

What's valued most by the Bulgarian software and ICT industry?

Stavros Stavru, Ph.D.

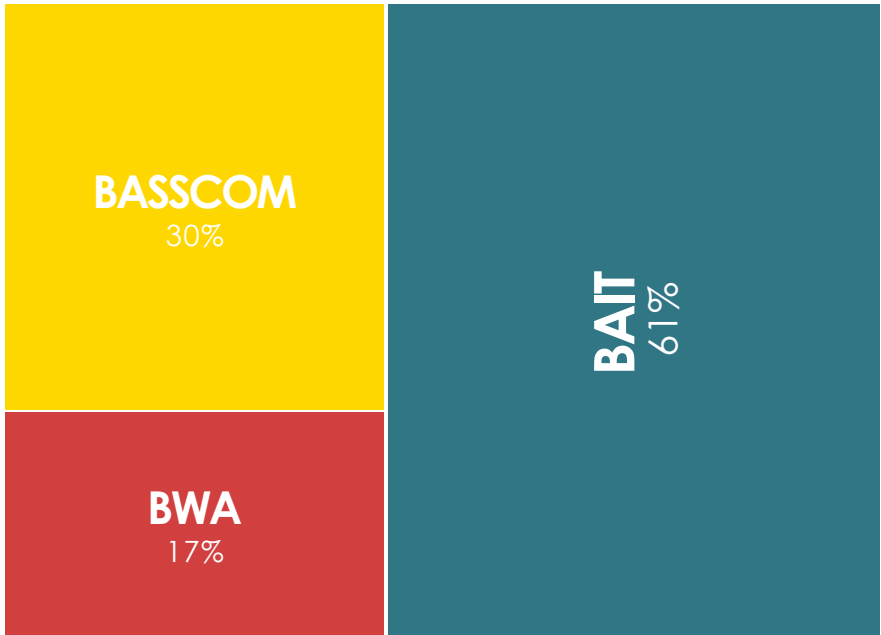
Sofia University "St. Kliment Ohridski"

2014

Organizational values are long-lasting constructs which emerge from the collective beliefs, experience and vision of a group or all members of an organization on what it should hold of intrinsic worth and which influence (explicitly or implicitly) the decision making and evaluation of individuals and organizations in terms of their modes, actions and end states. Organizational values have become extremely popular in the last decade. Among the reasons for this are: the emergence of international business ethics in the late 1990s; the numerous corporate scandals in the earlier 2000s (e.g. Enron, WorldCom, Tyco, etc.); the increased public awareness on organizations' side effects on environment and society; and most importantly the numerous empirical studies supporting their positive effect on various work outcomes. The latter includes organizational commitment and organizational citizenship behavior, employees' motivation, satisfaction and well-being, recruitment and retention, ethical attitudes and behavior, employee performance and many more. Taking into consideration their great importance to modern business, the presented industrial report examines the espoused organizational values of some of the leading organizations in the Bulgarian software and ICT industry. Its main purpose is to provide useful insights which could be used: (1) for benchmarking and identifying possible improvements in business performance; and (2) strengthening organization's positioning and/or gaining additional competitive advantages (by focusing on values which are overlooked by others).

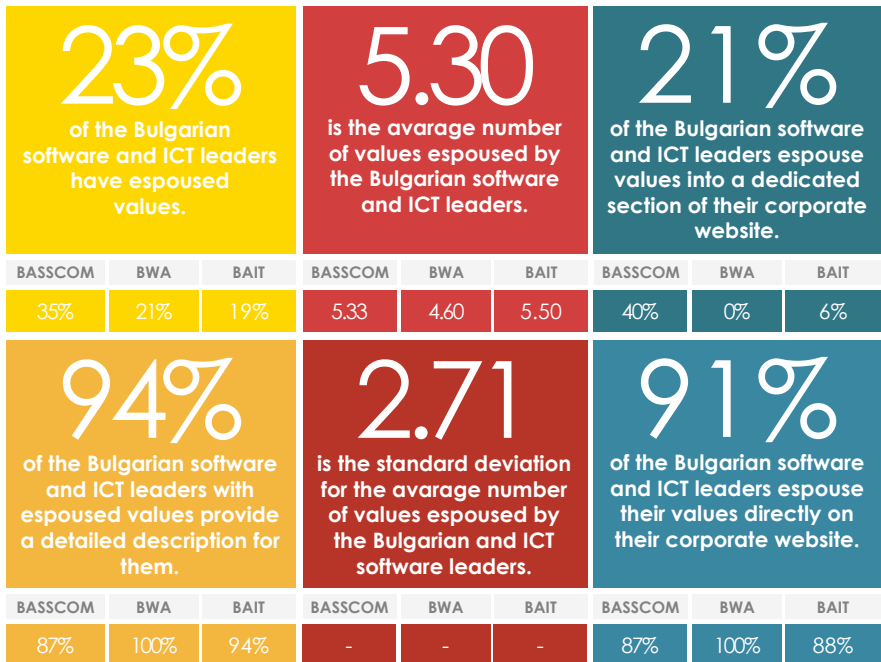
Bulgarian software and ICT industry

The Bulgarian software and ICT industry is represented by total of 142 organizations - all members of either [BASSCOM](#), [BWA](#) or [BAIT](#). Their concrete distribution is presented below. Although these associations do not cover the entire Bulgarian software and ICT industry their members are among the most successful organizations (in terms of revenues). For example BAIT make for over 69% from the ICT market in Bulgaria. These percentages for the software market are similar for BASSCOM and BWA as shown by "[K100 Software](#)" - a study conducted by the [Capital](#) periodical in 2013. Therefore the members of BASSCOM, BWA or BAIT could be regarded as the leaders in the Bulgarian software and ICT industry.



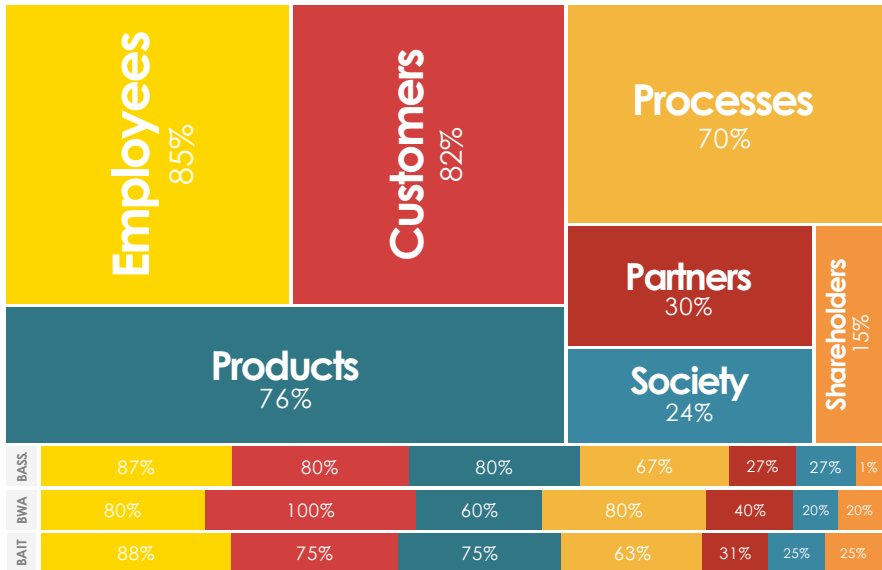
Espoused values

Espoused values are the explicitly stated organizational values of the organization (e.g. as part of its corporate website, code of conduct, etc.). They might be different from the values actually in-use (aka its core values) or the ones highly accepted by its stakeholders (aka its shared values). Some of the key characteristics of the values stated by the examined Bulgarian software and ICT leaders are given below. They suggest that espousing organizational values is not a common strategic management and business development practice among the top successful software and ICT organizations in Bulgaria.



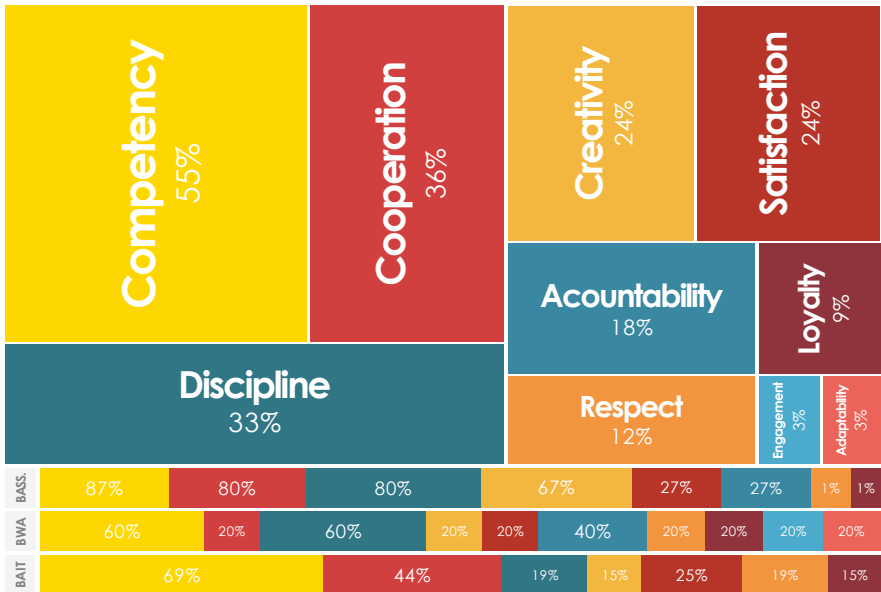
Value categories

The espoused values of the examined Bulgarian software and leaders ICT leaders were manually extracted from their corporate websites and then translated into a common terminology using the taxonomy of organizational values proposed by the author in "[What do we know about organizational values? - A systematic review](#)". They are grouped into seven categories, depending on the organizational stakeholders they are associated with and whether they describe desired characteristics of organizational processes, products and services. The distribution of these value categories is presented below. It shows that employee and customer values are the most favorable ones among the Bulgarian software and ICT leaders. This suggests that they tend to be employee- and customer-centric. On the other side partners, society and shareholders seems to be often overlooked (at least in terms of espoused values).



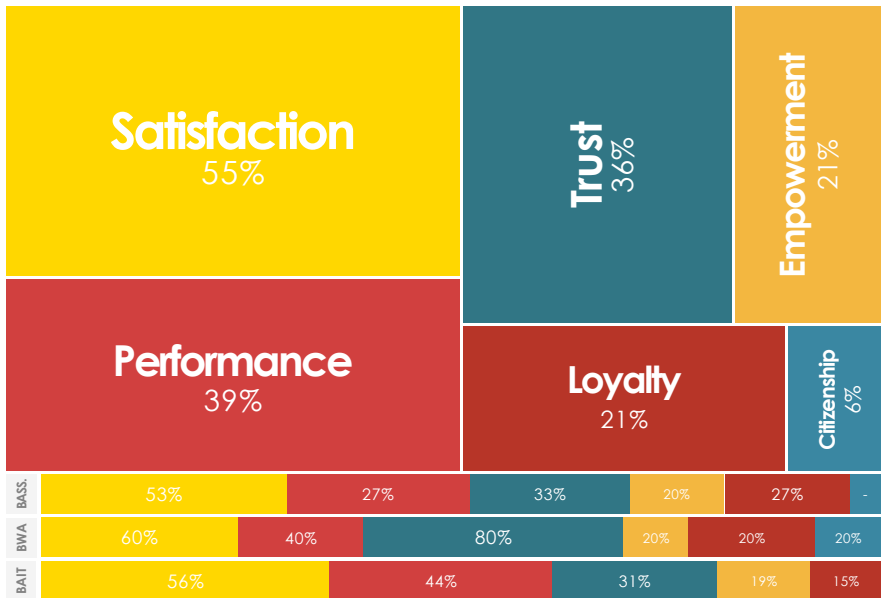
Employee values

Employee values are the organizational values associated with all stakeholders who are contributing labor and expertise to the organization (whether these are top or middle level executives, operational managers or functional staff). Their distribution is given below. It shows that competency is the top value in this category. This is quite expect as the software and ICT industry is very knowledge-intensive, technology- and innovation-driven in its nature. Moreover many of the examined organizations are development/engineering/outsourcing centers of large multi-national organizations and therefore competency is crucial for their success. An interesting observation is that employees' satisfaction, loyalty and engagement is often overlooked by the majority of the examined organizations despite the tough recruitment and retention challenges in front of the Bulgarian software and ICT industry.



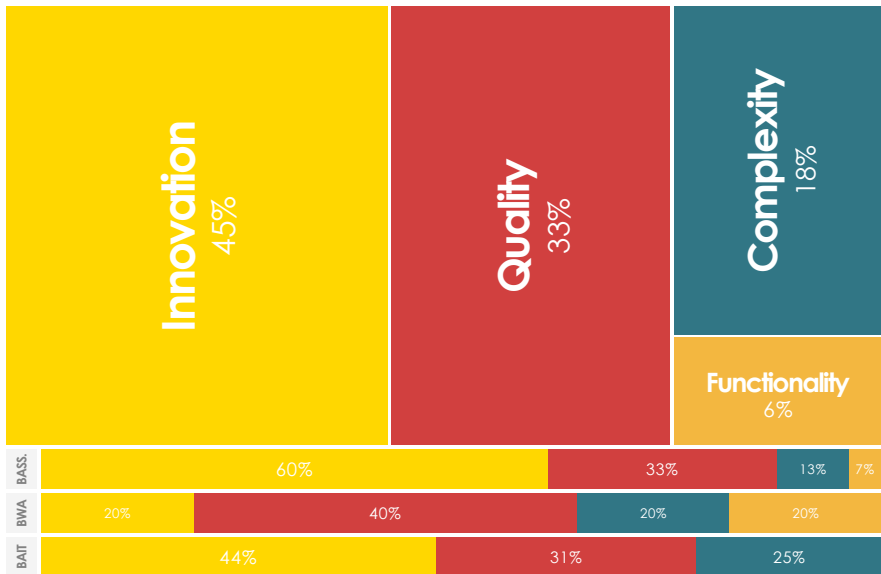
Customer values

Customer values are the organizational values associated with all stakeholders who are recipients of the products, services, etc. delivered by the organization (e.g. its users and consumers, business organizations, governments or public sector organizations, etc.). Their distribution is given below. It shows that customer satisfaction and improving customer's financial and marketing positioning (thus customer performance) are the greatest concerns of the examined Bulgarian software and ICT leaders. Customer trust, loyalty and empowerment are less favorable. On the bottom of the list is customer citizenship - only 6% of the examined top successful software and ICT organizations in Bulgaria aim to engage with their customers by making them an active part of their organizational life and involving them into a variety of organizational initiatives.



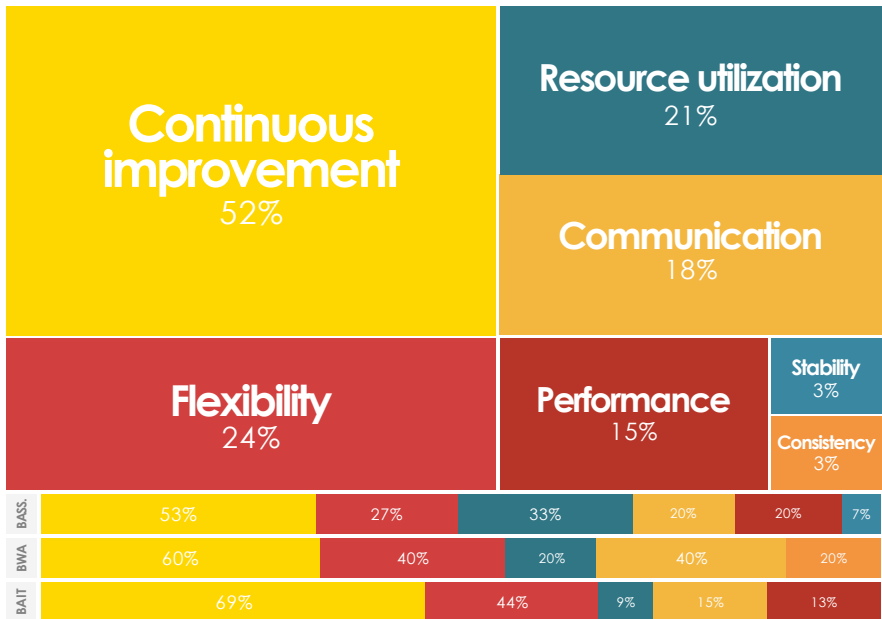
Product values

Product values are the organizational values which describe desired characteristics of delivered products and services. The distribution of these values among the examined Bulgarian software and ICT leaders is presented below. Undoubtedly innovation is the top value in this category. This is not a surprise as the Bulgarian software and ICT leaders have to continuously deliver new and valuable products and services and to further improve existing ones in order to sustain their leadership status. Quality is also very important to the top business. This could be explained again with many of the examined organizations being development/engineering/outsourcing centers of large multi-national organizations. Complexity and functionality (or having the required competency and expertise to deliver diverse and multi-functional products and services) are much less favorable.



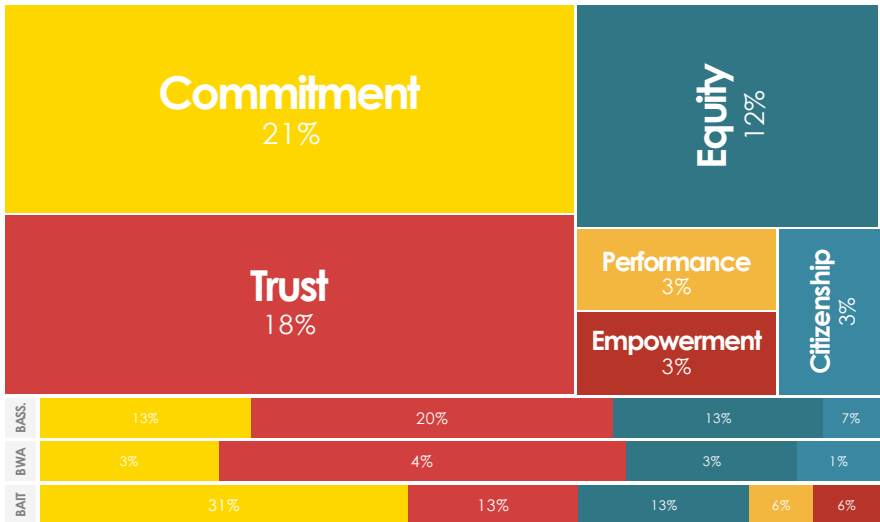
Process values

Process values are the organizational values which describe desired characteristics of all sets of interrelated activities and tasks that transform organizational resources (inputs) into concrete products and services (outputs). The distribution of these values among the examined Bulgarian software and ICT leaders is presented below. It shows that continuous improvement is the most favorable one followed by flexibility, resource utilization and communication. An interesting observation is that stability is among the least preferred values. This could be explained by the maturity life cycle phase of the majority of the examined organizations which have already established a successful business and have products and services with a market leadership status.



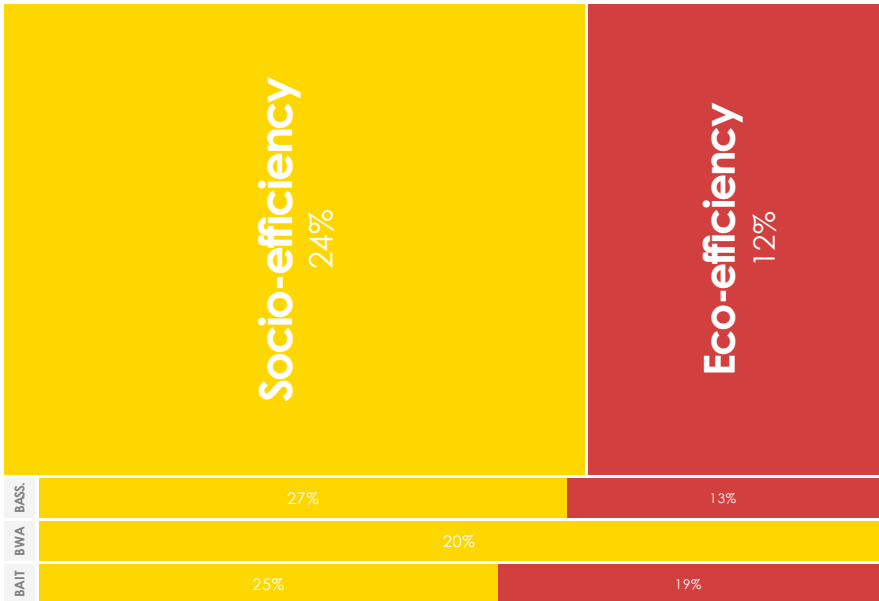
Partner values

Partner values are the organizational values associated with suppliers (vendors, distributors and all other stakeholders on whom the "raw" input of the organization relies on), contractors (responsible for an outsourced component, product, service, etc.), business alliances or associations, creditors and competitors. Their distribution is presented below. Trust and equity are among the top favorable values by the examined Bulgarian software and ICT leaders. This is expectable as their operation might heavily rely on many suppliers, contractors, etc. and the overall success of the business is dependent on the fair play of all competitors. Moreover the top value in this category is commitment. This suggests that top business is mostly concerned with making their partners attached and loyal (or dependable) rather than improving partner's efficiency and financial/marketing performance (aka partner performance) or enhancing partner's capabilities and access to new business opportunities (aka partner empowerment).



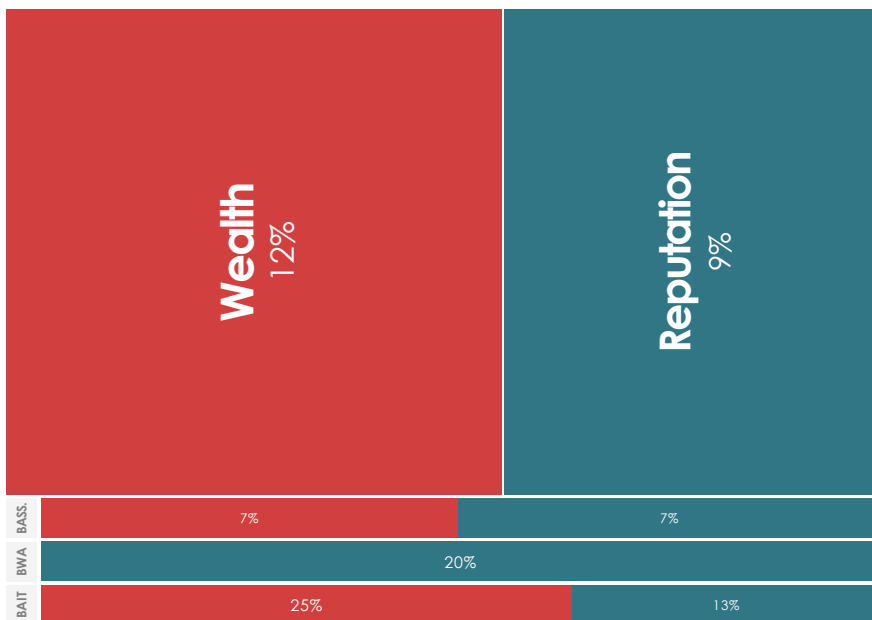
Society values

Society values are the organizational values associated with the environment and communities in a given region, country or worldwide. Their distribution is presented below. An interesting observation is that the examined Bulgarian software and ICT leaders tend to be more concerned with their impact on communities rather than on environment. This might be explained with the specifics of the labor market and the need for more efficient and competitive recruitment and retention strategies. Still having society values being among the least preferred organizational values raises some serious concerns as one would expect top Bulgarian software and ICT organizations to be much more engaged with ecological and social sustainability and serve as a role model in this regard.



Shareholders values

Shareholder values are the organizational values associated with all stakeholders who legally own part of the organizational share (e.g. owners, stockholders, investors, etc.). Their distribution among the Bulgarian software and ICT leaders is shown below. The leading value in this category is the wealth of the shareholders. This is quite expected as the ultimate goal (although not very convenient) of any for-profit organization is to improve their financial well-being. However some of the examined top software and ICT organizations in Bulgaria are also concerned with the reputation of their shareholders and the corporate image of the organization (incl. its compliance to laws, regulations and standards, business and professional codes of ethics, etc.).

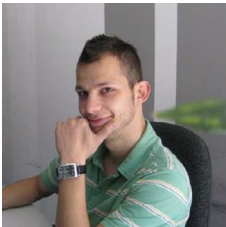


Top 5

Given below are the 5 most favorable organizational values among the examined organizations. They suggest that the Bulgarian software and ICT leaders tend to be customer-centric and compete (locally and globally) through competency, constant innovation and continuous improvement.

		BASSCOM	BWA	BAIT
#1	Emp. Competency	Prod. Innovation	Cust. Trust	Emp. Competency
#2	Cust. Satisfaction	Cust. Satisfaction	Cust. Satisfaction	Cust. Satisfaction
#3	Cont. Improvement	Empl. Discipline	Empl. Discipline	Cont. Improvement
#4	Prod. Innovation	Cont. Improvement	Cont. Improvement	Cust. Performance
#5	Cust. Trust/Perf.	Emp. Creativity	Emp. Competency	Prod. Innovation

About



Stavros Stavru is a research and teaching fellow in the [Department of Software Engineering at Sofia University "St. Kliment Ohridski"](#). His professional interests cover a variety of software engineering and management topics, mostly in the field of agile software development, corporate culture, business and professional ethics and corporate social responsibility. He graduated Informatics and Business Administration in Sofia University "St. Kliment Ohridski" and obtained a Ph.D. in Software Engineering at the same university. He has a solid industrial background in leading, training and coaching software development teams and is authoring various techniques, including [The Zmey Planning](#), [The Cultural Radars](#), [The Rocket Retrospective](#), [The Sandwich Retrospective](#) and [Means First, Then States](#). In 2014 he was awarded the [John Atanasoff certificate](#) for the application of scientific advances and for the development of projects with significant positive social impact by the President of Bulgaria.