

## Q&A: The Glass Is Always Half Full for Citi Chief Turek

By [Andrew McChesney](#)

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Turek says a “half-full” attitude has made all the difference in his life. **Vladimir Filonov**

It took a three-year stint in Africa for Zdenek Turek, the Czech-born head of Citi in Russia, to see his glass as half full.

The epiphany came while Turek was jetting between Citibank's offices in South Africa, Congo and the other 14 African countries that he oversaw in the mid-2000s. And it came in the form of an anecdote, which Turek gladly shared in an interview:

Two executives from rival shoe companies flew to Africa to explore the prospects of doing business there. The first executive took one look at the Africans and threw up his hands. "None of them wear shoes!" he exclaimed. "There's no way that we will be able to sell shoes here." The second executive saw the same thing and smiled broadly. "None of them wear shoes!" he exclaimed. "What a tremendous opportunity to sell shoes."

"So," Turek explained, "I learned to see more of the half full than the half empty, which, for Eastern Europeans, is quite a cultural change. We tend to see things as half empty most of the time."

Zdenek Turek

## **Education**

1986 - University of Economics (Prague),  
master's in finance and banking

1997 – University of Pennsylvania, Wharton  
School (Philadelphia), advanced  
management development program

2010 – INSEAD (Fontainebleau, France),  
MBA

## **Work Experience**

1991–Present: Citi, including country  
manager, Citi Hungary (2002–05); country  
manager, Citibank South Africa, and division  
head for Africa, a region with 16 countries  
(2005–08); and country officer, Russia, and  
division head for Central and Eastern Europe,  
which includes Russia, Ukraine, Kazakhstan,  
the Czech Republic, Hungary, Romania,  
Slovakia and Bulgaria (2008–Present).

**Favorite book:** "Animal Farm" (1945) by  
George Orwell

**Reading now:** "Steve Jobs" (2011) by Walter  
Isaacson

**Movie pick:** "Forrest Gump" (1994) directed  
by Robert Zemeckis

**Favorite Moscow restaurant:** Cantinetta  
Antinori, 20 Denezhny Pereulok

**Weekend getaway destination:** St. Petersburg

Turek, soft-spoken and unpretentious, said this "half-full" attitude has made all the difference in his life, even before he realized its significance.

As a young man, he bitterly joined the Czech military for mandatory service in 1987, upset over what he saw as a wasted year. But as he sulked, he realized that he had a lot of free time on the border with Germany, where his unit was stationed. So he started reading books in English and listening daily to English-language broadcasts on Radio Luxembourg.

"And that's how I learned my English," he said.

The negative morphed into a positive. The English skills — combined with the Czech, German and Russian that he already spoke — put Turek on track for a career in international banking.

Today, with many banks struggling in a tough global economy, Turek's positive attitude faces a severe test. His own bank was badly wounded in the 2008 U.S. subprime mortgage crisis, and it secured a U.S. government bailout of \$45 billion. While bankers may be wringing their hands about banking turmoil, Turek sees an opportunity.

"Everybody can see banking as half empty: overregulated, oversupervised, short on capital," Turek said. "I believe it is half full. I believe the banks will finally focus on servicing clients rather than just building a balance sheet and trying to make money through more loans."

This approach appears to be paying off for Turek, who arrived in Moscow during the U.S. banking meltdown. He has expanded his workforce from 3,000 employees in 2008 to 4,000 today while nearly doubling the bank's balance sheet to \$11 billion, from \$6 billion.

Turek, 47, sat down with The Moscow Times in his fourth-floor office in a downtown business plaza to explain how his team — average age: 28.5 — keeps him on his toes, how he uses challenges to manage employees, and why he believes high ethics will keep Citi in Russia for the next 200 years.

On the wall in his office hangs a framed picture of the African continent, perhaps reminding Turek that his glass is always half full.

"A problem is an opportunity," Turek said. "Always."

This interview has been edited for style and clarity.

**Q: Why did you come to Russia, and why have you stayed?**

A: Russia is a top-priority country for Citibank; it's one of the largest franchises that we have in the world. So when they called me to consider Russia, I responded immediately. I had always wanted to move to a strategic franchise like Russia. Plus I speak Russian.

Why do I stay? I like learning different cultures, and I'm never happy as a tourist, which makes me feel like I'm being shown something that has been precooked and precut just for me. I like learning through living, through being part of the experience. That's why I tend to work in foreign countries.

I am lucky that I found a wife with a similar desire. We still keep a home base in Prague. But every time we discuss going home for good, we come to the conclusion that we are too young and there remains too much to see and learn.

In addition to the "half-full" concept, in Africa I learned to be respectful. In other words, you have to listen and try to understand before you make a decision, before you start advising people about what should be done. If a country lived through something like apartheid, like South Africa did, you'd better first understand where people are coming from before you open your mouth. I learned to be a good listener, and this is being respectful.

I like to learn. The average age of employees at Citibank in Russia is 28 1/2 years. So I am

surrounded by aspiring youngsters who challenge me to keep studying so I don't fall behind. I believe that education is important, and you need to keep yourself updated. So every decade I have tried to do something for my education. Ten years after receiving my master's, I went to Wharton. Two years ago I received an MBA from INSEAD.

**Q: What is your secret to successfully managing people and business in Russia?**

A: Be straightforward and open with people. If there is something to celebrate, you celebrate. But if there is a problem, you have to identify it clearly and challenge people to help you solve it.

Here's an example: Shortly after I arrived in Russia, we found ourselves struggling to implement a new technology system. A development in technology is a significant change for any bank, including Citibank. In this particular case, we started work on the system in early 2009 but ended up lagging behind. It was complicated. People became skeptical.

I called a bunch of young people from the technology department, and I said, "Guys, you know what? It seems to me that you can't solve this. I will have to bring in some people from abroad. Citibank is big, with a presence in 100 countries, and I'm sure that we'll find somebody in Citibank who can put us back on track."

The guys looked at me and said, "Give us 24 hours."

The next day — because they had been challenged and were basically told that they couldn't do it — they came up with an ingenious solution. Within a week, we were back on track. So I learned that it's important to manage by challenges.

**Q: What's the secret for finding and retaining the right people?**

A: It's a lot of hard work.

We like to work with universities to capture young people's attention while they are still studying. We have summer internship programs. We deliver lectures at universities. We have partnerships sponsoring research done by universities. One year we supported research about the Russian middle class at the New Economy School, and it proved to be a popular piece of research.

We also have a rigorous interviewing process with new employees. At Citibank, several managers always interview prospective employees, and we compare opinions.

We provide employees with clear standards of what we expect. Of course, we want people who are achievement-oriented and good performers, but for us it's also important that they have high ethical standards and the ability to work in the team.

**Q: Is there any difference between recruiting in Russia and Africa?**

A: Russia's big advantage is education. Despite complaints from within Russia, the country still has a high standard of education. In Africa, it was a challenge in many cases to simply to find the right person with some skills. To find IT people or accountants was always a challenge.

In Russia, we find good people, but English-language skills are an issue. Language education should be further supported, especially if Russia wants to be an international financial center.

Not all of our 4,000 employees need to speak English. But sometimes you hire a junior employee who is very, very good, but the language barrier slows down the promotion process. We provide English-language lessons, but it takes time.

Also, Russia has a couple of good management schools, but there is a shortage in management training. Even though it's considered a soft skill, it's important because people are promoted quickly in a fast-growing organization like ours. We'd like them to come to us with some notion of management skills.

**Q: What advice would you offer a foreigner who wants to invest or expand in Russia?**

A: Spend some time to get to know the country, the key players, and what makes people successful here. The answers may be very different from the country where you are coming from.

Be modest, at least initially. Don't overdo it. Build up your business step by step and test your assumptions.

Select your partners carefully. There are good partners out there, but because this country honestly only has 20 years of a market-economy tradition, it is important to find somebody who has both the technical capability and the ethical standards that are compatible with your business.

**Q: What is the secret to selecting a business partner?**

A: There are no secrets. There are references, of course. But at the end of the day you have to spend enough time with potential partners to see whether you understand each other and that they are willing to walk the talk.

**Q: How do you deal with corruption?**

A: It's very simple: We don't do it.

We are very clear about the ethical standards that we have in Russia, both as an institution and also for every employee.

Our code of conduct is the first thing you learn on your first day at Citibank. New employees are clearly told that corruption is an absolute no-go — even if it costs you business, which does happen on occasion when we cannot do things that other people might be doing. But we follow these standards because even though our franchise is 20 years old in Russia, Citi is 200 years old. We want to be in Russia for 200 years.

Now at the same time I realize that we have an advantage because we are a big organization. We have the muscle to operate this way. There are many small businesses that find it much more difficult to stand up to the bureaucracy, and we are trying to help them by being actively involved in business associations like the American Chamber of Commerce and the Association of European Businesses. We talk to the government about improving the rule

of law and about specific cases of foreign companies that are experiencing difficulties. We ask for help on a case-by-case basis. I have to say that we have been pretty successful.

But my message is this: You don't have to be corrupt and you don't have to play the corruption game to operate a successful business in Russia. In fact, if you enter into that kind of game, you will never find a way to get out. So the right advice is to never go there.

**Q: Who or what inspires you?**

A: Winston Churchill was able to step up in a crisis and provide incredible leadership, so I respect him a great deal.

Closer to home, Czech President Vaclav Havel was very inspirational to my generation simply for being able to stick to his ethics under any circumstance. I do believe that a nation needs economic prosperity, but without a moral beacon and moral leadership there is always increased volatility. I believe that Havel had an immeasurable but highly positive impact on people and the whole society.

**Q: How do you find balance in life?**

A: I openly admit that I continue to struggle to find the right balance. It is not easy if you have a job of this size and you travel a lot, managing a business in multiple countries. I try to focus on weekends with my family, protecting Saturdays and Sundays to be with my three kids.

I also run and go swimming at least once every week. For mental health, I read books.

I also have to say that I draw a lot of energy from people, so I try to talk to people, particularly those beyond the banking industry. That's a good way of keeping your balance.

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