

PRESS RELEASE

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More transparency, more control, more responsibility

Fraunhofer Reforms its Governance Structures

Today (June 13, 2024), the general assembly of the Fraunhofer-Gesellschaft paved the way for viable and modern governance structures at Germany's largest applied research organization with a comprehensive statutory reform. The reform that was adopted will strengthen the senate as an advisory and supervisory body of the executive board and streamline Fraunhofer's internal governance structures.

Prof. Holger Hanselka, President of the Fraunhofer-Gesellschaft, said: "The statutory reform is a milestone for the development of Fraunhofer in a positive direction. An organization with over 30,000 employees across the globe must be managed like a modern, transparent, and flexible global company, and we have now paved the way for this."

The management and control structures at Germany's largest applied research organization will become more modern, effective, and transparent. In the first few months of his term of office, Fraunhofer President Prof. Holger Hanselka engaged in intensive discussions with employees at the institutes and headquarters, as well as with stakeholders and grant authorities. Based on the needs and ideas for change that came to light during these discussions, the executive board and senate, under the leadership of the Fraunhofer president and the chair of the senate, Hildegard Müller, developed a comprehensive reform package in close collaboration with the grant authorities. This will streamline the interaction between the key bodies and committees.

A milestone for the future development of Fraunhofer

A key element of the reform is the strengthening of the senate as an advisory and supervisory body for the executive board with the support of new institutionalized tools and processes. These include reporting obligations for the executive board and the establishment of permanent committees, such as an audit committee. The president's authority to set policy guidelines will no longer apply in order to promote joint, transparent decisions by the executive board as a collective body. In addition, internal governance responsibilities and processes, i.e., the interaction between the executive board, institutes, and internal committees, were clarified and made more specific. Further measures to update the compliance system will supplement the new regulations and processes.

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The reform is based on the German Public Corporate Governance Code and the principles of modern corporate governance and was developed involving members of the senate, the grant authorities, the scientific community itself, and internal Fraunhofer stakeholders.

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Hildegard Müller, Chair of the Senate, explained: “Fraunhofer's governance structures are no longer doing justice to the complexity and importance of the Fraunhofer-Gesellschaft as a leading research organization. The old version has shortcomings, particularly with regard to the lack of an effective supervisory body for the executive board and an excessively strong position of the president, including the presidential authority to set policy guidelines. These had to be improved in order to ensure that the Fraunhofer-Gesellschaft is in line with the times and, above all, ready for the future.” The impetus for a new version came from the senate, the executive board, the grant authorities and the German Federal Court of Auditors. “This is another reason why we sought close collaboration with relevant groups from the outset in order to place the new statutes on a broad basis and make the Fraunhofer-Gesellschaft ready for the future,” emphasized Hildegard Müller.

Well positioned with viable and resilient governance structures

The new statutes are an important milestone for the future development of the Fraunhofer-Gesellschaft. Holger Hanselka explained: “Thanks to the resilient structures and processes defined in the new statutes, we are now well positioned to fulfill our core missions in the German scientific system and to compete at the international level. On this basis, we are developing a viable corporate strategy for Fraunhofer.” The president also stressed his willingness to focus even more on what Fraunhofer actually stands for: applied research for business and industry, focusing on SMEs and promoting strengths, with the long-term goal of ensuring the technological sovereignty of Germany and Europe.