Corporate values

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General Overview

This year we have decided to conduct a Survey about the development of corporate culture and competencies in domestic and multinational companies. Why this subject? In today's constant struggle for market, both on global and local level, top products, modern technology and safe sources of finance are a good baseline. It certainly isn't enough, because without people these factors do not guarantee success. Large world corporations defined competencies a long time ago and they divided them into different groups. How much have the local companies adapted to world practices? Have the foreign representatives managed to implement the corporation standards on our market? Is there flexibility in its implementation and to what extent? These are all the questions we wanted answered and the answers shared with you in order to help you consider possible dilemmas. We did this Survey so that concrete actions for improved implementation of corporate culture and competencies can be taken. Key skills, knowledge and personal characteristics are necessary for successful business operations and for the entire human resources system, and above all as the focus on people development within the organization. The key benefit of this model is based on establishing the human resources system in such a way that firstly the best potential from labour market is used, then the true support through training is secured, further career development is boosted, a proper feedback through performance appraisal is given, and eventually coaching is introduced for further growth. When the focus shifts on skills, knowledge and personal characteristics of every single employee and those employees recognize it, that will create a real step forward for every organization.

We sent the Survey to several hundred addresses, to all levels of management and the Owners. The response was excellent and the sample is very representative, given different levels of management, as well as variety of industries participants come from.
The openness and willingness of the highest management to talk with employees stood out as the key element of corporate culture. In connection to this, internal communication and the level of investing in people development are also highly ranked. The next question brings us to a certain contradiction given that our participants responded that they would change the level of investing in training, saying that it is not very high. But we know that given the market developments and economic crisis the level of investment in training really dropped and we hope that they will understand that investing in training is an investment, not an expense. The highest management takes the key role in promotion of corporate culture. The fact that relatively small number of companies doesn’t apply defined corporate culture (6,9%) is encouraging, but on the other hand, over 50% of companies apply it only partially. As the main reasons participants single out insufficient engagement of management and the gap between personal and company values.

Most of the participants recognized CBI (competency based interview) as the most reliable tool for assessing if the candidate in the selection process would fit into the corporate culture of the company. The best results in this assessment are obtained with a mix of services of Executive search companies and internal HR methodology.

Relatively small number of companies (4,9%) has no defined competencies, and the rest of the companies mostly have defined both professional and general competencies. Competencies are generally used during employment, annual performance appraisal and promotion. In the companies where they are not defined, the main criteria during the selection process is recommendation and past professional experience.

As we said in the beginning, the idea behind this Survey is that everyone should closely examine the statistics and that all key people in the company should ask themselves if they and their teams did everything possible so that corporate culture and competencies are implemented. What can be done differently so that their implementation becomes more practical? How can this implementation become understandable to everyone in the organization? And for those who do not yet have defined corporate culture and competencies we would like to give incentive to take this first step. It’s not painful, and it certainly is not unnecessary as long as you enter the process with faith that their implementation is useful, possible and that it will contribute to further development and progress of the company.

We wish to thank everyone who took part in this Survey!
Professional experience
Most of the participants in the Survey have more than 15 years of professional experience.

1. How many years of working experience do you have?

Position
The participants are on different positions.

2. What is your current position in the company?

In Tune with the Local Connected to the World
Industrial sectors that are represented in the Survey

Most of the participants come from Consumer Products sector and Industrial, Financial and Professional Services sectors follow with similar number of votes.

3. What industry do you work in?

![Pie chart showing industry distribution]

- Consumer Products (26%)
- Technology (15%)
- Logistics and Transport (3%)
- Industry (17%)
- Finance (16%)
- Pharmacy (4%)
- Professional Services (16%)
- Government and Non-profit organizations (3%)

Corporate culture

The “open door” policy and developed channels of internal communication are singled out as key elements of the corporate culture of the companies by the participants.

4. What would you mark as key elements of the corporate culture of your Company?

![Bar chart showing corporate culture elements]

- Significant investments in the development of employees (MBA Studies, trainings, professional development, etc.) (42%)
- Rules of conduct according to hierarchy (28%)
- “Open door” policy (51%)
- Developed channels of internal communication (intranet, bulletin boards, sector meetings, etc.) (47%)
- Defined ways of celebrating special events (anniversaries, birthdays, promotions, etc.) (20%)
- Defined dress code (10%)
- Other (19%)
Most of the participants would change the level of investing in the development of employees in the corporate culture.

5. What would you change in the corporate culture of your Company?

- The level of investing in the development of employees (61.3%)
- Rules of conduct (26.9%)
- The channels of internal communication (44.1%)
- The ways of celebrating special events (18.3%)
- Dress code (9.7%)
- Other (11.8%)

Comments:
- Assessment of employee competencies, performance assessment (setting up annual goals and their assessment), organization of work.
- There is nothing in our corporate culture which is so bad that I would like to change it, changes would be more focused on certain individuals in the company.
- Procedures should be defined.
- Nothing.
- Increase investing in employees, refresh communication channels, renew team spirit and celebrate success more.
- More independence for employees. They have the freedom to make decisions, but I feel that they don’t exercise that right often enough.
- More honest commitment and implementation of defined company values.
- Corporate culture is not oriented on external clients enough. Organization of business processes is not structured enough.
- I would not change anything.

In the companies where our participants work, the Management has a key role in the promotion of the corporate culture.

6. Who has the key role in the promotion of the corporate culture in your Company?

- The Owner (23.8%)
- Top Management (76.2%)
- The employees of HR Department (20.8%)
- The employees of Corporate Communications Department (7.9%)
- The employees of Marketing Department (2%)
- All employees (21.8%)
- “Walk the talk” (27.7%)
In most of the companies the defined corporate culture is implemented only partially.

7. Is the defined corporate culture really implemented in your Company?

- Yes (36.6%)
- Partially (56.4%)
- No (6.9%)

Comments:
- Communication between employees is on a high level. Decentralized rights and responsibilities. Education.
- Not everyone experience corporate culture in the same way and its implementation unfortunately depends on the current mood of individuals... Given that our company is small, every individual is important as a representative of corporate culture.
- Walk the talk and talk the walk is not always the case, that is, basic principles are often broken.
- If not implemented daily by Top management, then it can be applied only partially.
- Managers often don’t act accordingly to the values, i.e. they don’t lead by example.
- There is neither interest, nor developed awareness.
- A simple no, because it’s not even defined.
- It’s not that strict, but it is implemented, what I want to say is that it’s not overwhelming, but somehow taken for granted, it is adopted.

Participants have singled out insufficient engagement of the Management and the gap between personal and company values as the main reasons of insufficient implementation of corporate culture in the companies.

8. What are the reasons of insufficient implementation of the corporate culture in your Company?

- Certain elements of the culture are not applicable on the local level (22.7%)
- Employees do not understand the basic elements (21.6%)
- The gap between personal and company values (31.9%)
- Lack of interest among employees (26.8%)
- Insufficient engagement of the Management (44.3%)
- It is fully implemented (20.6%)
- Other (Please specify) (4.1%)

Comments:
- Lack of drive among highest Management.
- Inconsistency by corporate culture creators, i.e. the owners.
- The right importance is not given.
- Misunderstanding of the Owners about the significance of corporate culture existence.
In most of the companies it is possible to modify the corporate culture in line with the demands of the local market.

9. Is it possible in your Company to modify the corporate culture in line with the demands of the local market?

- Yes (78.6%)
- No (21.4%)

Comments:
- There are no defined criteria, ergo no harmonization.
- Unfortunately, only in a negative connotation...
- There is complete freedom on the local market.
- We work as a local, domestic company
- One culture fits all is the principal of the Owner and it is applied regardless of the specificity of the market
- Activities that we use to implement corporate culture are adjusted for local markets.
- Partially yes, for example the communication channels between employees and the Management and the adherence to the hierarchy isn’t the same in all operations.

Most of the participants think that the corporate culture in domestic companies should be defined so all employees are engaged in that process. They can use multinational companies as a model, but the elements of national culture should be considered.

10. In your opinion, what is the best way to define corporate culture in domestic companies?

- Base it on the methodology of multinational companies (62.3%)
- Use the elements of national culture (52.5%)
- The Owner / Director of the Company defines the fundamental system of values and norms (21.8%)
- HR Department defines the fundamental system of values and norms (15.8%)
- Engage all the employees in that process (64.4%)
CBI (competency based interview) is recognized by the participants as the best tool to assess if the candidate in the selection process would fit into the corporate culture.

11. What are the best tools to assess if the candidate in the selection process would fit into the corporate culture of your Company?

- CBI (competency based interview) (60%)
- Assessment centre (44%)
- Personality tests (43%)
- Taking into account the corporate cultures of the former employers (33%)
- Other (Please specify) (9%)

Comments:
- Checking references.
- Assessment based on integration of results obtained with different tools.
- If they are of quality, standard HR procedures (interview, knowledge tests, capability tests) are enough. It’s also important that the corporate culture is clear and recognized on the market, so the candidates are familiar with what they can expect in advance.
- Open conversation on general subjects.
- Cultural fit questionnaire.
- Personal interview in which candidates can show that they know the elements (values, norms) of our corporate culture, and explain how they see its implementation in everyday work, what they expect from it and why they find this corporate culture close to them, give examples.
- Value based recruitment.
- Assessment centre is an expensive tool and it can be used in the selection process just for the positions in top management, and for the key positions in mid management.
- Individual conversation with part of the employees.
Most of the participants agree that it is best to use both internal and external approach in the selection process, while assessing how the candidate will fit into the corporate culture.

12. In your experience, which approach in the selection process gives the best results on how candidates will fit into the corporate culture?

- Engagement of external firms (Executive search companies or recruitment agencies) (12,9%)
- Internal approach through HR methodology (30,7%)
- Both external and internal (56,4%)

Comments:
- If the HR sector exists in the company... external agencies can’t know your corporate culture better than you.
- Company HR knows the culture and people best and can recognize people who would best fit in.
- For higher level positions its necessary to use the services of Executive Search companies. They can perceive every candidate more objectively, and they can also reach candidates that are for us unavailable.
- Internal, because the people from the company know cultural pattern best. External, because they are objective and can recognize cultural patterns that exist, but are considered undesirable.
- It is necessary that candidates talk to managers and even employees with whom they are going to work with.

Competencies

In most companies professional (by positions) competencies are defined.

13. What types of competencies are defined in your Company?

- General (for all employees) (35,6%)
- Professional (by positions) (46,5%)
- Leadership (22,8%)
- All of the above (26,7%)
- They are not defined in our Company (4,9%)
14. In your Company, competencies are applied in:

- Employment (71%)
- Training (43%)
- Annual performance appraisal (62%)
- Talent Management (48%)
- Promotion to other / higher position (51%)
- Making a decision on a termination of employment (27%)
- Organization of teambuilding (11%)
- Other (Please specify) (4%)

Comments:
- In time it comes as natural that all the employees, regardless of their positions are constantly being tested for their competences in line with their skills and knowledge.
- The competencies are not defined.
- We are in the process of redefining our competencies and setting up competencies on all levels of the organization and for all employees.

Company competencies are mostly used during interview while employing new staff.

15. If the company competencies do exist, how do you use them when employing people?

- During interview (91,9%)
- In simulation exercises (25,3%)
- In tests (of abilities and knowledge) (38,4%)
- Other (4%)

Comments:
- For higher level positions, as far as I know, there are no tests, just interviews and recommendations that are checked by HR.
- The competences are not defined.
- By monitoring work results, as well as relationships with colleagues.
In the companies where company competences are not defined the criteria used for employment are recommendations and professional experience.

16. If you don’t have defined company competencies, what are the criteria for employment?

- Recommendations (46,6%)
- Work experience (46,6%)
- Education (32,9%)
- Image on the market (15,9%)
- Company competencies are defined (55,7%)
- Other (4,5%)

Comments:
- Interviews, analysis of personality profiles, assessments when necessary, knowledge tests...
- We have defined competencies.
- Behaviour Based Structure Interview.

As the most significant challenges in implementation of the competencies in everyday work, most participants singled out their poor understanding and insufficient awareness of the employees.

17. What are the challenges in implementation of the competencies in everyday work of your Company?

- Poor understanding of them (56,5%)
- They are not applicable (8,7%)
- Insufficient awareness of the employees (55,4%)
- Insufficient insisting of HQ on their implementation (17,4%)
- Lack of interest among Management (29,3%)
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 73 offices in 46 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 Belgrade office was founded in 2005 and provides a full spectre of services in the area of Human Resources 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 Belgrade 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 nine dynamic fields:

- Industrial
- Technology (IT & Telecom)
- Consumer Products & Services
- Life Sciences & Healthcare
- Financial Services
- Professional Services
- Natural Resources & Energy
- Logistics & Transportation
- Government, Education & Non Profit

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.

Additional services
- Internal assessment
- Coaching
- Company restructuring