

STANTONCHASE
INTERNATIONAL

CEO Survey 2009

**Leading in
Challenging Times**

www.stantonchase.com

General Overview

When we announced and conducted the first CEO Survey two years ago, we could not have imagined what a year would follow, what would happen, not only in our, but even more in the international market. Consequently, the Survey for 2009 was a challenge and an excellent indicator of everything we went through in the previous 12 months. As we promised, the Survey remained traditional and the results we received are extremely interesting indicator of the challenges and different situations CEOs of companies in our market dealt with. The questions we asked this year differed to a large extent from those of the previous Survey, which could have been expected due to the situation in the market. First and foremost we would like to point out a very large response from CEOs and our hope that the tradition will continue in the coming years. This time again we had Serbian CEOs participating in the Survey, as well as foreign ones, whose work experience in our market is considerable.

The majority of foreign CEOs have been in these positions between one and three years, and most of the Serbian CEOs for over five years. Most of the participants in the Survey come from Consumer Products and Financial Services, and none from Government Institutions and Non-Profit Organizations.

The sector which saw the greatest progress in the quality and development of employees was Supply Chain/Logistics Sector according to foreign CEOs, and the IT Sector according to Serbian CEOs. If we compare Surveys from this and the last year, the results are expected, and it is optimistic to see the increasing confidence towards employees' development in the Human Resources and Finance Sector.

As we have already emphasized, most of the questions, logically, referred to the crisis. Industry and Consumer Products seemed to have suffered most in the last year. It was really interesting to see which competences and skills, according to General Managers in Serbia, were the most important during crisis. The participants in our Survey believe these were experience in change management, orientation towards strategy and creativity, whereas decisiveness seemed to be the least significant among the suggested responses.

The most motivating factors for CEOs were opportunities to create new solutions, and the autonomy level was the second important. It is remarkable that a small number of the Survey participants seemed to have been concerned about keeping their jobs.

The biggest challenge for motivation was stress level, which was predictable. However, there were also situations in which it was impossible to act in line with one's own strategic decisions, but only according to the inputs from the superiors. Decisiveness and necessary measures were least stressful and discouraging, due to the fact that lay-offs, if there were any, presented the smallest difficulty for general managers of the companies in Serbia.

In CEOs' opinion the most important steps in the previous year were business restructuring and cost reduction. The retention of the existing employees was in the third place and we do hope it was really the case, because the quest for talents is a favorite slogan of the leading people in companies throughout the world, but it seems that 2009 did not back up this idea. Many imposed drastic measures and massive lay-offs, and the offer of talents in the market was considerably higher than in the periods of stable economic situation. The question is if companies derived any benefit from this?

Most of the participants in the Survey claimed they could not have predicted the crisis. Following are some of the comments by those who stated the opposite:

It was obvious much earlier that financial investments do not have real coverage.

We obtain raw materials at international markets, symptoms of the crisis were evident 6 to 9 months beforehand.

Huge (and unrealistic) pressure for growth led inevitably into crisis.

It was obvious because of the market developments in the region, and even before that because of the events in the States and Western European countries.

The extreme market growth in 2006 and 2007 was not entirely based on the country's economy real growth and the growth of certain companies, so plunge in the activities could have been expected. Also, the absence of development strategy for Serbian capital market was an indicator of future problems for the sustainability of the growth from preceding periods.

On the other hand, there are only a few of those who are objective and think they did not take all necessary steps in order to prevent the drop in business volume. Most of the participating CEOs believe there were no wrong decisions, and also that more resolute actions were hindered by the superiors.

There is not much optimism, because the majority finds that we could expect the stagnation in this business year. However, a certain note of optimism is shown in the fact that a smaller number of participants expect further development of crisis.

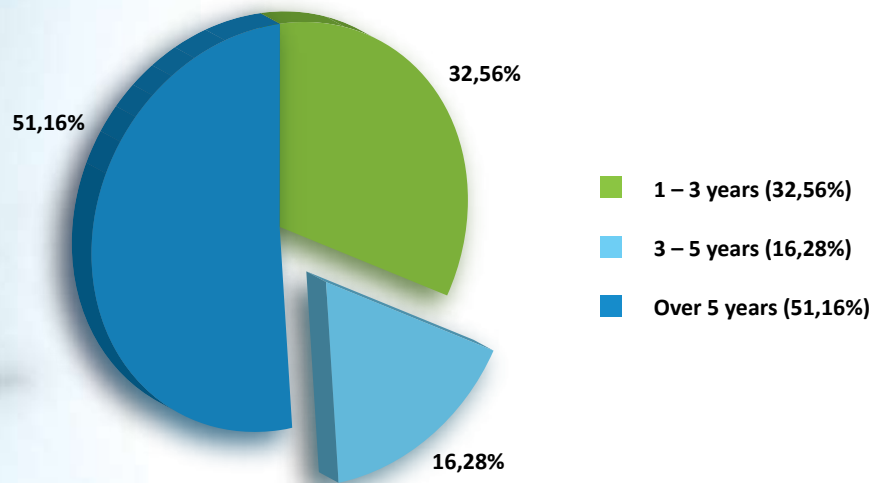
Most of the CEOs would remain loyal to the industry in which they are now, regardless of the mentioned challenges and expectations.

We hope that reading this Survey will be interesting for you and that at the end of this year we could formulate our questions in a different way with topics more positive than those we dealt with in 2009.

Experience as CEO

Most of the participants in the Survey have been CEOs for over five years.

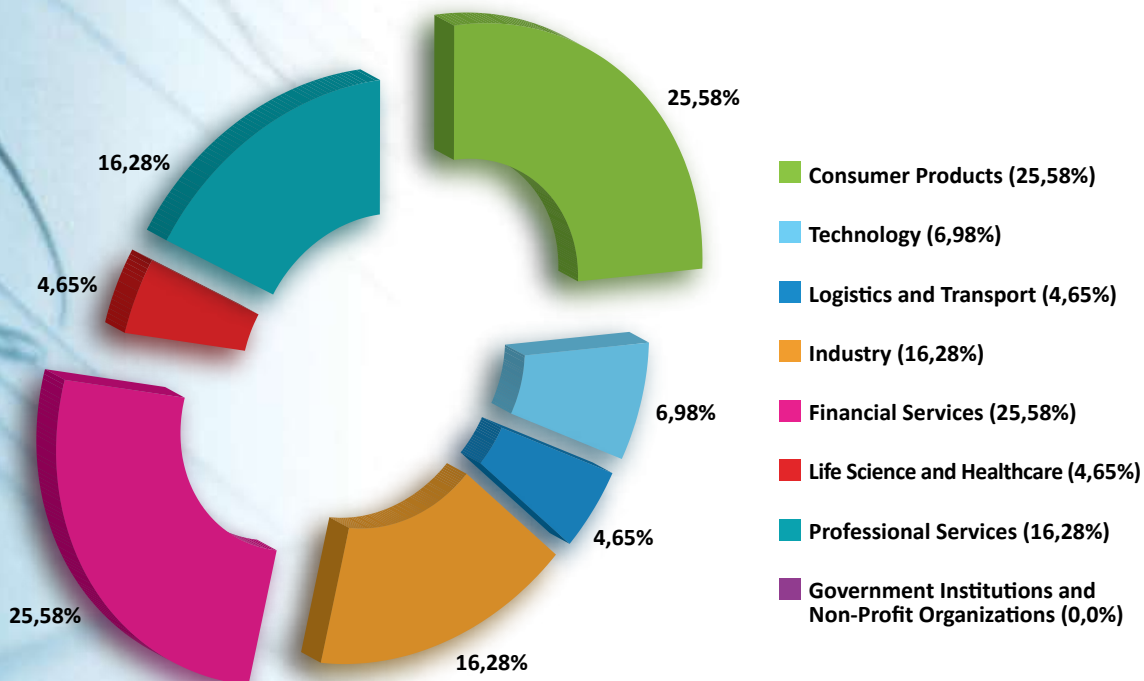
1. How long have you been a CEO?



Industries

This year again most of the participants in the Survey come from the Consumer Products and Financial Services. What is significant in this year is the fact that CEOs from Logistics and Transport also participated in the Survey.

2. What industry do you work in?

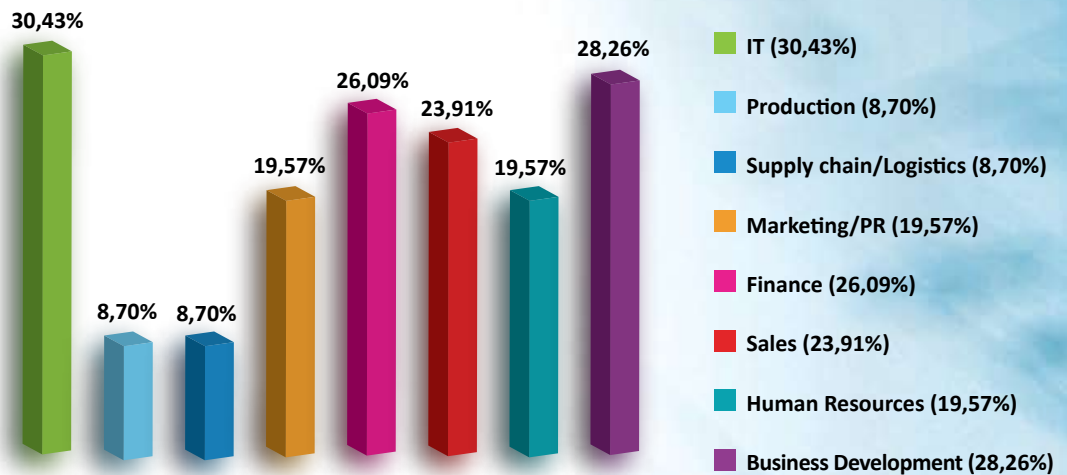


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Sector with the biggest progress in the quality and development of employees

IT sector leads in the development and work enhancement. According to CEOs Business development sector also made a significant progress, whereas employees in the Finance sector are in the third place, which is a positive indicator because last year CEOs considered this field to be the weakest in terms of employees' expertise.

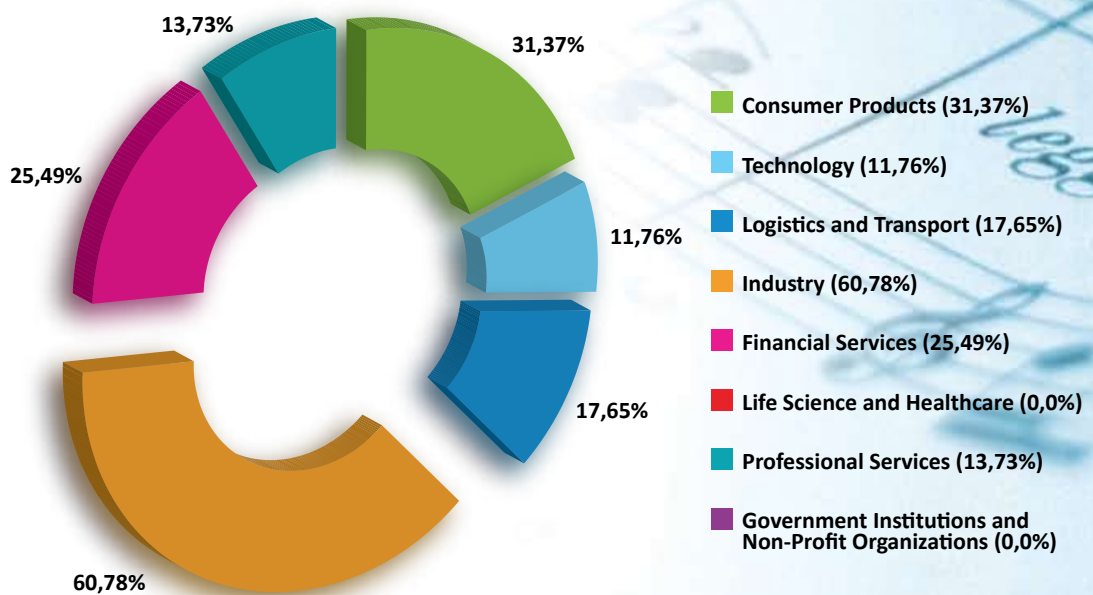
3. In your opinion, which sector has seen the greatest improvement in the quality and development of employees, compared to the previous year?



Crisis

According to CEOs opinion the sector which suffered the most in 2009 was Industry, followed by Consumer Goods. The future will show us how long the Industry will need to recover.

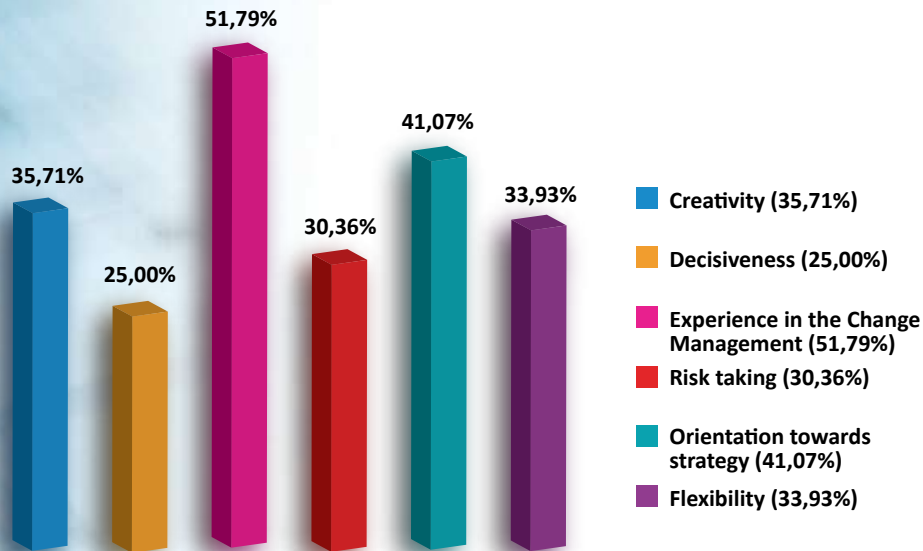
4. Which industry do you think has suffered the worst crisis?



CEOs skills

A specific year, specific business conditions and of course specific skills were expected from leading people. According to CEOs the key skills in the last year were experience in change management, which could be expected, and orientation towards strategy and creativity.

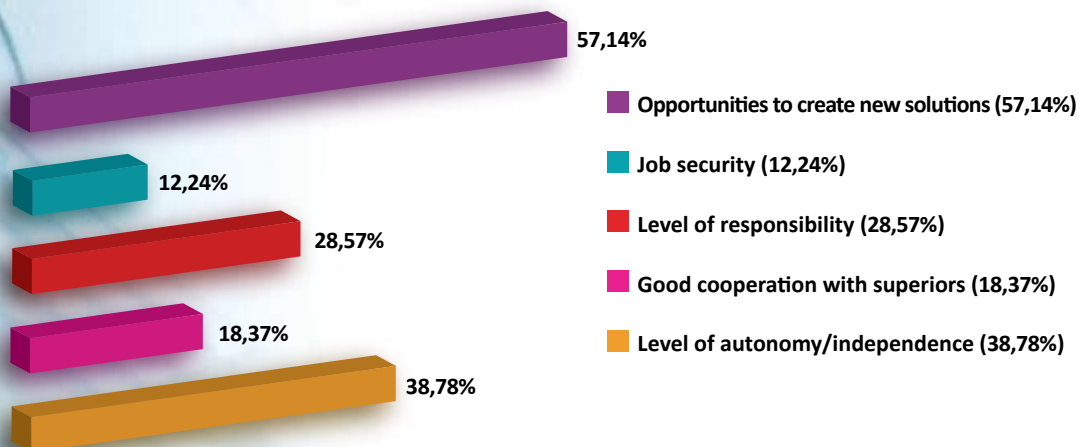
5. Which competences and skills are expected from CEOs in Serbia in the period of crisis?



Key motivation factors

Motivation factors changed a lot in the previous year. General Managers pointed out that possibility to create new solutions and good cooperation with superiors were the most important ones.

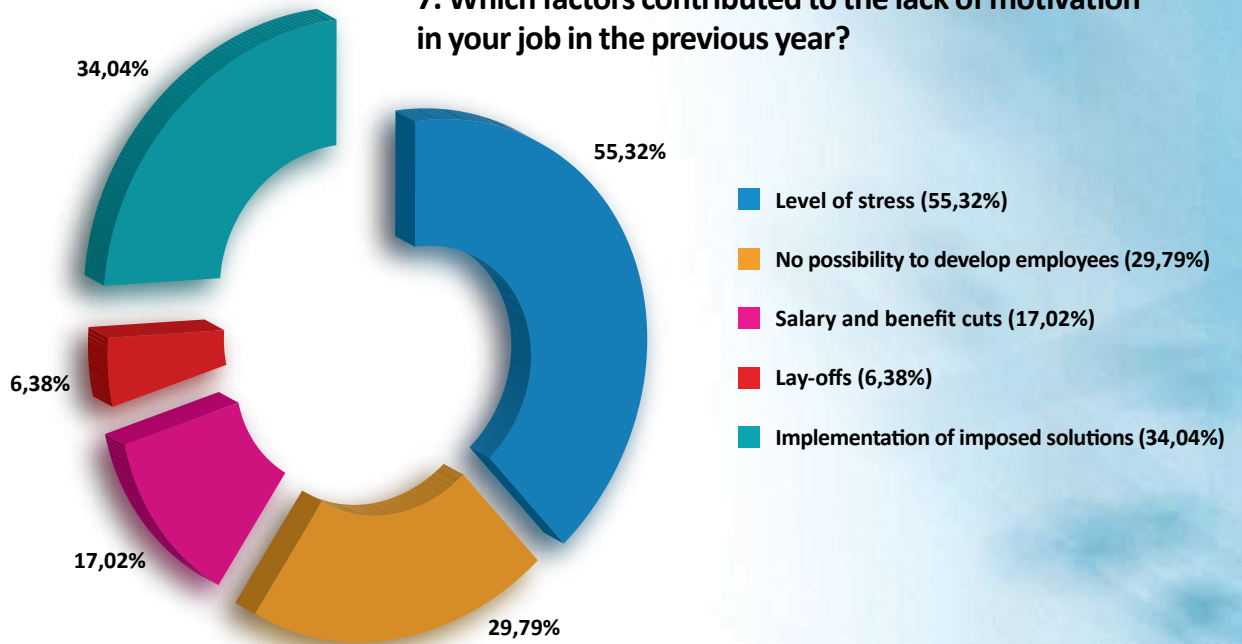
6. Which factors influenced most your job satisfaction and motivation in the previous year?



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On the other hand the lack of motivation was influenced mostly by the stress level they experienced, as well as the instructions from the superiors, or rather no possibility to react or decide in a different way due to the imposed solutions.

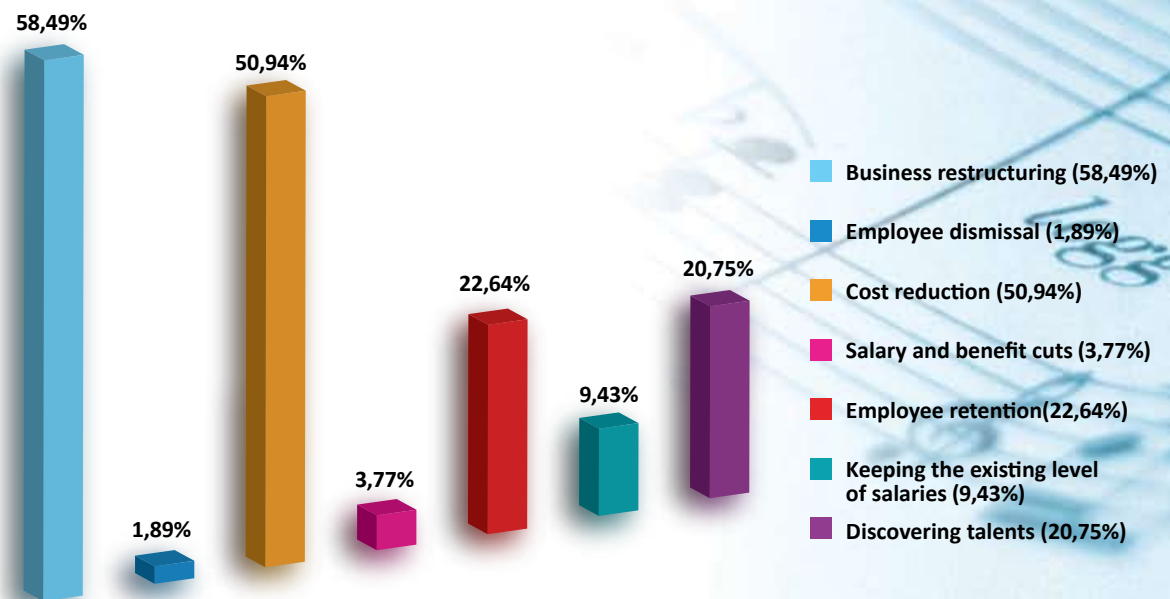
7. Which factors contributed to the lack of motivation in your job in the previous year?



Taking action

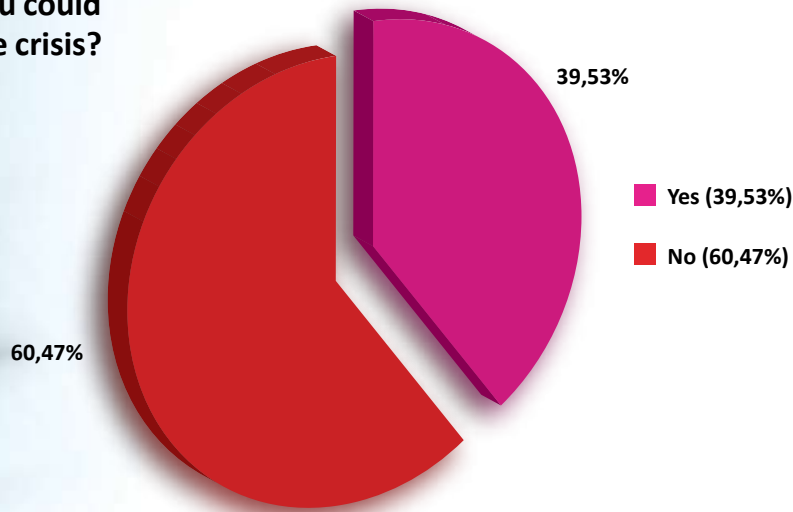
In the previous business year the most important activities to be taken were Business restructuring and cost reduction.

8. What do you think was the most important to do in the previous business year?

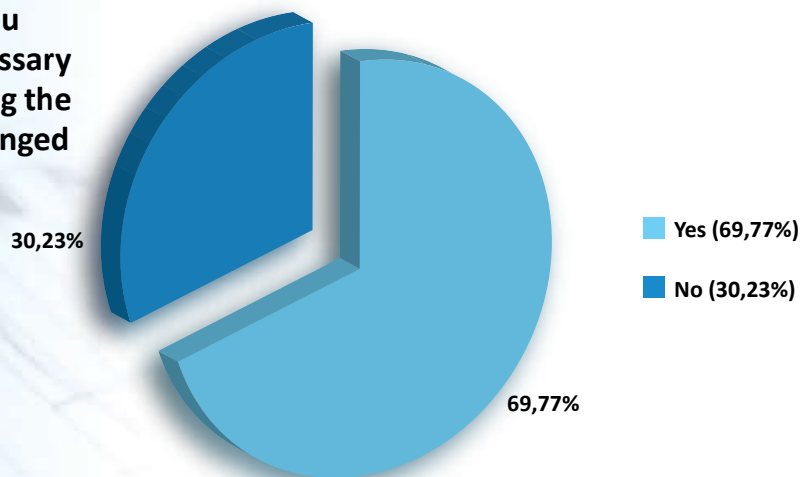


As regards the predictions of the crisis, most of the CEOs claim they could not have foreseen it, and after it had happened, most of them believe they took all necessary steps in order to act in the best possible way. If the reaction was not in line with the expected, the main reason for that were superiors, although majority thinks there were no wrong decisions.

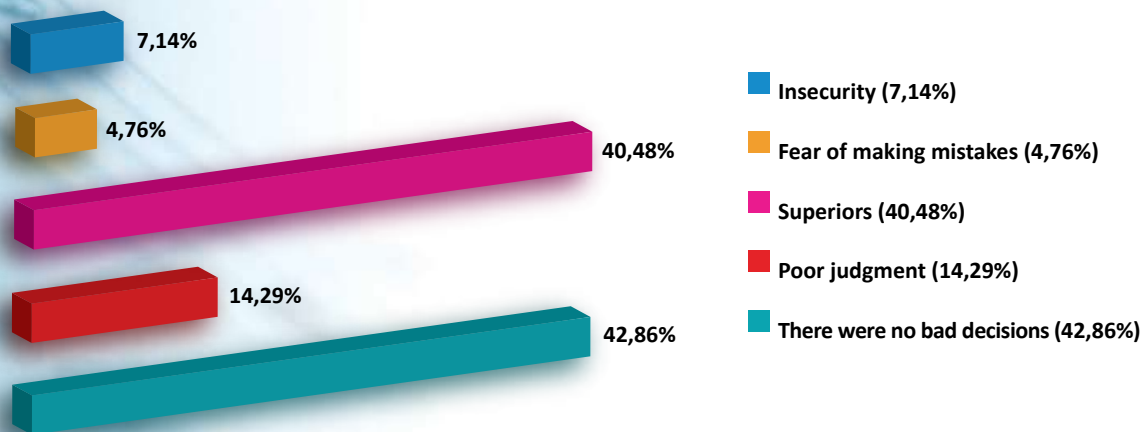
9. Do you think you could have predicted the crisis?



10. Do you think you have taken all necessary measures in running the business under changed circumstances?



11. What prevented you to act more decisively?

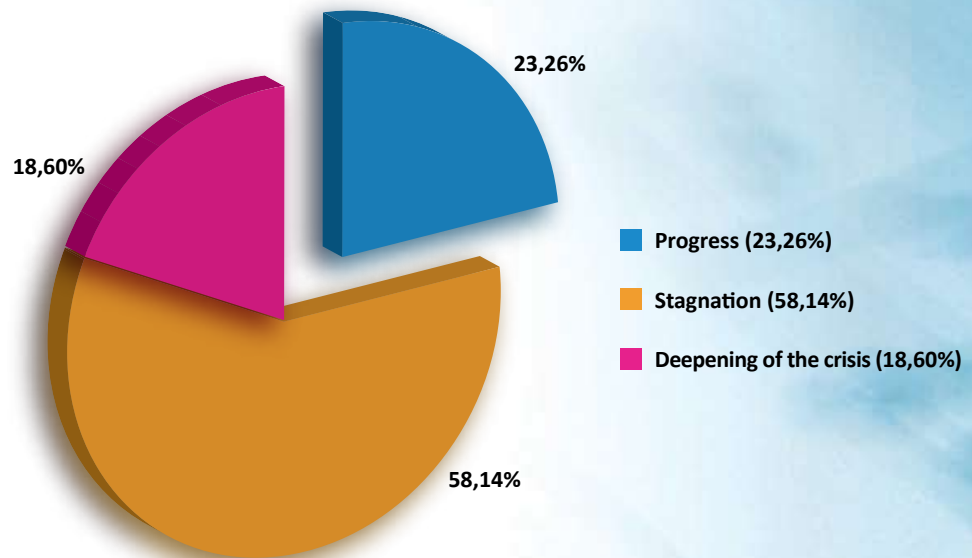


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Optimism

We cannot say that there is much optimism, because majority believes that this year will bring stagnation in the business, but on the other hand, a small number of CEOs expect even bigger problems.

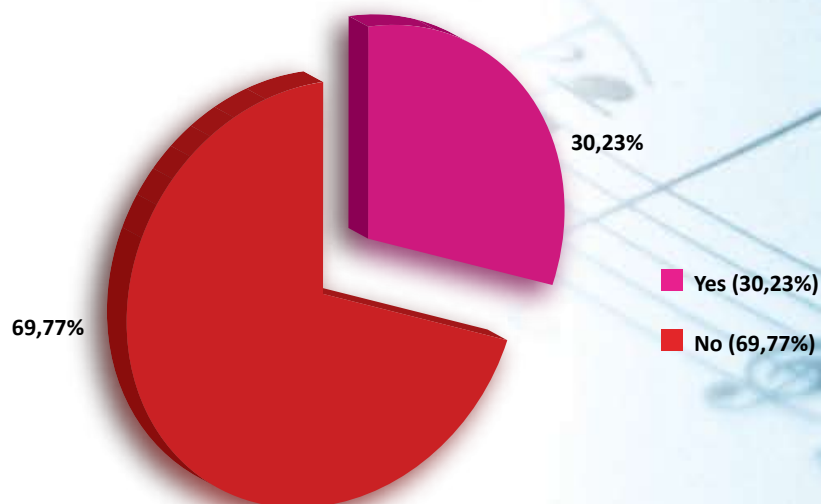
12. What do you think the following business year will bring us?



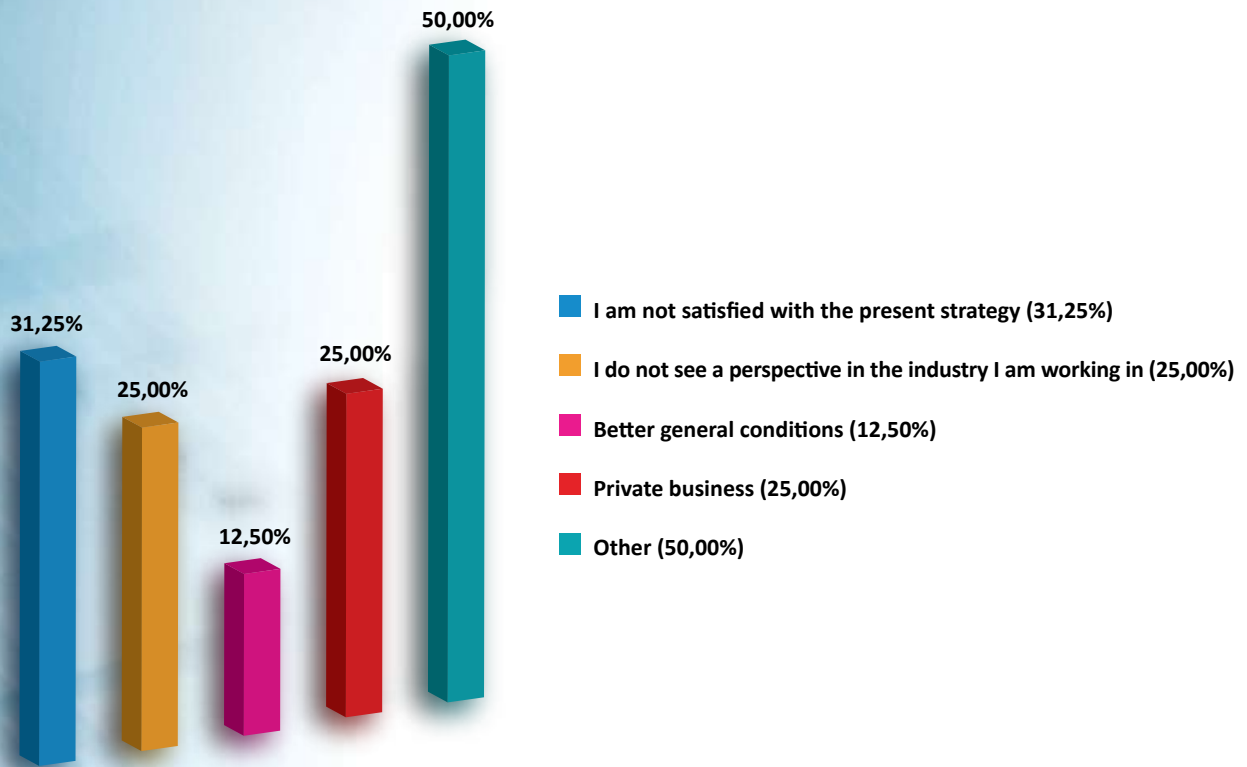
Changes

Most of the general managers, probably because of the responsibility they have and further challenges ahead, are loyal to their industry, and they would not change it at the moment. If this should happen, most of them would go into private business.

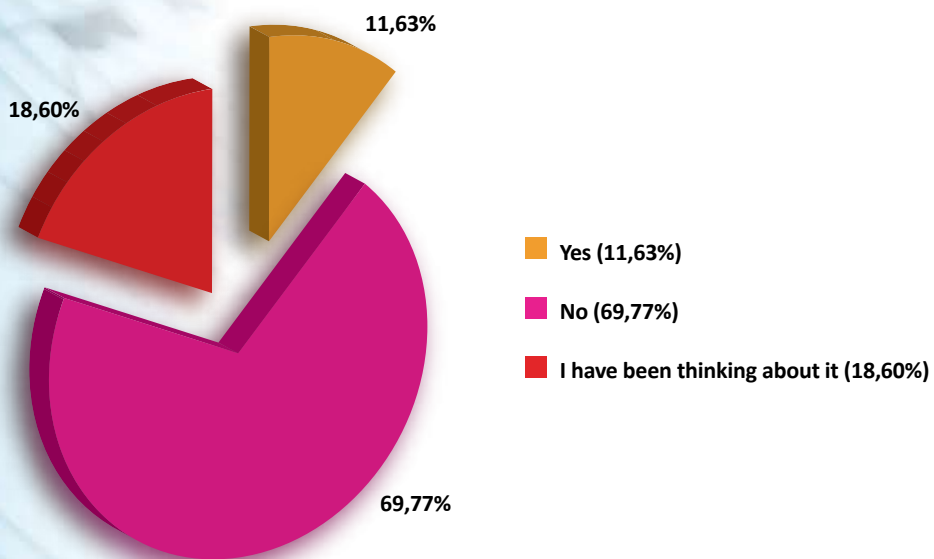
13. Have you been thinking of changing the industry?



14. If yes, what would be the reason?



15. Have you contacted *executive search* agencies?



About Stanton Chase

Stanton Chase International is an internationally specialized *executive search* company, which by using the expertise of its consultants, provides its clients with the best services of finding and assessing the top managerial staff. What makes us different is our knowledge of international, regional and local movements on the workforce market, as well as the accessibility to candidates from all over the world. Stanton Chase International is a company which consists of 68 offices in 40 countries around the world. According to the most recent research in this industry, the company is ranked one of the top 10 leading international *executive search* consulting firms in terms of size, speed of development and reputation. Among its clients the company is especially valued for its exceptional quality of business, above all for its successful work assessment in the complicated process of finding and choosing top management staff.

Stanton Chase Beograd office was founded in 2002 and provides a full spectre of services in the area of human resources (HR) based on the multifaceted approach to the human resource needs of our clients. Such a multifaceted approach includes not only different services, but above all our ability to adapt to the needs of the client. Our complete activity during the selection of candidates or consulting is adapted to the specific needs of every client and is based on the type of industry that the client belongs to as well as their characteristic needs.

Today Stanton Chase Beograd is placed among the leading executive search companies in Serbia.

Our team constitutes of consultants and researchers specialized for certain branches of industry. We particularly want to emphasise that our consultants have acquired their knowledge, skills and experience in leadership positions in the industries that they are specialized in.

Our specialized fields

We offer industry specializations in six dynamic fields:

- Consumer Products and Services
- Pharmaceuticals and Healthcare Industry
- Financial Services
- Information technology
- Logistics and transport

Using the latest methodology for the assessment of competences and personality profiles (on-line psychometric testing and strategic exercises in the form of business simulations) we provide a successful and fast assessment of the best staff relevant for project work.