

Listening enables
people to assess and
evaluate themselves.

F.W. Foersten



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We listened to HR Directors
and mapped Turkey's
HR profile

CxO | **HR**
INDEX

Profile, Expectations
& Career Trends in
Senior Management
Level

August 2012

Foreword

The CxO Index HR study was realized with the participation of Human Resources Directors and Assistant General Manager Human Resources (hereinafter referred to as CxO-HR) from the leading sectors in Turkey.



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While analyzing the managerial and corporate perspective on HR Management, our study has compiled several views on various aspects such as what is being expected of the managers by their current employers, their career plans, and the growth envisaged on employment for the development of the Turkish market.

The CxO Index Study, realized by The Stanton Chase Turkey Office, focalizes on board member executives and the HR area which is of strategic importance to the future of companies. It is our hope that this study will provide added value in the identification and utilization of talents that define corporate success as a factor that affects profitability and sustainability.

We would like to thank the 106 CxO-HR professionals from various local and international companies that have made this study possible by providing their valuable contributions and sharing their foresight.

With the aim of comparing the variations in tendencies and profiles of senior level executives, Stanton Chase Turkey will be regularly conducting the CxO Index study every year. Parallel to this, the CEO and CFO index studies are also being conducted, and The Stanton Chase Turkey Office will continue to demonstrate its determination on better understanding the senior level executives that shape the Turkish Market.

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Methodology

The Stanton Chase Turkey CxO Index HR was carried out in March 2012 with the participation of 106 Human Resources Directors and Human Resources Assistant General Managers (to be referred to as CxO HR hereon) from leading local and foreign companies. Using an online questionnaire consisting of 40 questions, Stanton Chase Turkey endeavoured to address issues such as:

- Demographic specifications
- Previous roles
- Employer's expectations from the role
- Career plans
- Reasons for changing employers
- Development requirements for the next role
- The impact of being in the Board of Directors
- Future employment projections in current positions
- Hobbies

Executive Summary

In terms of the CxO Index HR participation demographics, the mean age of the participants is 43 and consists mainly of female executives.

The study shows that 75% of the executives are aged between 30-45 and which indicates that the C-Level HR role is still a new role and at evolving stage in most companies.

In terms of gender breakdown, there is a different tendency from other managerial areas showing that female managers are dominant in HR functions. Among the participants we see that although 66% are female and are working in smaller scale companies, there is a major imbalance when compared to male participants who are most often in larger companies with over 1000 employees. Male participants are unlikely to be a member of the Board of Directors compared to female participants but they are likely to be a member of the Executive Board. Female managers are mostly aiming to be a Global HR Manager whereas male participants mostly aim to be CEO / General Manager in their next role.

Among the participants we see that only 16% have graduated from an engineering faculty. Generally CxO HR have graduated from social sciences which indicates that the Human Resources area is fundamentally based on communication. The participants who have a post graduate degree make up 48% of all the participants and we can forecast that this figure

will be increasing with the next generation's contribution to this level of management.

Before becoming a CxO HR the most common previous role is HR Manager. There are however a few participants who claim that their previous role was HR Specialist which shows us that the title's job descriptions vary from company to company.

CxO HR state the need to have an international position in order to move on to the next role in their career plan, whereas there are few participants who actually have overseas experience. This indicates that the participants think that having an international position is a prerequisite in moving to the next role whereas it is not always the case.

The majority of the participants project growth for the 2012 period in terms of employment but while this growth takes place there will be need for sales and marketing team members which are highly difficult to find in comparison to other functions.

Demographics

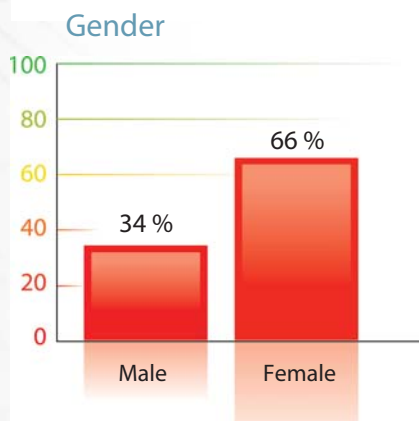
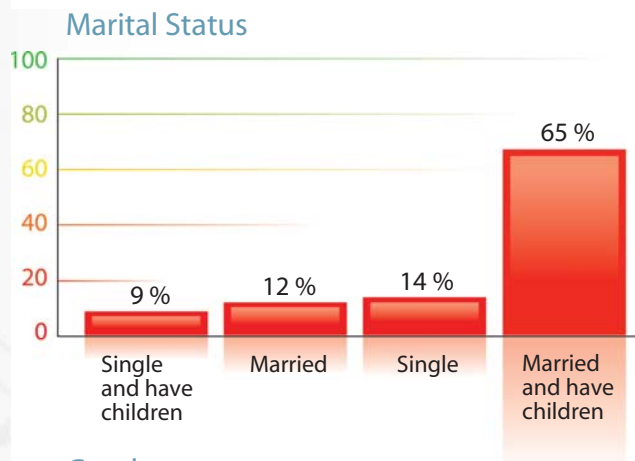
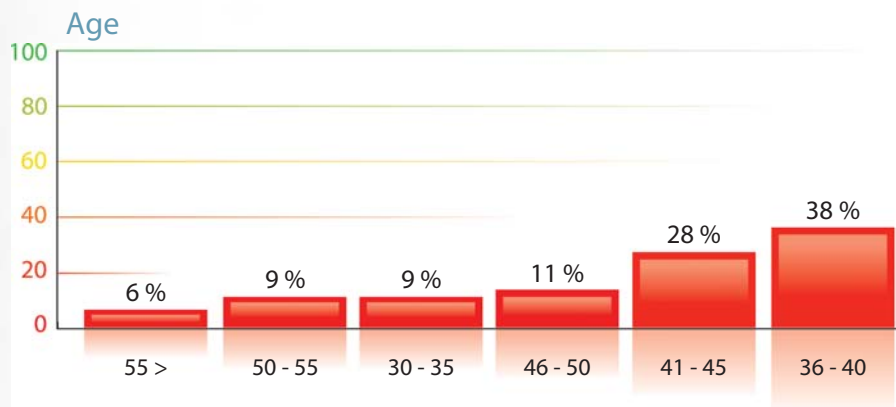
Age - Gender - Marital Status

CxO Index HR study has been conducted among the CxO HR of Turkey's leading companies operating in various sectors such as healthcare, retail and manufacturing.

The majority of the participants stated that they are between the ages of 41 to 45 while the youngest age group - from 30 to 35 - form the second highest group. In general, we observe that the median age for CxO HRs is relatively young and this is an indication that the C-Level HR role is still in evolving stage.

Unlike other management positions, 66% of top managers in Human Resources are female.

While 66% of CxO HR are "married with children", 14% of the participants stated that they were "single" followed by 12% who stated they were "married without children."



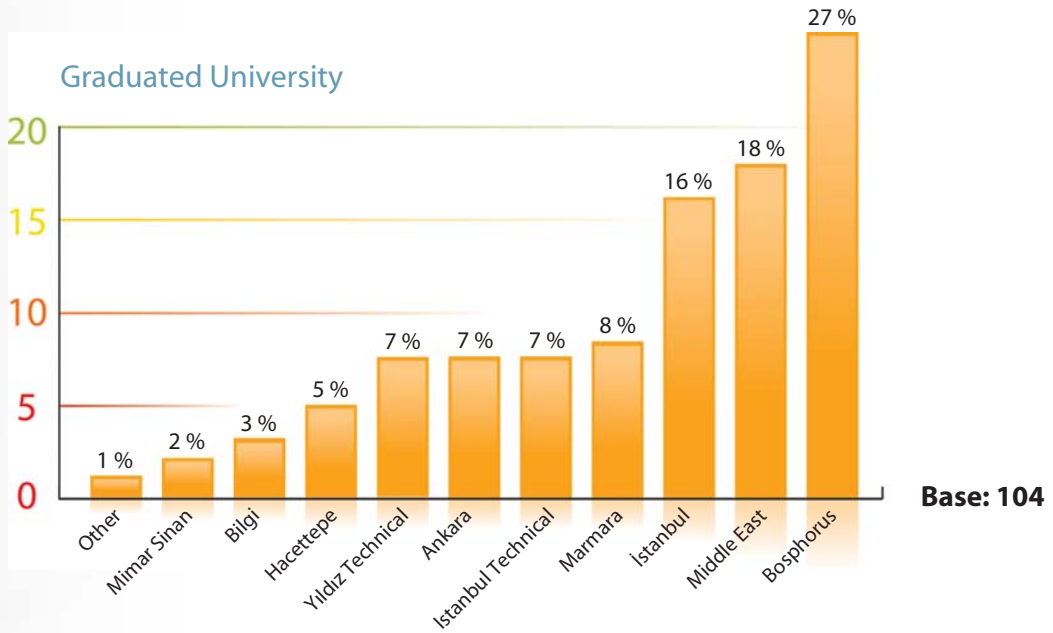
Base: 106 (All participants)

Demographics

Undergraduate Education

The majority of the participants interviewed stated that they graduated from either Bosphorus University or Middle East Technical University

followed by Istanbul University with 16%. Graduates of Istanbul and Ankara based universities take up the majority of those who work in the field.



Post Graduate Education

The score for post graduation among the participants is 48% while a similar percentage of those who were interviewed stated that they only held an under-graduate degree.

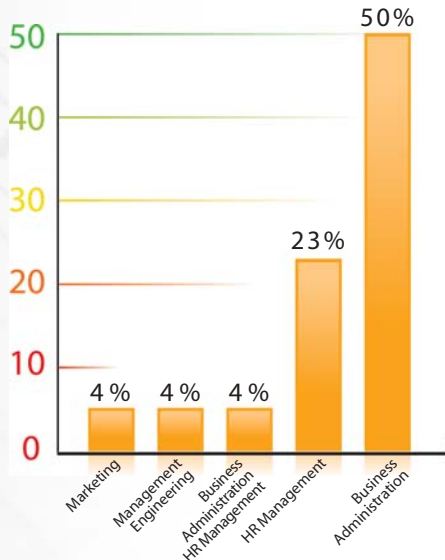
a post graduate degree, which rises to 71% in those who are employed in the industrial / manufacturing sectors.

When we examine the two sectors that the majority of our participants are currently employed in, i.e. healthcare / pharmaceuticals, we see that 50% hold

In comparing the level of education and the size of the company it is noted that in companies of 300-500 employees the number of post graduate degree holders is higher than those employing 500-700 employees.

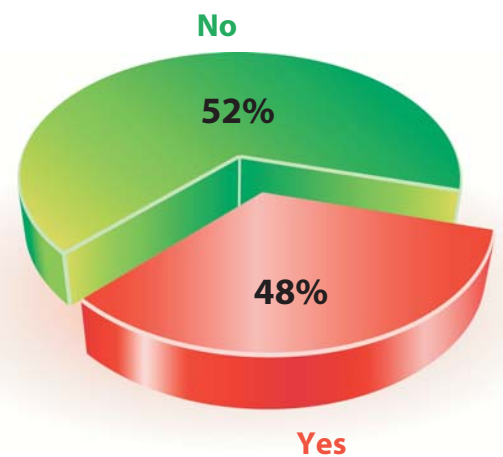
Post Graduation

Base: 51 (Participants that have post graduate diploma)



Do you have a post graduate degree?

Base: 106 (All participants)



*Items below %2 are not included

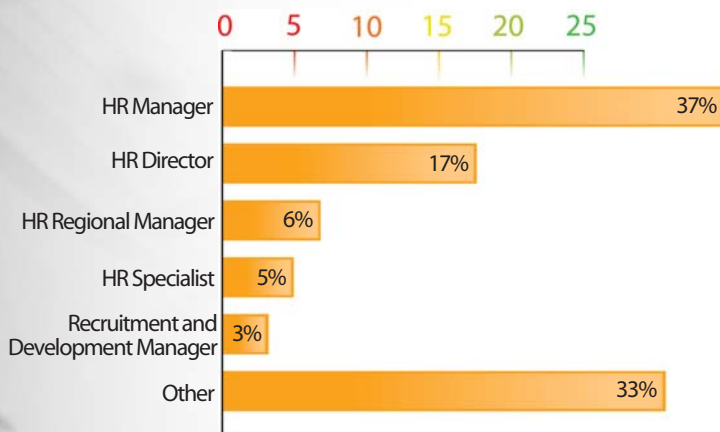
Sector Background

Going through the sectors that the participants are currently working in, we see that most of them are employed in the healthcare / pharmaceuticals sector followed by those who work in the industrial / manufacturing sectors. Participants working in the automotive industry make up the smallest percentage of those who were interviewed.

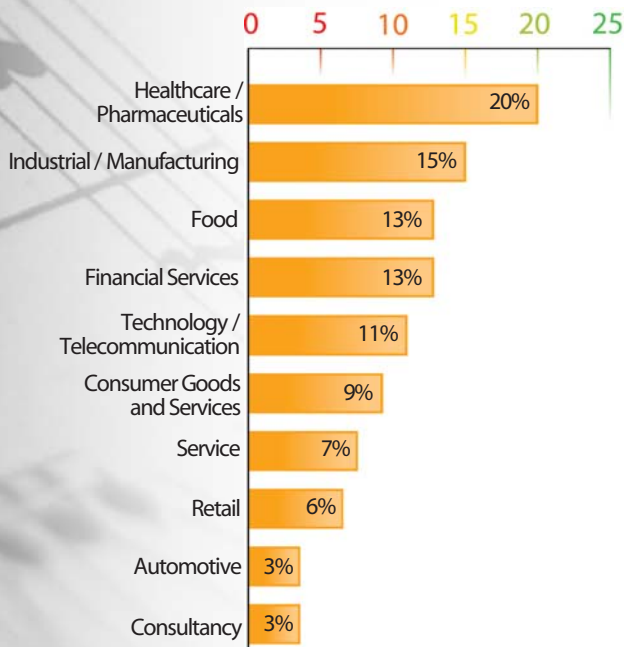
The majority of the CxO HR stated that they were Human Resources Managers before their current position followed by the 17% who said they worked as Human Resources Directors, which shows us that most of the participants work for a different employer now.

There are also participants who worked as Human Resources Specialists before their current managerial role and this shows that the same job title and responsibilities can vary from company to company.

Previous position



Current employer's sector



Base: 106 (All participants)

*Items below %2 are not included

Years in Current Position

The percentage of participants whose first position is CxO HR is higher than those having their second / third CxO HR assignments. This is an indication of a growing economy and growing organizations thus bringing the HR function to a more senior level. This is in particular valid for the healthcare / pharmaceuticals sector where CxOs have a higher percentage of holding this position for the first time.

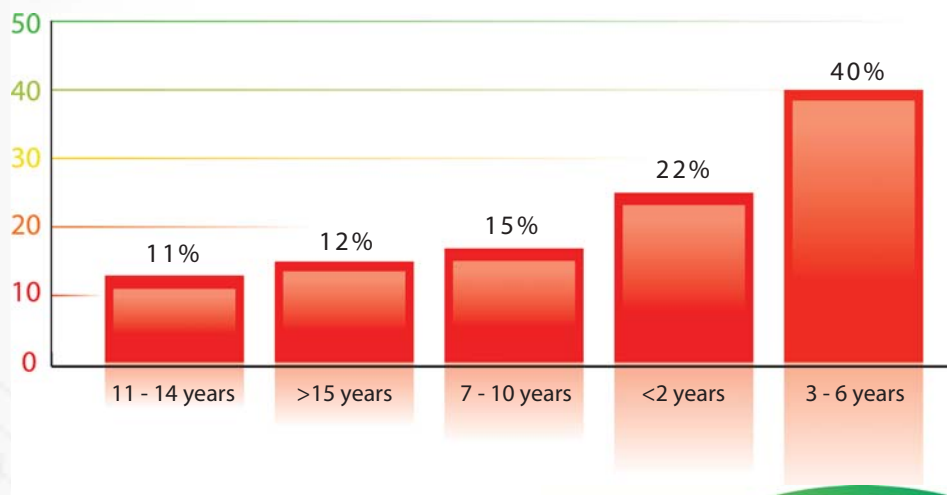
The years worked in the current position are mostly between 3-6 followed by those with 7 to 10 years experience. The years spent working for the same employer is also between 3 to 6, followed by those

who answered less than 2 years. This shows us that participants have moved to different employers while keeping the same position.

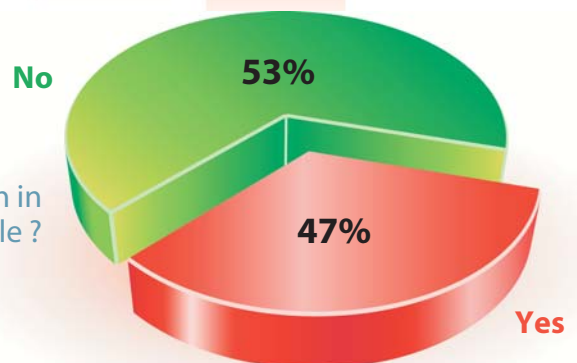
Years in current position



Years worked at current position



Is this your first position in the HR Director/ HR AGM role ?



Base: 106 (All participants)

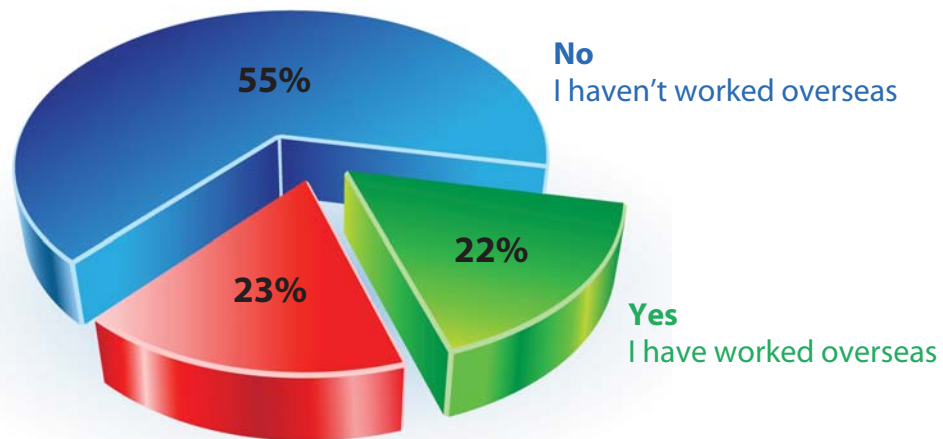
Overseas Experience

The experience acquired overseas generally ranged from 1-5 years for a large majority of the participants. This result can be read as participants have taken overseas positions to gain experience.

In general the participants have not worked overseas but a significant item here is that 23% of the participants have experience in managing a region / regions from Turkey. The percentage of those who stated they had overseas experience is 22%.

These scores indicate that there is not necessarily a positive correlation between having overseas work experience and becoming CxO HR.

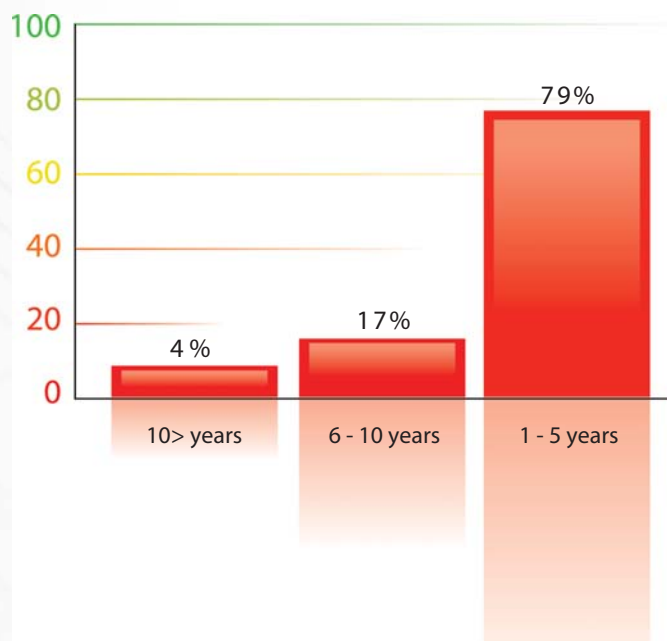
Overseas Experience



I have managed other regions from Turkey

Base: 106 (All participants)

Number of years worked overseas



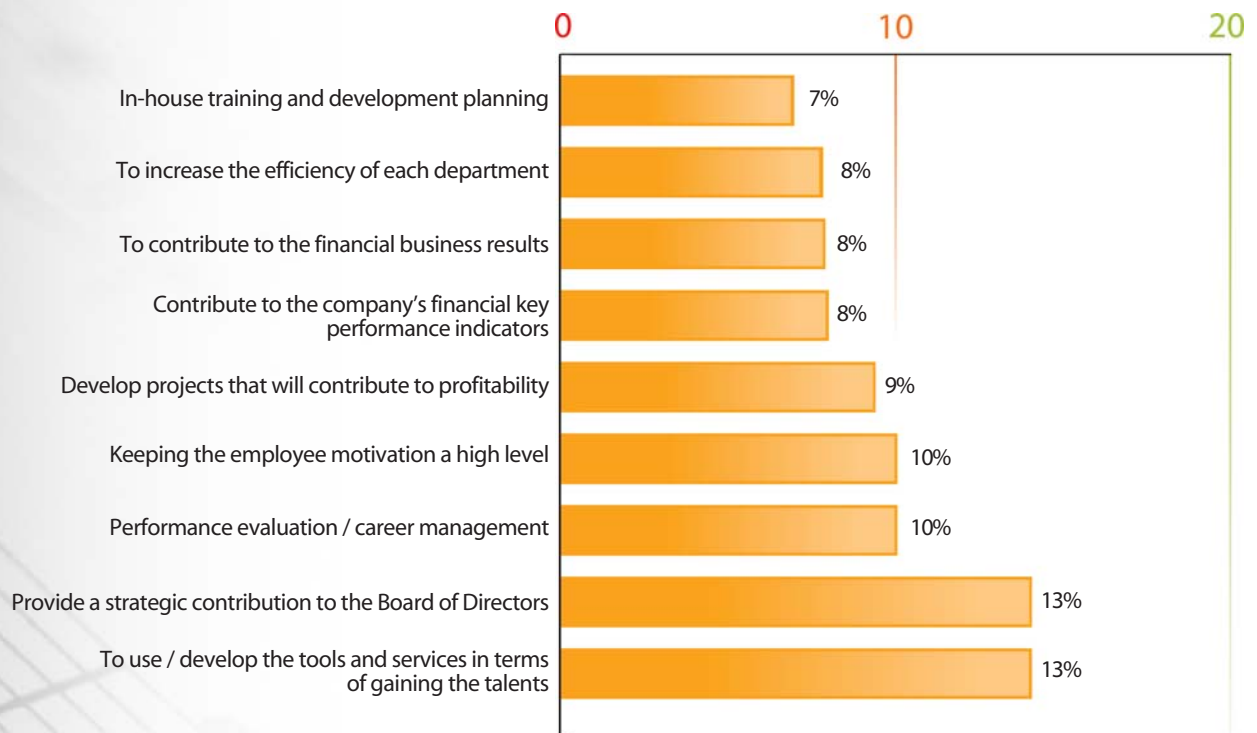
Base: 24 (Participants who stated that they have worked overseas)

Expectations from CxO HR

Employer's expectations from the executives can be classified into two groups; **"to use / develop tools and services in order to bring in new talents"** and **"to provide strategic contribution to the Board of Directors"**.

Although there is not a major difference between the percentages of other answers, we can safely read from the chart that **"to contribute to the**

financial business results" and **"to raise the reputation of the company"** are the other two most important expectations.



Base: 106 (All participants)

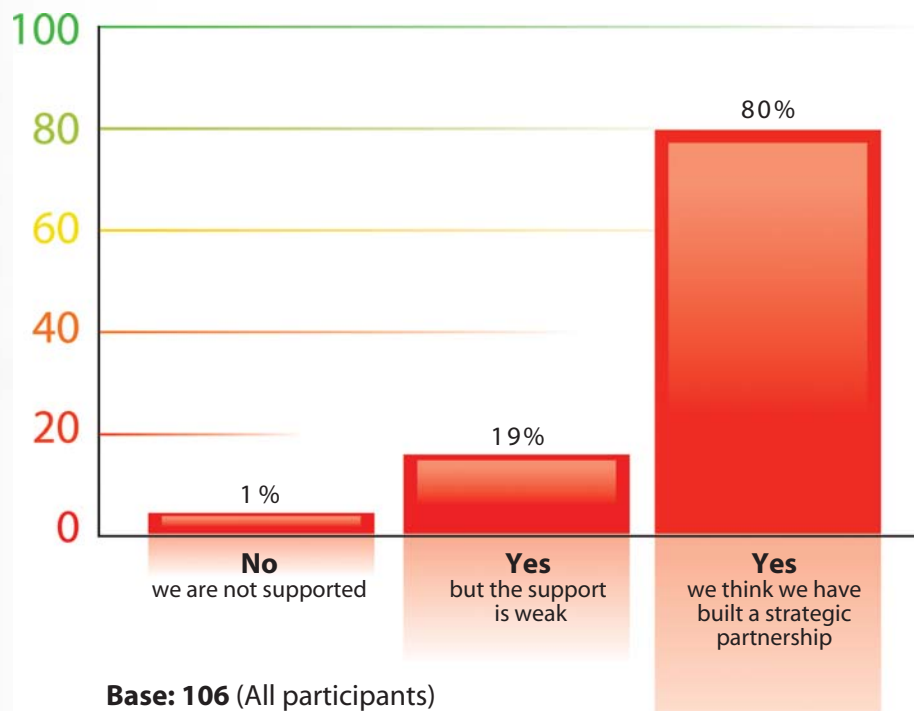
Impact on The Board

While the majority of the participants gave a positive answer to the question below, there is an important number of those who feel that the support from the Board of Directors is insufficient.

Echoing the answer of the employers (“the strategic contribution to the Board of Directors” being one of the major expectations) our participants also believe that they do provide strategic partnership to the Board of Directors in the same sense.

This result indicates that there is an overlap between the perceptions of HR Executives and Board of Directors with regards to the HR Executive’s role.

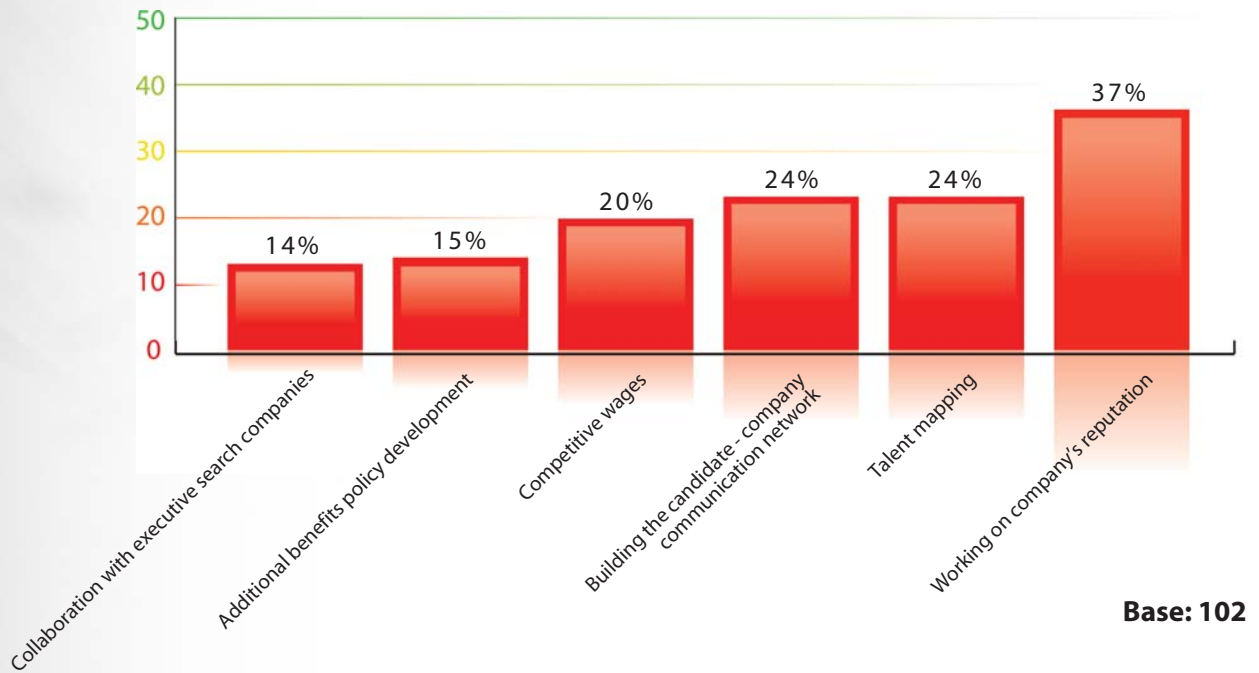
Do you think that the Board of Directors support and pay attention to the decisions, project proposals and advice from the HR department?



Strategies for Talent Management

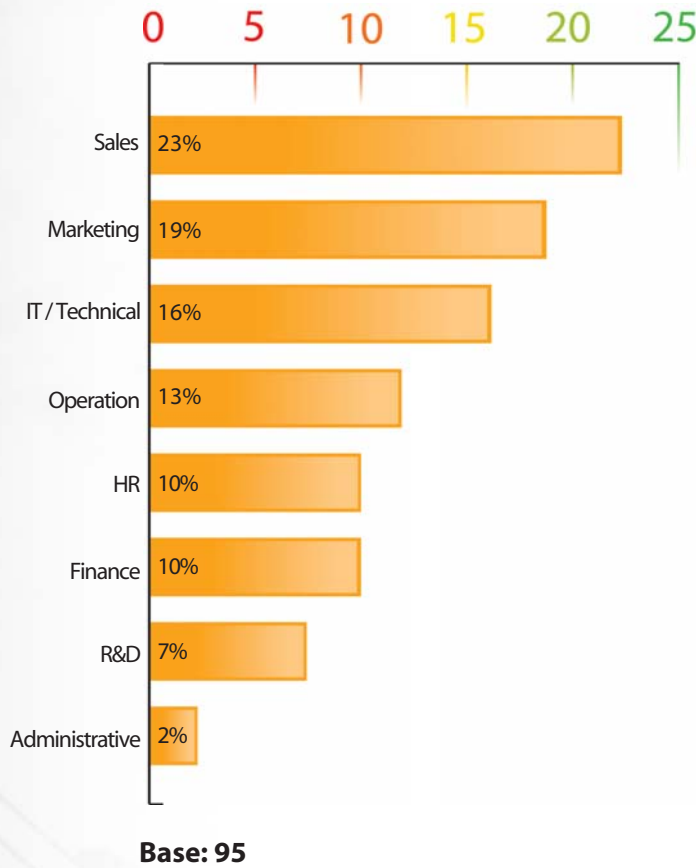
The tool that is widely used in talent management is “working on company reputation”. “Talent mapping projects” and “building the candidate-company communication network” are the 2nd most used tools.

“Competitive wages and additional benefits policy development” aren't the mainly used tools however they are significant in acquiring talents.



Shortage of Leadership Positions

The largest area of shortage in leadership roles is with Sales and Marketing positions, reaching an accumulated 42%. Administrative positions come out as the area with the least shortage.



Benchmarking with Other Companies

The variety of the different responsibilities and the perceptions of the company owners can create obstacles in execution, which on the other hand appear to be less in corporate companies.

CxO HR indicate that the HR department struggles more in family businesses.

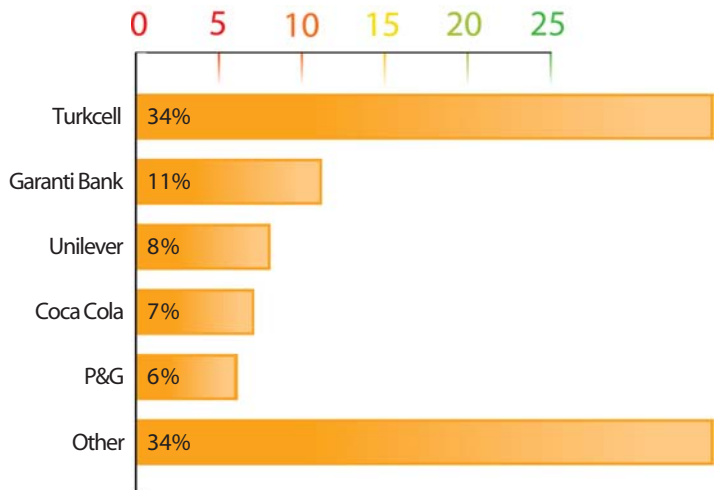
The participants were requested to analyze the HR functions of other companies to specify the company with the best HR processes.

Turkcell with a score of 34% by far takes the lead as the company with the best HR practices.

Unilever, Coca-Cola and P&G are the multinational companies that have been highlighted. The other Turkish brand is Garanti Bank.

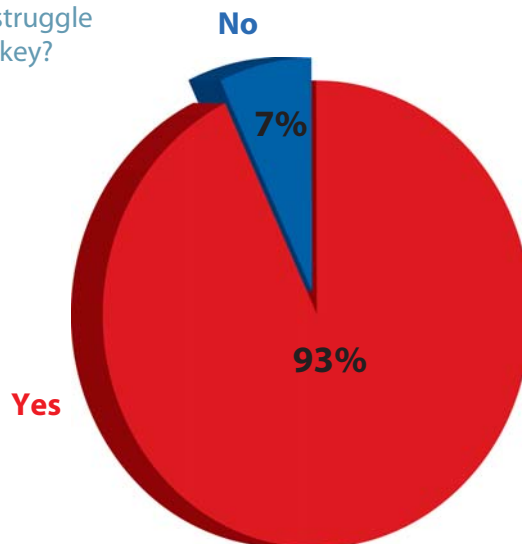
The company with the best HR practices

Base: 73



Do you think that HR functions struggle more in family businesses in Turkey?

Base: 103

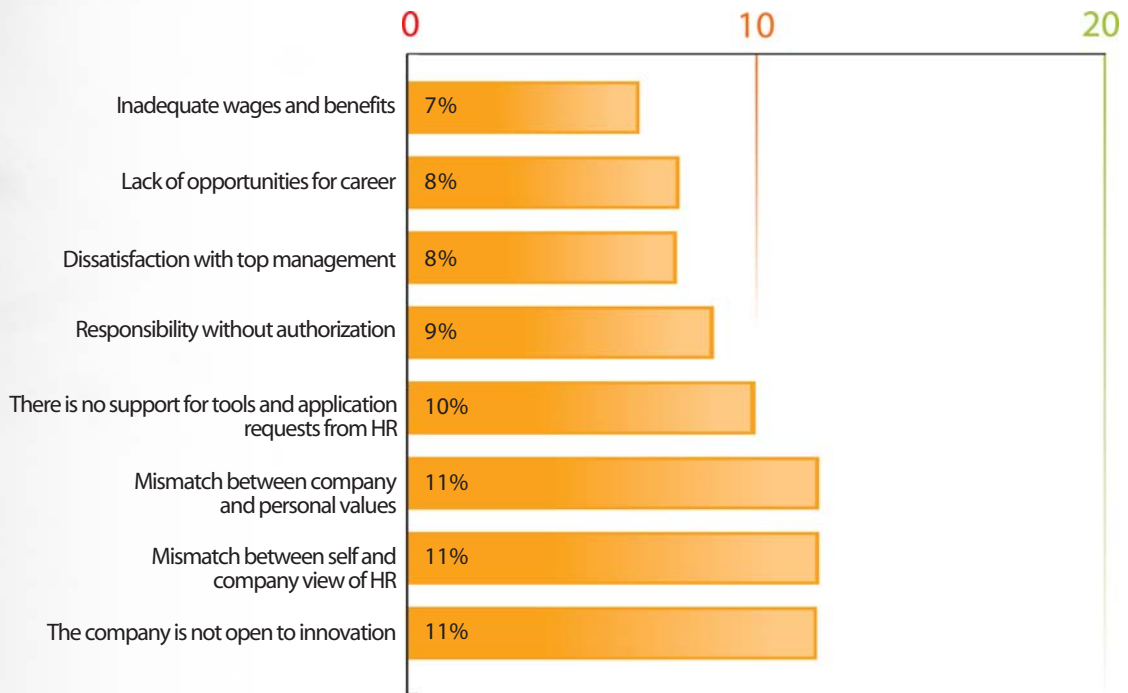


Factors to Change Current Employer

Promotions, working in a local company, travel obligations and entrepreneurship are not the main factors of changing jobs, as would have been expected.

The majority of the participants indicate that the mismatching of the company values, the company's perception of HR and lack of innovation are the main reasons for changing their employers. These statements highlight the willingness for development and need of support from employers.

Even though participants have the perception that the HR function is more difficult to carry out in family businesses, it is not highlighted as a major factor for changing employers.

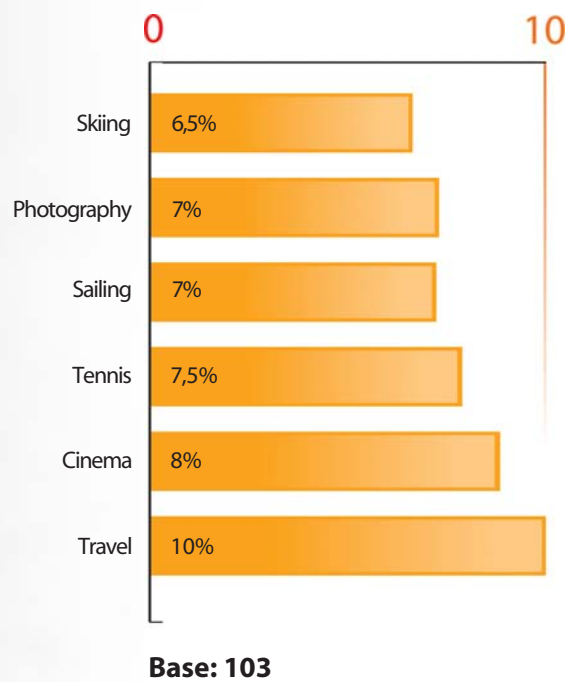


Base: 106 (All participants)

*Items below %5 are not included

Hobbies

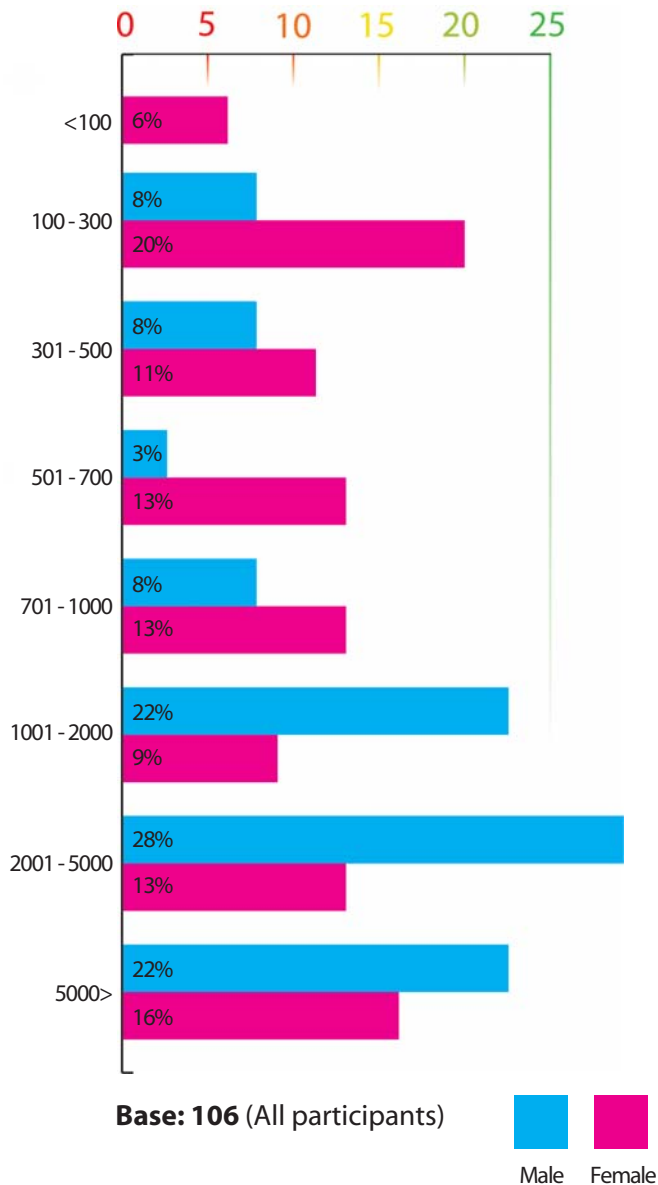
The majority of the participants state that their primary hobby is to travel. If we look at the reasons for changing employers we can see that travel obligations do not have an impact on changing employer - thus parallel to this answer. Cinema, tennis, sailing, photography and skiing are other major hobbies that the participants spend their spare time in.



Gender and Size of Company

The female participants are mainly working in companies sized between 100-300, whereas the employee size of the companies that male participants are currently working in is between 2001-5000.

Although male participants in the HR function are outnumbered by females by 50%, this trend is reversed greatly in companies employing more than 1000.

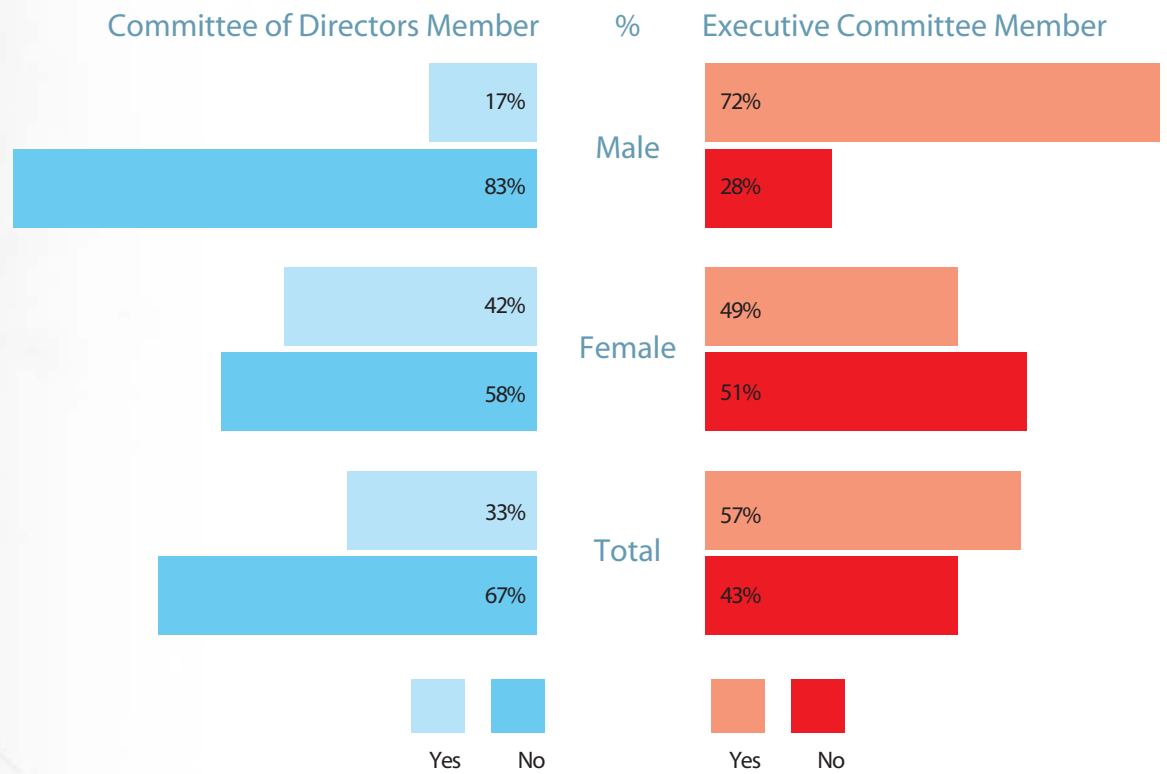


Gender and Executive Committee Member Role

71% of the participants who are not included in the Committee of Directors point out that the HR function should be included in the Committee of Directors. Both genders agree on this view point.

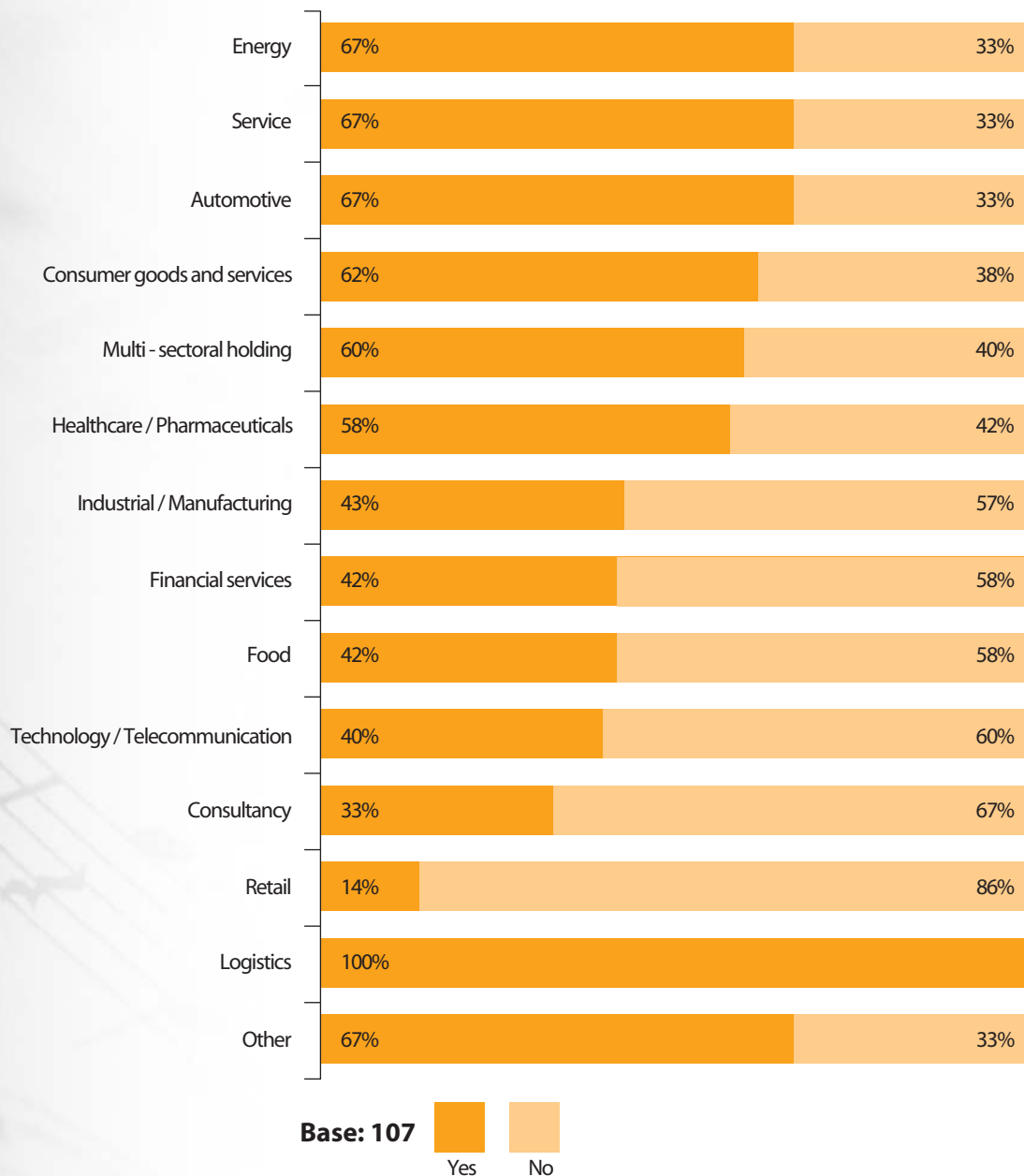
33% of total participants stated that they are a member of the Committee of Directors and 57% are members of the Executive Committee. The number of Female Executive Committee members

slightly outnumber the male members. Of the male participants 17% are members of the Committee of Directors whereas 72% of them are members of the Executive Committee.



Sector Breakdown of Current Employer

49% of the participants stated that this current position is their first role in this position. Especially in the automotive, service and energy sectors, participants tend to have this role for the first time in their career. However, in the retail and consultancy sectors the participants tend to have already worked in this role.



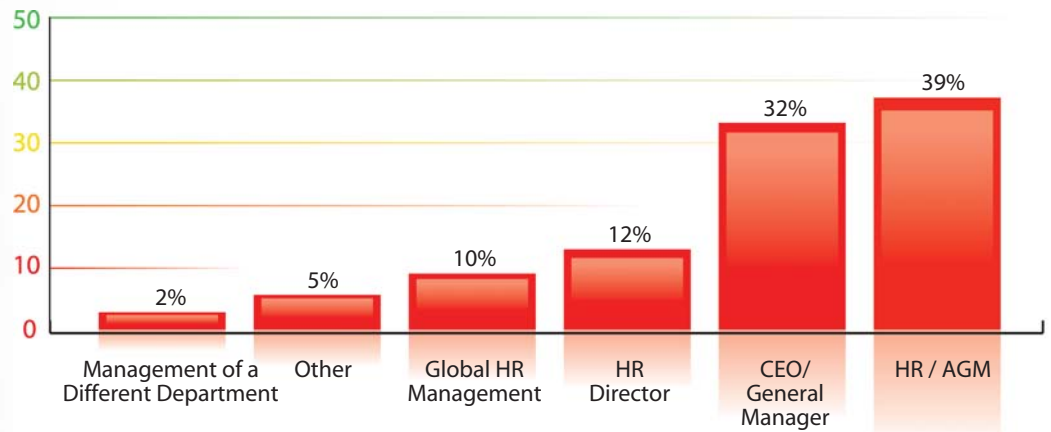
*Items below %2 are not included

N ext Role and Career Objectives

39% of the participants have a goal to be Assistant General Manager - Human Resources in their next role. The second targeted role is CEO / General Manager.

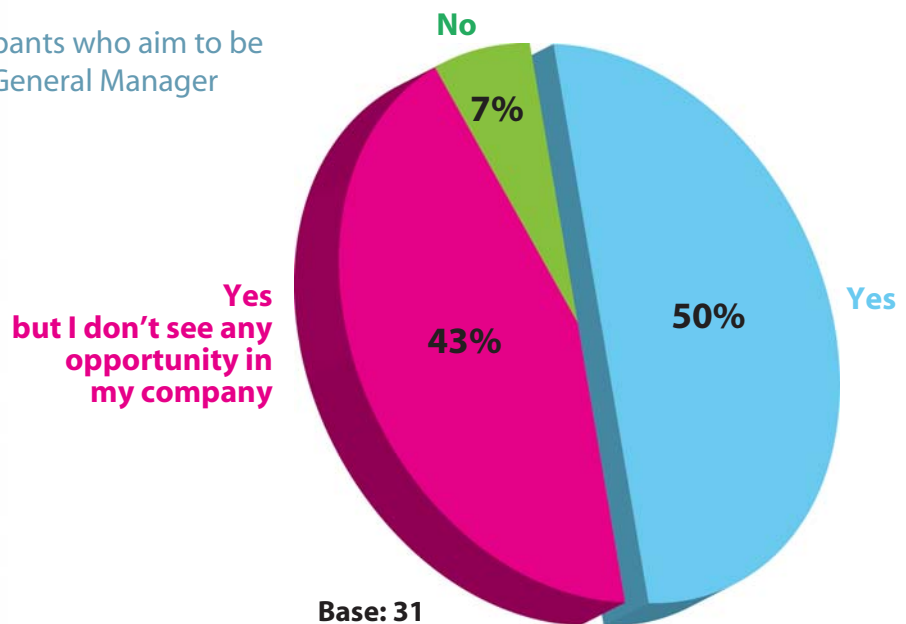
43% of the participants state that the CEO / General Manager role is in their career plan however they also state that they can't see any opportunity in their current company. This statement indicates

that when these participants decide that it is the right time for their next move to be CEO / General Manager, they will move to another company.



Base: 98

Participants who aim to be CEO / General Manager

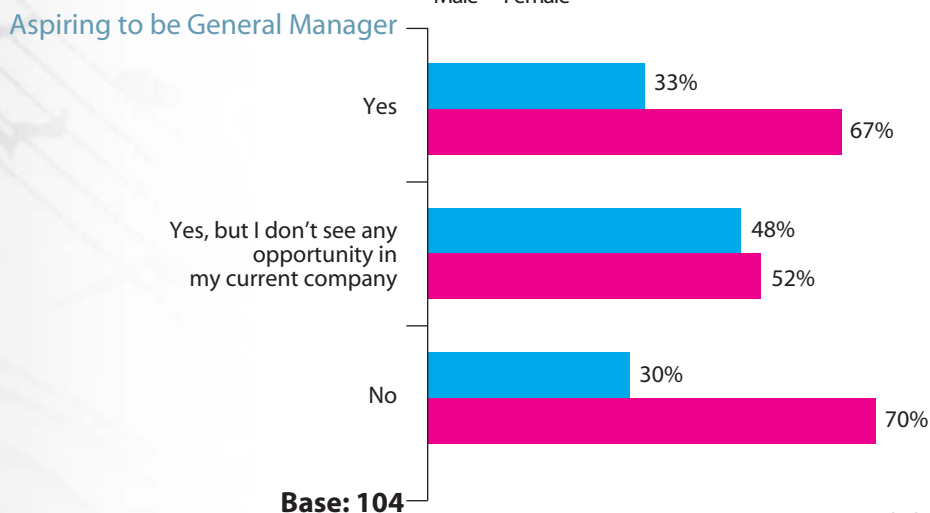
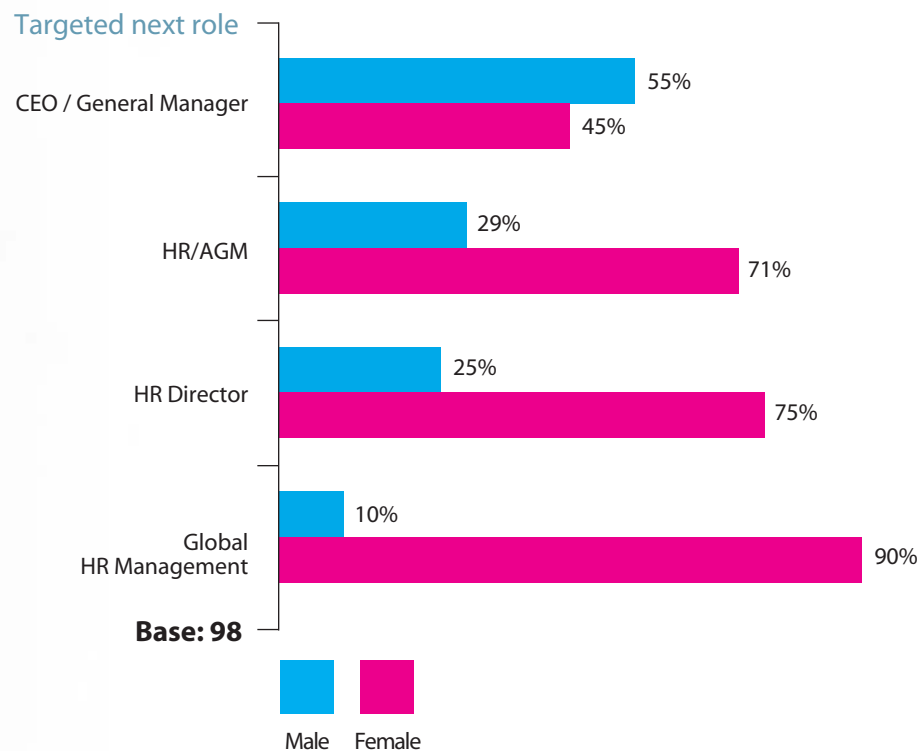


Base: 31

*Items below %2 are not included

Gender and Career Objectives

Male participants tend to target the CEO / General Manager position for their next role whereas the female participants target a different position which is Global Human Resources Management. The pattern in choosing the next role is totally different in terms of gender breakdown. The best indicator for this is that female participants have a low ranking with regards to becoming CEO / General Manager in their next position.



*Items below %2 are not included

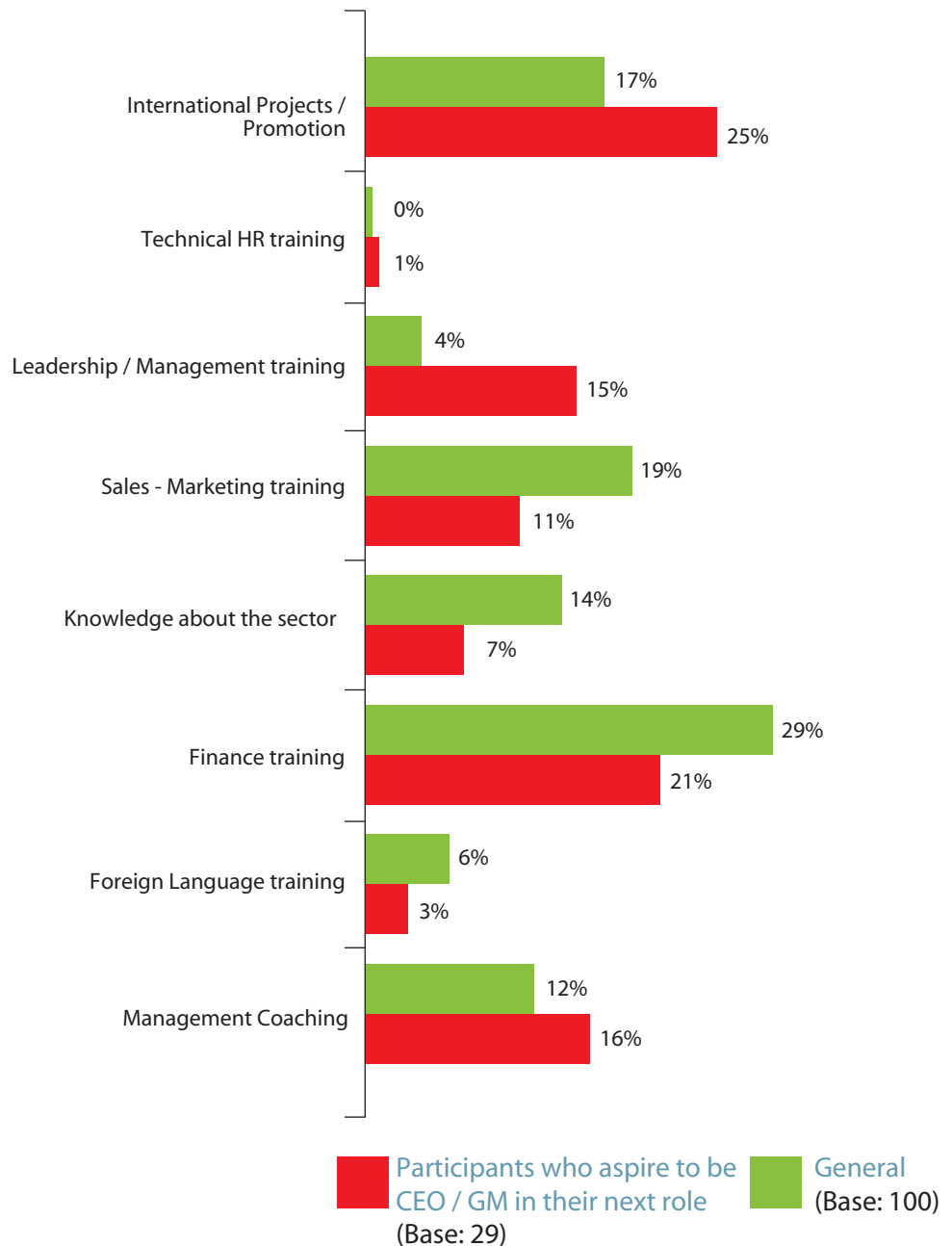
C EO/General Manager Goal for The Next Role and Training Needs

International projects and overseas experience are the most desired areas of development.

29% of the participants who aim to be CEO / General Manager in the next step wish to be trained in finance while 58% of the participants wish to be trained in leadership/managerial skills. Learning a

new foreign language is not evaluated as one of the improvement areas in order to be CEO / General Manager. This thought can be rationalized with the wide use of English.

Desired training topics

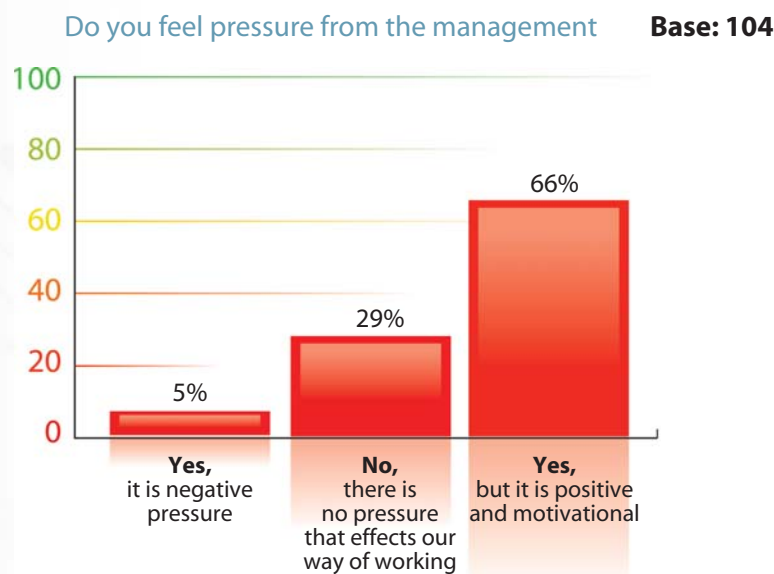
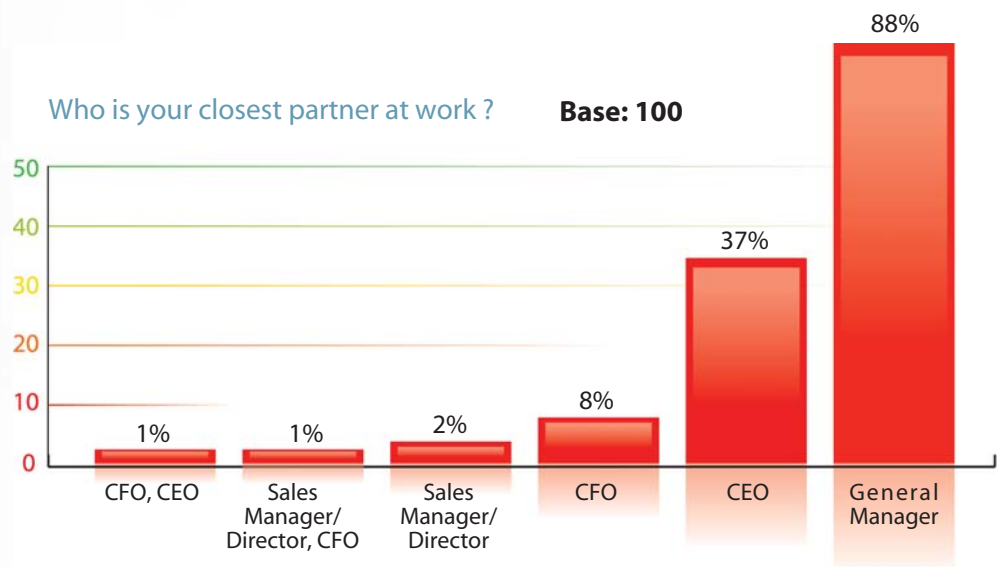


Closest Working Partner at Work and Management Pressure

88% of the participants state that their closest partner in the company is the General Manager / CEO. The second closest partner is the CFO followed by Sales Manager / Director respectively.

The participants agreed that there is positive pressure "to find C-Level leaders to join the team". The other main items are "The Financial

KPIs dedicated to the HR function" and "to implement the decisions that have been made without the involvement of the HR function".

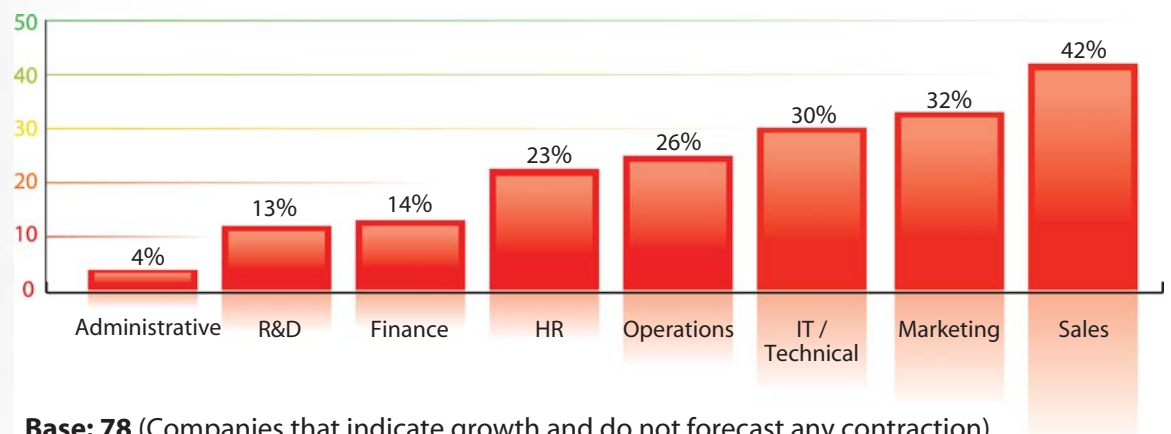


Shortage of Talent at the Companies that Project Growth in Employment

The companies that project growth in terms of employment indicate that they mainly have a shortage in sales positions.

The shortage in marketing closely follows as another main area. The same pattern takes place in the shortage of powerful leadership. Regardless of

growth, Sales and Marketing functions need to be fulfilled with special care when compared to other functions.



Base: 78 (Companies that indicate growth and do not forecast any contraction)

About Stanton Chase International

Stanton Chase International was established in 1990 by the successful merger of 3 executive search companies operating in the US, UK and Holland since the 1970's. Stanton Chase International (SCI) has grown consistently, particularly in the emerging markets and has been ranked globally as one of the top 10 executive search companies since 2007.

Since its inception, Stanton Chase International's business model has focused on prioritizing the clients' priorities and interests, establishing therefore a collaboration model based on the concept of being a business partner rather than a supplier.

while realizing the clients' long term strategic objectives.

The Stanton Chase philosophy is based on global reach, regional expertise and local implementation.

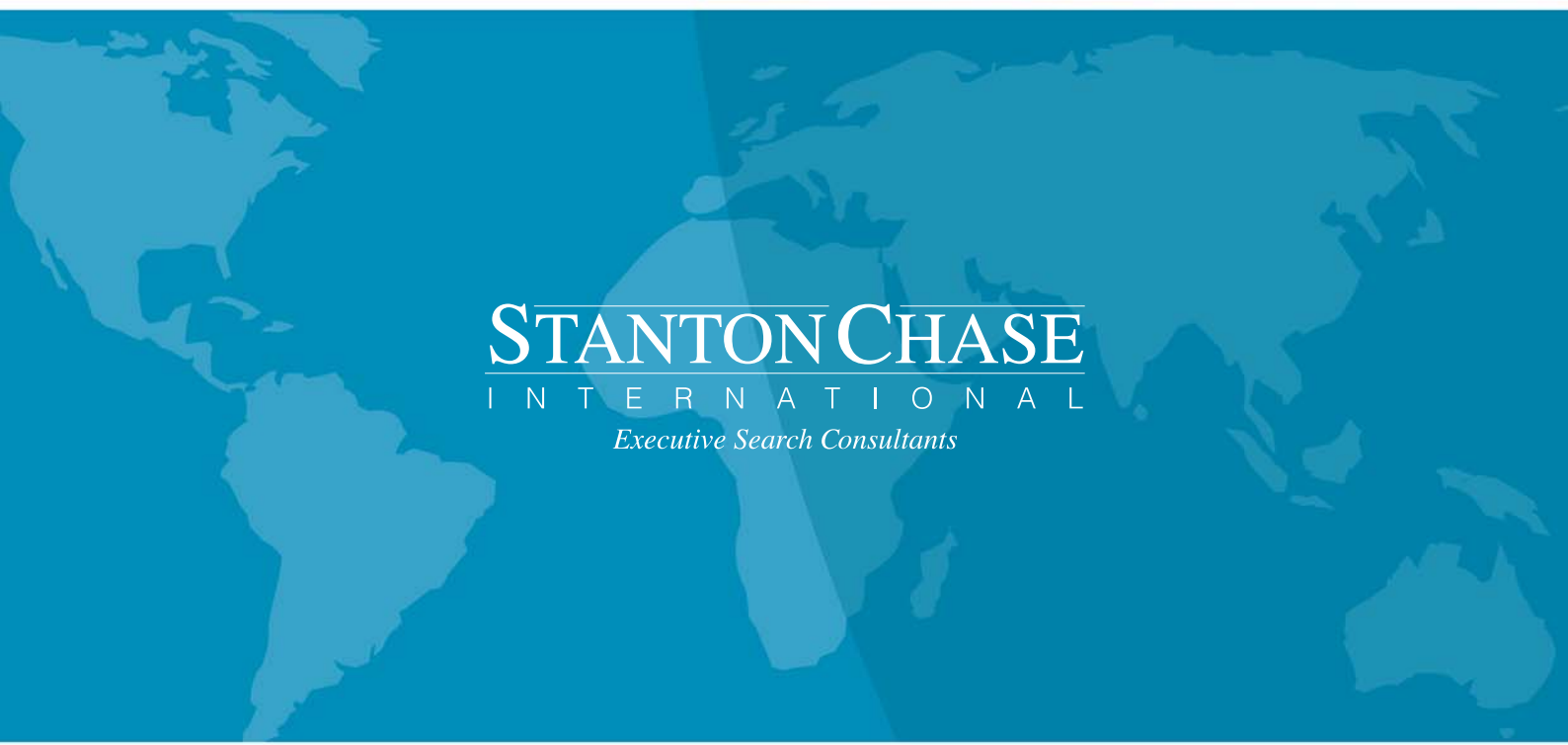
While fully utilizing the advantages of being ranked among the biggest 1% in the world, the company offers unique

This is why SCI's client satisfaction ratio is around 90% while more than 80% of our business is derived from long term clients.

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competitive advantages to its clients thanks to its fast, flexible and creative partnership model. SCI Consultants build their business relations on honesty, clarity and transparency and their corporate culture is defined as being hardworking, client oriented, flexible and modest.

Stanton Chase International consultants position themselves as the clients' strategic consultants on talent issues and they aim for operational excellence



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