

Women in Executive Positions in Central and Eastern Europe

By Evita Lune, Country Manager of Pedersen & Partners in Latvia



Evita Lune is a Senior Consultant and Country Manager, Latvia. She joined Pedersen & Partners in 2005. Her previous experience includes three years with the Stockholm School of Economics in Riga as the Executive MBA Program Director and six years with Shell in international marketing management functions in Riga, Budapest and Brussels. Ms. Lune has a PhD in Social Economy. Besides her native Latvian, Evita Lune speaks fluent English and Russian and has a good understanding of German and Swedish. evita.lune@pedersenandpartners.com

Introduction

New York, 30 August 2007. Forbes publishes the list of the 100 most powerful women in the world. Among them – Indra K Nooyi, the Chairman of the Board and the CEO of PepsiCo, Ho Ching, Executive Director and CEO Temasek Holdings and Irene B. Rosenfeld, Chairman of Chief Executive Officer of Kraft Foods. The most powerful women executives are recognised mainly in the US, Asia and Western Europe. The CEE is represented by two names only - Guler Sabanci, Chairman of Sabanci Holding and Imre Barmanbek, Deputy Chairman of Dogan Holding; Turkey. These are two women executives from Turkey who have made it into the Forbes top ranking despite the fact that Turkey is the country with the lowest Gender Empowerment Measure in the CEE (Gender Empowerment Measure will be discussed in detail further in the text).

How powerful are women in the CEE? How are they represented in executive positions and what are the main trends characterising gender aspects of executive positions in the CEE?

As a professional dealing with executive issues on a daily basis and a female executive myself, this is an issue that I consider interesting and worth exploring. Besides exploring theories and following recent publications, more important is that I am constantly in touch with the CEE market realities. For the purpose of this publication I define CEE as the ex-Communist Countries and Turkey, Greece, Israel and Austria: subsequently, the countries Pedersen & Partners covers.

Women Executives in the CEE

CEE is a region with very diverse cultures and strong historical heritage, it is a very multicultural and fragmented market when it comes to understanding the role of a woman in society, at work and at home.

Transition and post transition economies can be characterised by a very fast and modern restructuring of societies on the one hand and rebirth of some patriarchal values on the other.

CEE countries needed to build their economies, sometimes even the states from scratch, and thus used the latest technologies, development and architecture and have become in some aspects more modern than some of the Western countries. Along with globalising, penetration of the Internet and other means of modern communications, and openness for international business, these countries follow democratic and rational interpretation of gender issues at work and encourage equal opportunities of men and women to participate in a companies' management.

Ms. Ingrida Bluma has managed one of the largest international banks in Latvia for more than a decade. Ms. Baiba Anna Rubess manages Statoil in Latvia, and Ms. Inguna Dzene is the CEO of Stora Enso in Latvia. For a country like Latvia, with a very open and Western oriented economy, this is not a very big surprise, even such an historically male-dominated culture as Kazakhstan gives us several interesting examples. Ms. Elvira Mossessyants is the General Manager of Pzifer in Kazakhstan, Ms. Asel Kozhakova is the Chief Marketing Officer of General Motors and Ms. Natalya Kim is the Vice President of KazkommertsBank.

Modernisation and globalisation processes in the CEE and the need to develop business culture in general gives many chances and opportunities for women. In some traditionally male-dominated businesses in the CEE we can observe women taking advantage of their gender. An ability to attract attention, use of various aspects of emotional intelligence in the selling process, a good understanding of HR issues and empathy gives many natural advantages to women in entrepreneurship. In addition, women are often considered to be more diligent, responsible and hard working in executive positions, especially in situations when they face fierce competition from male executives. The same argument can be extended to other traditionally discriminated groups in business. While the business culture is still being formed in the CEE economies and sometimes the etiquette of behaviour and interaction between genders in top positions is not developed yet properly, we can observe situations when women are being both promoted and kept back because of their gender.

The large Russian market gives us a set of interesting examples of achievements of women in business: Ms. Olga Dergunova occupies the position as President of Microsoft for CIS and Russia, Ms. Elena Baturina – the only Russian woman-billionaire – is the President of Inteco construction company. Kazakh national, Golzhan Moldazhanova, is the CEO of the largest aluminum concern in Russia, CIS and the region.

In Hungary, Ms. Czako Borbala was leading Ernst & Young, until becoming an Ambassador of Hungary in the UK. Ms. Ranky Catalin, the Managing Director of L'Oreal in Hungary, has developed the company's entire operation there. Ms. Agnes Jagicza, the Deputy CEO of Invited Hungary, has recently managed two large mergers (Euroweb, HTCC).

Formation of societies in the CEE reflects another trend as well – more and more talented women decide to stay out of the labour market to enjoy family life at home and live in accordance with patriarchal values. In many CEE societies successful entrepreneurs and nouveau riche develop a rather patriarchal model of life. Moreover we can see some societies develop more towards a highly polarized and hierarchical model of stratification – enhancing differences between rich and poor, men and women and so forth. The value systems in the CEE are only being formed and there are lots of dilemmas and contradictions embedded.

Looking at statistics, the misbalance of ratio of men to women in power positions is quite significant. In most of the CEE countries, demographics show that there are more women than men, however the share of women in power positions is below 40% in all

cases. The Gender Empowerment Measure used by the UNDP in their Human Development Reports is an interesting index to consider. Women's share of positions defined according to the International Standard Classification of Occupations (ISCO-88) to include legislators, senior government officials, traditional chiefs and heads of villages, senior officials of special-interest organisations, corporate managers, directors and chief executives, production and operations department managers and other department and general managers.

Gender Empowerment Measure in selected CEE countries in 2006

Country	GEM (Gender Empowerment Measure)	HDI (Human Development Index) rank in the world
Austria	28	14
Germany	35	21
Israel	29	23
Greece	27	24
Slovenia	34	27
Czech Rep	28	30
Hungary	34	35
Poland	34	37
Estonia	35	40
Croatia	23	44
Latvia	42	45
Bulgaria	33	54
Romania	29	60
Russian Federation	38	65
Macedonia, TFYR	28	66
Ukraine	43	77
Turkey	7	92
Moldova	39	114

Source: UNDP Human Development Report, 2006.

From this statistics we can conclude that Turkey is the country with the lowest empowerment level for women in the CEE (only 7%), and the Ukraine and Latvia (42% and 43% respectively) have the highest levels. Ideally these levels should match male/female ratio in the country demographics and should be about 50%. The lower the ratio, the lower the female empowerment is in a country. It can be concluded that there is still some way to go to reach an optimum level. Also, there is no strong correlation between GEM and HDI in the region. One would normally expect that female empowerment increases along with a better general welfare that can also be characterized by the Human Development Index.

As far back as human history reaches, there have been examples of women – achievers, warriors, scientists, doctors and artists - at all time. Despite religious constraints and pressure from society, women have managed to break the limits and achieve what they want bringing value back to their societies. The CEE in a transition and post-transition phase should be no exception and we are sure the future will bring more and more bright examples of women careers.

An interesting question is obviously how do women get to power positions in the CEE? Is it the result of hard work or having the right father or husband? The later is the case for at least three of the CEE women I have mentioned as examples of power women in this article and I look forward to analyzing this question in details in future articles.

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