

**Let's empower women... Oh! But not in our
management board**

MANAGEMENT DECISIONS

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

On October 15, 2019, a press release was published on Zalando's corporate website, announcing a revised gender quota to be achieved by 2023 (see **Exhibit 1**). Termed the "40/60/* corridor", the quota aims at creating a diverse leadership – in the supervisory board, the management board as well as the top six leadership levels – reflecting not only a wish for equal inclusion of women, but also acknowledging and actively including non-binary gender identities.

In this press release, Co-CEO Rubin Ritter cites the reasons for this decision as a strategic shift towards increasing diversity in the company's senior management, naming a diverse and inclusive culture as the most appropriate way to ensure customer satisfaction. Ritter is quoted as saying, "During the past 11 years, we have been very focused on establishing and growing our business, and we didn't put enough effort into countering structural imbalances that have evolved."

Chairwoman of the supervisory board Christina Stenbeck concurs with Ritter on the topic of customer satisfaction and views diversity as a driver for better decision-making and a culture of creativity, which ultimately boosts overall performance. Stenbeck is quoted as saying, "The Supervisory Board supports the adoption of these diversity targets as a means to step-change Zalando's progress in building a more inclusive organization over the long term."

This strategic shift towards diversity in Zalando's senior management can be seen as the internal reflection of the new brand direction that the company had announced a month prior. The new positioning and claim, "free to be", celebrates real people and real stories, empowering people to use fashion to express their identities.

Media reception of the revised gender quota was mostly positive. AllBright executives Dr. Wiebke Ankersen and Christian Berg published a statement, claiming that Zalando's new direction can be seen as an important signal that the German corporate landscape is changing.

Exhibit 1 Zalando's press release on the new diversity targets

NEWS & STORIES

Zalando Sets New Diversity Targets for Top Leadership Levels

Published on 15.10.2019

- **Zalando aims for balanced gender representation in its senior management, including the Management Board and the Supervisory Board**
- **The company strives for both women and men to reach a representation of at least 40% on the top six leadership levels by the end of 2023**
- **Zalando believes that a diverse and inclusive culture will help it continue on its path of success as it allows the company to even better serve its diverse customer base**

BERLIN, OCTOBER 15, 2019 // Zalando, Europe's leading online platform for fashion and lifestyle, has revised its targets for diversity in its senior leadership. The company aims for a balanced representation of women and men on its top six management levels, including the Management Board and the Supervisory Board, by the end of 2023. The new target that will be published in the company's annual report is defined as a 40/60/* corridor where Zalando strives for women and men to reach a representation between 40 and 60 percent on each level. The * acknowledges and actively includes non-binary genders.

"During the past 11 years, we have been very focused on establishing and growing our business, and we didn't put enough effort into countering structural imbalances that have evolved. We acknowledge that today we lack diversity in our senior management, and we are committed to changing this," says Zalando Co-CEO Rubin Ritter. "We strongly believe that only a diverse and inclusive culture will ensure that we have the best talent on board and can truly serve our customer base."

Cristina Stenbeck, Chairwoman of the Supervisory Board, Zalando SE said, "Diversity at all levels of a business drives better decision making and fosters a culture of creativity, and when at its best it also boosts overall performance. I am also convinced that diverse teams are more apt to create unique products and relevant user experiences for customers, as well as value creation for stakeholders. The Supervisory Board supports the adoption of these diversity targets as a means to step-change Zalando's progress in building a more inclusive organization over the long term."

The new targets are part of a general revision of the company's diversity and inclusion strategy, in which Zalando aims to diversify different dimensions of its workforce, amongst others, gender, internationality or education. Over the next months, Zalando will launch several initiatives to achieve this goal, such as updating its decision-making bodies and committees, changing hiring practices and introducing holistic succession planning.

Going forward, Zalando will annually report on the share of women and men represented on the top six senior management levels, as well as other diversity dimensions in a diversity report.