and Bibi Hahn) and **Odgers Berndtson** (UK, 33 executive search consultants in Germany, managing director Germany Katja Hanns-Terrill). A number of smaller boutique consultancies are also active in this area.

## THE LARGE EXECUTIVE SEARCH FIRMS ARE UNDERGOING TRANSFORMATION THEMSELVES

The executive search firms not only support companies in selecting personnel for top management, but also increasingly advise them on committee composition, successor planning and management culture. In order to provide credible and sustainable advice, they need to prove their gender diversity expertise in the management of their own company as well as build a diverse team of consultants who can actually serve a broad network in this market heavily characterised by trust.

This transformation process is underway in most executive search firms. The topics of diversity, equity and inclusion have already been established in the business world in the USA for several years, giving the US firms a certain lead on the German market. Their executive boards in the home country have a relatively good composition with a proportion of women of 36 percent.

Whereas in Germany, the realisation that the firms themselves need to become far more female in their own composition has only dawned on them in the last two years. In 2022 until March 2023, 72 percent of new hires at the five major executive search firms were women. As a result, the proportion of women among headhunters in this area has now increased to 37 percent on average.

## EXECUTIVE BOARDS CONTINUE TO BE MALE

However, this transformation has not yet unfolded at the highest levels of management. The German executive boards of the five largest executive search firms are still exclusively male. Men still largely dominate in other management positions too – for example, six out of seven office directors at Egon Zehnder in Germany are men.