



Financial Crisis that Breaks the Glass Ceiling: Advancement of Thai Women Executives in the Private Sector

By

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Thai Women in Power and Decision Making

- Status of Women-led Enterprises in Thailand
- Status of Women Executives in Thailand
- Surviving and Thriving through Thailand Financial Crisis
- Future Outlook



Beijing Platform for Action

- Beijing Platform for Action calls for countries to *collect and disseminate quantitative and qualitative data on women and men in decision-making and analyze their differential impact on decision-making and monitor progress towards achieving the Secretary-General's target of having women hold 50 percent of managerial and decision-making positions by the year 2000.*
- According to UNDP Gender Empowerment Measures (GEM) in 2003, 27% of legislators, senior officials and managers in Thailand were women, a growth from 21.8% in 1998.
- GEM mixed women executives in public, private, legal sectors



Status of Thai Women-led Enterprises



MYTH #1:

Thai Women become business owner only by inheritance

FACT #1:

Family-owned : Non-family owned*

1960's	5 : 1
1970's	4 : 1
1980's	3 : 1
1990's	2 : 1

* Source: BPW Thailand Survey in 1998

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MYTH #2 : Thai Women only “lead” their businesses when they hold TOP management posts.

FACT #2 : Thai Women-led Enterprises by “Investment” Decision Makers Types

Decision Makers	Percent
Original owners	53 %
Board of Director	16 %
Management	29 %
Parent Firms	0.5%
Company Group	0.5%
Unspecified	1%
Total	100%

* Source: BPW Thailand Survey in 1998

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MYTH #3 : Thai Women just lead cottage industries.

FACT #3: Thai Women lead KEY INDUSTRIES in Thailand!

Business Industries	Companies
Hotel	Dusit Hotel Resorts, Princess Hotels & Resorts, Kempenski Hotels, Bangkok Inter-Continental Hotels, etc.
Manufacturing	Toshiba, Thailand
Boating Industries	Chao Praya Express Boat Services
Technology	Loxley, PCL. IBM Thailand
Shopping Center	The Mall Group
Restaurants	S&P, PCL

... and much much more



Status of Thai Women Executives



WOMEN AS EMPLOYERS

- 20% of all employers are women in 1993*
- 1993 – 2003, only + or – 1-2% were observed.

So...no progress?

NOT TRUE!

Women Employers is NOT equivalent
to Women Executives!

* Source: Report of the Labour Force Survey from National Statistics office in 1993 - 2003

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WOMEN AS CEOs / Presidents

TOO FEW IN CORPORATE listed in the stock exchanges!

Types of Organization led by women	Percent
Single proprietorship	43.0 %
Corporate not listed in the Stock Exchange	36.4 %
Partnerships	15.9%
Cooperatives	2.8%
Corporate listed in the Stock Exchange	1.4%
Unspecified	0.5%
Total	100%

Source: BPW Thailand Survey in 1998

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WOMEN IN BOARD OF DIRECTORS

TOO FEW IN CORPORATE listed in the stock exchanges!

Industries	Percent
Energy	0% - 8 %
Finance and Banking	16% - 45%
Real Estates and Development	0% - 20%
Services	0% - 20%
Technology	0% - 24%

Source: 2004 BPW Thailand Sampling of 30 companies listed in the Stock Exchanges

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WOMEN IN TOP MANAGEMENT

Thai Women has better chances in holding financial-related executive posts.

- 13% - 43% in top management in **Finance & Banking** are women.
- 0% - 30% of top management in Energy, Real Estates & development, Services, Technology, Entertainment, and Manufacturing are women. **BUT the most common responsibilities are financial-related like accounting.**

* Source: 2004 BPW Thailand Sampling of 30 companies listed in the Stock Exchanges

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WOMEN IN TOP MANAGEMENT

Thai Women has better chances in holding top executive posts in foreign own companies & small companies

- 33% - 43% women in top management in 3 banks with foreigners as major share holders.
- All three banks are small in terms of number of branches in Thailand.

* Source: 2004 BPW Thailand Sampling of 30 companies listed in the Stock Exchanges

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Surviving and Thriving through Thailand Financial Crisis

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“Women is like a tea bag. You don’t know how strong she is until you put her in the hot water”

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Thailand Financial Crisis in 1997

PRE-CRISIS:

- 1977-1996 Thailand economic growth ~ 7.6% a year.
- Bubble in properties prices since 1980.
- Easy to borrow from abroad with low interest rate and get high deposit rates locally in Thailand.
- Interest rate seemed to stay at \$1 = THB 25 Bath forever.

CRISIS:

- 1997 Floating of Thai Baht.
 - Deposit run on Finance companies.
 - 56 out of 58 finance companies closed down.
 - Non-Performing loan jumps to over 40%
- 1998 \$1 = THB 56 Bath in January & companies debt automatically double!
- 2000 Grace period on Interest payment ends.
 - Over 2,500 businesses entities closed down temporary or permanently.



Women decisions for their enterprises

PRE-CRISIS:

- 2/3 of Women-led enterprises did not take out foreign loan.
- Less likely to have NPL as their debt did not double during the crisis.

CRISIS:

- 77% of women-led enterprises refused to lay off workers.
- 78% refused to introduce salary cut.
- 67% Look for other markets.
- 64% freezed salary increase.

..... BUT how good are these decisions?



Case Study: Kiatnakin Finance, PCL.

- Women-led Finance companies with “People are the heart of businesses” and “never leave anyone behind” policy.
- 1997 Bank of Thailand suspended 58 finance companies to stop deposit run. Give 4 required conditions to resume operations:
 1. Submit a rehabilitation plan
 2. Raise their capital over 1,800 Millions Baht.
 3. Guarantee that deposit run won't happen IF operations resume.
 4. Reveal portfolio of all their executives.



Key decisions made:

1. Did not lay off staffs & continue to pay salaries (BUT cut salary of top management).
2. Submitted their own rehabilitation plan.
3. Made their financial situation and rehab. Plan transparency to stake holders.



Key Outcome:

1. Kiatnakin's staffs helped get over 1,000 customers to sign letter of guarantees "not to withdraw" for 1-2 years if Kiatnakin reopens.
2. Loan repayment extension for its creditors (15 financial institutions).
3. Raise capital by 1,886 Millions Baht.

Dec 1997, Kiatnakin was 1 of 2 finance companies that BOT allowed to reopen.

2003 Profit over 2,000 Millions Baht

2004 Kiatnakin prepared to upgrade into a bank.



Women Breaking the Glass Ceiling in Banking

PRE-CRISIS:

- Executives in Banking sector are typically men.
- Banks set women retirement age at 55 years old (not 60 years old like men).

POST-CRISIS:

- First Thai women become president of a Bank in Thailand. (Siam Commercial Bank).
- Banks change the retirement age of women to 60 years old.
- Women were promoted to top management in banks that has foreign bank as their major share holders.
- Women switched banks to gain higher post in other banks.



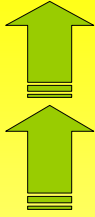
Thai Bank
1998 vs. 2003

	% Changes of Women in		Net Profit (Loss) in Million Baht	
	Board	Top Management*	1998	2003
Kasikorn Bank	+9%	0%	(39,883)	14,814
Bangkok Bank	0%	+2%	(49,863)	11,355
Krung Thai Bank	0%	+3%	(61,584)	8,705
Siam Commercial Bank	+ 12%	+18%	(19,559)	12,460
Bank of Adyudhya	0%	+14%	(9,575)	3,053
Siam City Bank	N/A	N/A	(42,540)	3,631
Thai Military Bank	0%	+21%	(7,700)	(14,054)
Bank of Asia	0%	+18%	(7,702)	1,818
Bank Thai	-6%	-7%	(16,812)	(3,936)
Standard Chartered Nakornthon	+34%	+13%	(3,987)	720
UOB Radanasin	-21%	0%	(16,975)	86
DBS Thai Danu	+19%	-3%	(9,126)	(2,005)

* Top Management refers to senior executive vice presidents and executive vice presidents.

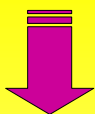


**TWO STEPS FORWARD
&
ONE STEP BACK**



TWO STEPS FORWARD

- Thailand financial crisis tests the quality of Thai women's business decisions and yield positive results.
- Women in finance and banking industries break the glass ceiling after the financial crisis (though they not necessary rise within the same institution).



ONE STEP BACK

- Too few women as President/CEO and as members of the Board of Directors in companies listed in the stock exchanges.
- Policy to merge banks may further reduce women chances to serve as top executives.
- No progress in convincing the government to keep track of National Statistics on women executive in the private sector and analyzing quality of decisions made by women executives.



Thank you

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