

SheXO

Women in Business Gaining Power

Business and Leadership in the Albanian
Environment

Deloitte.



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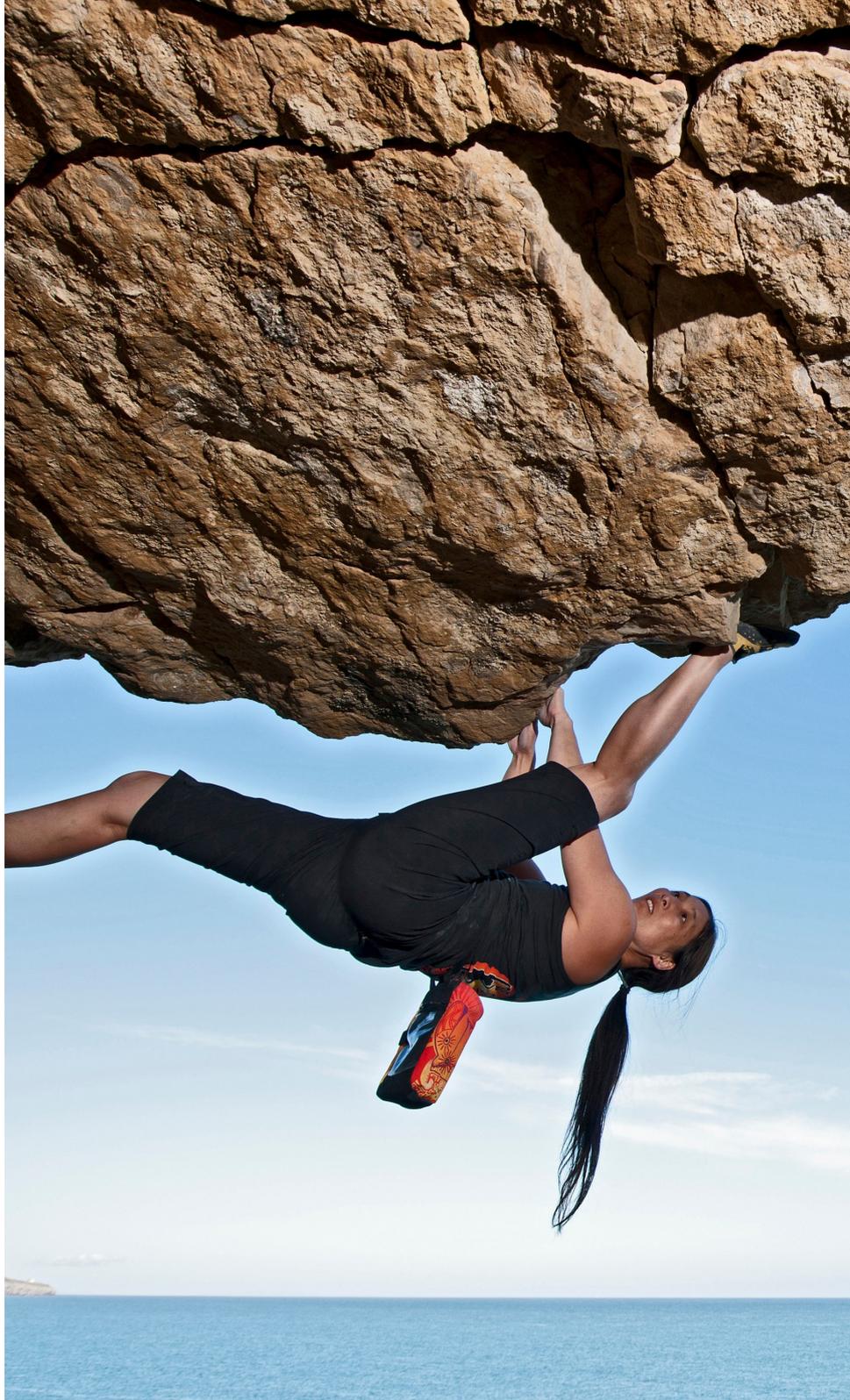
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Introduction

“Any woman who understands the problems of running a home will be nearer to understanding the problems of running a country.”- said Margaret Thatcher, remarkably emphasizing in a sentence the unique skills of woman, from fair balance, flexibility, multitasking, empathy and leadership spirit.

Deloitte Albania initiated this survey with the aim of encouraging more and more businesses in Albania to embrace diversity. Publishing of this report follows building of SheXO Deloitte Club last year, a club dedicated to all the great Albanian women, who inspire us every day, at all levels of life business, political, social or cultural life, education or family. It is our goal to further cultivate an ideal platform where they could share ideas, build new relationships, envision new projects, and bring them to life.

While working on this survey and this project, we, the professional women of Deloitte Albania have become more mindful of the wonderful set of valuable skills women bring to companies, organizations and institutions. The testimonials and tips of these successful and unique women, whom we interviewed for this report, emphasized an important message, which we women should always be keen on: self-esteem, consistency, passion and

ambition can lead us toward successful careers. Most importantly, we can find a fair balance between work and family.

Additionally, through supported arguments inside this report you will realize that diversity is an excellent tool, as it expands opportunities for the business, allows for better exploiting of human capital bringing added value to businesses, governments, the society as a whole.

Nuriona Sokoli Bërdica

Director,
Audit and Advisory
Deloitte Albania

The world in the 21st century is the world of diversity where men and women share responsibilities both in the board room and in the family life. Diversity is good not only for companies, but it allows for benefits for the society and the economy as a whole. “Lifting women up lifts up our economy and lifts up our country..We’ve got to make sure that... somebody is standing up for them.”

President Barack Obama

We meet remarkable women every day, who prove to be partners, both in business and life. Our survey not surprisingly reveal women’s attributes and qualities such as inspirational power, consistency, multi-tasking, empathy, moral values, leadership spirit, communication skills, vision, team spirit, tenacity, flexibility, and passion.

These qualities make women, now more than ever, a valuable asset of our society as leaders in business life, universities, public institutions, parliament, media, art and other fields.

As a result, it is safe to say that the business world, public administration and every other field needs to encourage contribution of both genders distinctive qualities and strengths; to be developed and utilized for an efficient and healthy society.

Women in Business

According to a report conducted by Deloitte Touché Tohmatsu in 2010, women tend to advance faster in their career within the governmental environment, rather than the private field. Almost 10% of the states members of the United Nations are led by women, compared to 3% of the first 1,000 multinational companies, which are led by a female president or executive. Women represent approximately 20% of the total number of parliamentarians worldwide, compared to 13, 5% women who occupy a leading position in the first 500 top American companies.

What are the realities of the Albanian business community? Challenges or Progress?

In Albania there is no formal obstacle for both genders in getting similar education and career advancement. In fact, it is quite interesting that an almost perfect parity between men and women is reflected on the education level in Albania. From all people having a university degree 50.2% are women and 49.8 % are men. ¹ Still equal education does not mirror same equality as the careers of both woman and man advance. It is a well-accepted fact within the Albanian business world and the general public that the number of women decreases drastically on the upper stages of career hierarchy.

This disparity is reflected, in terms of entrepreneurship, where only 27.8% of the companies operating in Albania are owned by women.² These companies are relatively small, operating mainly in consumer business,

where 29.1 % have 1 to 4 workers and 16.3% have from 5-9 workers, while large local companies are owned/operated by men.

Being different by nature, women and men expose different approaches toward management and leadership. Albania is by all standards a very young market economy thus leadership in business remains underexplored and at times misunderstood.

“Women are a purchasing power that might bring different perspective in decision making. I really believe that the key to success doesn't depend on gender rather than on skills. We at Vodafone believe that gender equality is key to business success.”

Dietlof Mare, CEO, Vodafone Albania

1. INSTAT Women and Men in Albania 2013

2. INSTAT Statistic Business Register 2013

According to this survey almost 66.4 % of the respondents perceive women in leading positions as highly professional, 40% believe women have good analytic skills, 40.5 % perceive honesty as main characteristic. However women at the top in the Albanian tend to score less well in the area of decision making (13.6 %) self-confidence (23.6%) and strategic planning skills (20.2%). Only one third of the respondents consider women as having leadership skills.

“Harmony, analytical and technical skills, integrity, honesty, dedication and high sensitivity are strongest points women bring in management, in my experience”

Arten Zikaj, Union Bank CFO

Women are equipped with a set of positive attributes. They are more consistent (31.3%) more engaged (36.1%) and are effective at negotiating (33%). On the other hand women are perceived as lacking self confidence and are reluctant in risk-taking.

Which of the following qualities in your opinion are characteristic of women holding executive positions?



Successful women indicate: self-esteem, consistency, passion and ambition as the driving force that pushed them into leading positions.

Nothing comes free. It is a constant battle that one should win with work, work, and work again. Passion for the profession is a great trigger that leads me constantly. Curiosity and desire to learn new things has been a good engine for me. Also I have been positive and at the same time ambitious about life achievements and success.

Dr. Marta Muço, PMP, Program Director, International Development and Diplomacy, HCSD, General Dynamics Information Technology, USA

“The overarching themes of these turning points include ability to take initiative and risk and confidence in my abilities to take on something new and to navigate the challenges that come with change”

Anila DeHart Director, HR, Corporate Finance and Tax, Deloitte LLP, UK

“Communication skills are very important for the success of a leader. A good manager is an expert of communication. Intermediation in cold blood is another important skill. And finally the need to be creative and never fall behind in technologic developments”

Anila Meço, Country Director of Albania, Save the Children.

“Clear vision, communication, optimization, owning of the business model, thinking and acting strategically, flexibility and ability to prioritize are most crucial qualities of a business leader.”

Liljana Nanaj General Manager PayLink

“Qualities of a successful entrepreneur? Love for the work you do, persistence, strong will, management skills and being contemporary”

Arlinda Dudaj, Owner Publishing House Dudaj.

Why diversity matters, the yin and the yang?

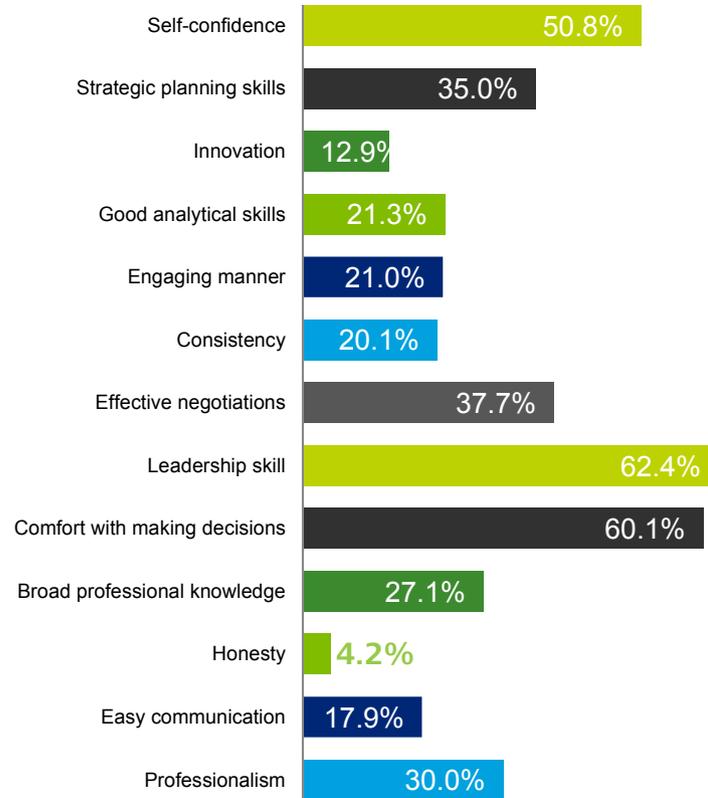
According to the survey 62.4 % of respondents selected leadership skills as the most important quality required from men holding executive positions. Executive men are perceived as leaders with strong self-confidence (50.8%), comfortable making decision (60.1%), while being effective in negotiations (37.7%). Men in executive position tend to score low on honesty (4.2%) communication skills (17.9%) and innovation (12.9%), while self-esteem and ability to take risks is considered a must at C-level.

In trying to understand the strong perception that derives from the survey of viewing men as leaders, we have to see the main elements of the core definition of leadership. It includes: social influence; maximization of efforts of others; all these toward achievement of a goal.³

Characteristics of men such as self-confidence comfort with decision making and effective negotiations lead toward efficient and fast responses to concerns and solutions. The overarching perception is that men tend to be more effective in archieving goals.

On the other hand, women are focused on consistency, smoothing communications and therefore avoidance of conflicts. Also women seem to differ from men, as they have strong engaging and negotiating skills that often enables them to find better solutions.

Which of the following qualities in your opinion are characteristic of men holding executive positions?



“Strong points of women in management: Dedication, honesty, perseverance, persuasion and humanity.”

**Dr. Marta Muço, PMP, Program Director,
International Development and Diplomacy,
HCSD, General Dynamics Information
Technology, USA**

3. forbes.com/sites/kevinkruse/2013/04/09/what-is-leadership/

“I have enjoyed an increase in responsibilities and reward and a wealth of opportunities to build new skills, experiences and relationships. In parallel, I have had two daughters who are now 9 and 3.5 years old and while it requires a lot of flexibility and resilience to balance a career with my family life, at no point have I felt that I needed to lower my career ambition.”

Anila DeHart Director, HR, Corporate Finance and Tax, Deloitte LLP, UK

“Years of experience gained, effective use of time and good delegation skills help to achieve a very good work – life balance. it is achievable!”

Osvelda Qafa CFO American Hospital in Albania.

“You never reach the perfect balance between career and private life. Let’s call it better continuous compromise and negotiations with you. You try doing the best. Sometimes balance goes on one side and sometime on the other side, while balancing your desires with obligations”

Anila Meço, Country Director of Albania, Save the Children

The balancing act - Career Advancement and Personal Life

Warren Buffett, the legendary entrepreneur noted, that one of the reasons of his success was that he was competing with only half of the population. Thus, generously recognizing the potential of women in the business world.

Deloitte's survey portrays women as keen on continuously investing in themselves in terms of knowledge and professional expertise. 47% of the respondents said that women achieve better results in their personal development and in gaining new skills. This is also reflected in women's professional advancement when 36% of them say women accomplish better performance. These results demonstrate that women have praiseworthy qualities, valuable to be used in leading position.

Survey strongly recognizes women have this special gift that can make a real difference in the workplace. They are more successful than men in maintaining a healthy work life balance, as 62% of executives confirm women achieve better results compared to men.

Women are responsible for their families and remain the foundation of our society. At the same time women naturally bring to management qualities such as sensitivity and flexibility that potentially improve the business environment and corporation considerably, while increasing communication, motivation and values. Due to these characteristics women are considered as more successful and effective in human resource management, as half of the respondents believe women achieve better results in this field.

Comparing women and men in business, who do you think achieves better results in the following categories?



Maintaining a healthy work-life balance



Personal development and gaining new skills



Professional advancement



Effective human resources management in business

-  Men achieve better results
-  Men and women achieve similar results
-  Women achieve better results

“When women have strong self-esteem and respect for themselves they impose themselves to society and family. I believe this is the key, with which all of us can balance ourselves between the aspiration to career advancement and enjoyment of the privileged position in the family”

Luljeta Minxhozi, Director of Master's Program European University of Tirana

“Last years have shown that things are changing. We see more women leading on public administration and this is reflected also in NGOs and in business world. I think that with the enforcement of rule of law women are facilitated to show their skills and equally compete with men in gaining high management position.”

Floreta Luli-Faber, Director of American Chamber of Commerce

“I do not believe that our business environment is becoming more balanced, at least not in the highest leading levels. Therefore women are more present on the average management levels and lower, but in the highest levels they are still a lot under represented

Skender Emini, CFO BKT

Diversity with a local twist

While men and women are two different role models in management, several studies by sociologists and psychologists that have been exploring this subject indicate that men are more focused on power in the sense of prestige and status in social hierarchy, while women's main management style is based on influence through cooperation with others and consultation. This way they tend to inspire and increase involvement rather than pressure.⁴

Psychologists indicate women have better work organization and team-playing skills and are not less capable than men; still this does not translate into advancement on the career ladder.

Is the Albanian business environment changing? Is it becoming more balanced and matured? Quotes from executives in Albania give a mixed image:

“Yes the business environment is becoming more balanced, because business community is embracing inclusion and diversity in their own strategies.”

Dietlof Mare, Vodafone Albania CEO

“I consider gender balancing as very sluggish in the business environment. I think this is connected to the formalization of the Albanian business. Women are oriented toward a regular job, formal one. With the increase of formalization and institutionalization of the Albanian business, women will use more and more of this natural advantage to enhance more opportunities.”

Gazmend Kadriu, Union Bank CEO

4. Women and power in business Does gender matter when building your position and influence in an organization? Deloitte Poland 2012

When asked to compare men and women in business and who achieves better results, 47 % of respondents indicated that men achieve better results when facing business challenges.

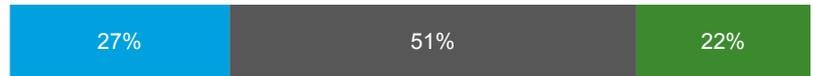
They are more efficient at decision-making under stress (46%) and they are most capable at battling for company's position in competing conditions (41%). Men are more focused at the success and are ambitious without compromise. Their clear focus is oriented toward achievement of objectives and results.

According to the survey, the difference between men and women narrows down when it comes to achievement of financial results such as sales, profit and implementation of strategic development. Interestingly, what divides women from men it is not the capacity to fulfil their expectations, but just a different style and attitude in achieving their goal.

Comparing women and men in business, who do you think achieves better results in the following categories?



Battle for the company's position in competitive market conditions



Implementation of long-term strategic development of the company



Facing business challenges



Decision making under stress



Achieving financial results in business (sales, company's profit)

- Men achieve better results
- Men and women achieve similar results
- Women achieve better results

Breaching the pay gap

Stereotype becomes concrete, when a pay gap situation is noted. According to the survey the biggest challenge for women versus their male counterparts in executive positions in Albania is the pay-gap. 27% of respondents say women are quite often less paid than men while 64% consider this as a well-known phenomenon.

While not completely unrelated, 67% of the respondents admit that women are more likely to be made redundant in a reduction of personnel situation .

According to this survey, promotion within the organizations is another challenge for females in the workplace as 19 % think women are quite often less frequently promoted, which can relate to the fact that women receive less intensive and attractive training.

Do you think that the following situations take place in Albanian companies?



Women receive less intensive and attractive training



Women are less frequently promoted than men



In case of redundancies, women are the first to go



Women on executive positions are usually less well paid than men



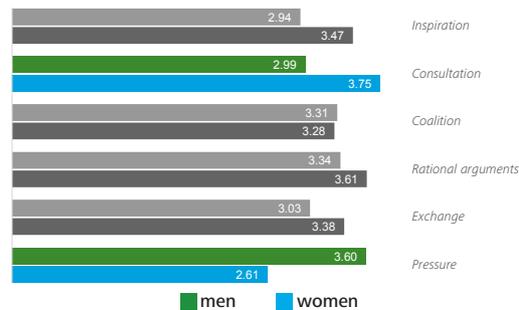
Management Attributes

“It is a big challenge to arrive at the top, the biggest is to be there and want to remain. Effective leaders are described with stereotypically “masculine” attributes such as an authoritative style and skill in problem solving. But not only this; women often are, unfairly, viewed as too soft for a leader or too tough for a woman.”

Matilda Shehu Acting CEO and CFO of Plus Communication.

It is of no surprise that women and men have different management styles when running business organizations. Depending on the outcome, three main influencing tactics are distinguished: persuasion, exchange and coercion.⁵ Persuasion tactics (rational persuasion, inspirational appeals) focus on using logical arguments or appealing to values and ideals in order to persuade people. They are most effective when building involvement and their results are long-lasting because they lead to changes in attitudes. Exchange tactics (consultation, ingratiation and exchange) seek to get people into a favorable mood in order to encourage them to act as the executive requests.

What tactics are most often employed by women and men on different executive levels?



Average results according to a scale 1-5

5. Women and power in business Does gender matter when building your position and influence in an organization? Deloitte 2012

The survey acknowledges women in executive positions being perceived primarily using persuasion tactics such as consultation, inspiration and rational arguments. Coercion tactics (coalition and pressure) are linked with exerting pressure and their main function is to break resistance. They require courage in direct confrontation and they can be most effective where adversaries are unwilling and raise objections that something cannot or should not be done.

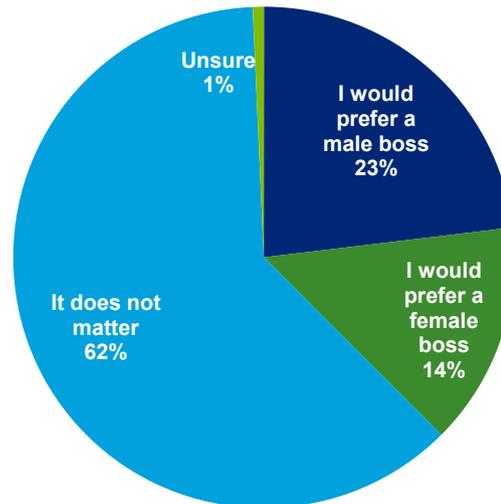
Based on our survey coercion tactics are the “preferred” tactics used by men, pressure being clearly the most distinguished tactic of men in management in Albania.

When asked if they would choose, would they prefer a male or a female boss, interestingly enough 62% of respondents said this element would not matter. Quite significantly most of Albanian professionals do not take into account gender as a primary element for a successful collaboration. Still, respondents choose more men (23%) as their favorite boss compared to woman (14%), highlighting the perception of men as business leaders.

“Experience has shown that women in families and society needed to negotiate more things and they know how to achieve what they want without using the force or high tones, which conveys they are from nature better negotiators than men.”

Floreta Luli-Faber, Director of American Chamber of Commerce.

If you had to choose would you prefer a male or a female boss?



Should the Government get involved?

European Commissioner launched in 2011 an initiative called Women on the Board Pledge for Europe, meant to raise awareness upon the level of women representation in the Administration Boards up to 30% until 2015, respectively up to 40% until 2020.

When asked if Albania should initiate legislative steps toward quotas in business, 48 % responded “definitely yes” to imposing of a regulation similar to some Western European countries putting quotas for the participation of women in company boards. This consensus is important to show that there is good will to encourage strengthening of woman position and increase of diversity in business in Albania.

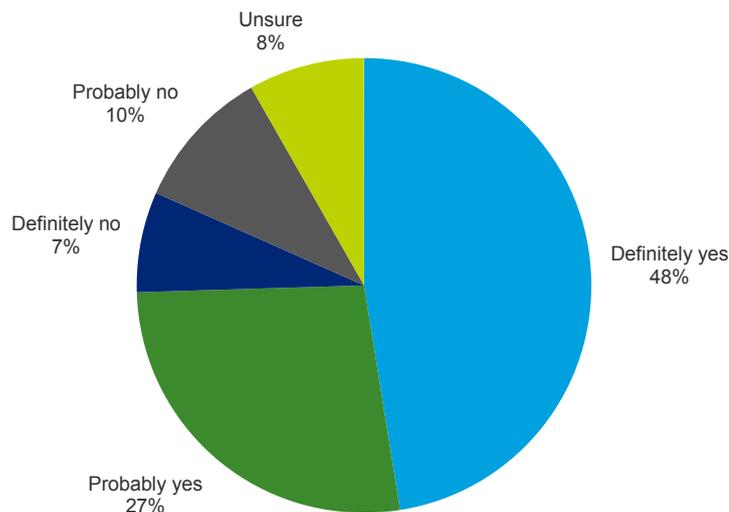
There are pros and cons about quotas. Imposing regulation to introduce quotas directly encourages participation of women. In Albania quotas were introduced in politics, to increase the number of female representatives in the Parliament. In the business world there is no regulation, but here is an example of a corporation that has implemented quotas as part of its internal policy of performance evaluations to encourage diversity:

“Vodafone is proud to have healthy gender equality. This is based on our fair recruitment and promotion policies. We have in place a quoting system that promotes a balanced involvement of female candidates and winners for our vacancies.”

Alma Varfi, Vodafone Albania Human Resources Director

Critics of quotas say they represent some sort of advantageous position for women compared to men. Others say that imposing quotas might lead to lack of real meritocracy. Quotas of course do not aim at promoting women just for the sake of promotion. There were cases when they resulted inefficient. For instance, Norway, the first country in Europe that imposed equality between genders in the business environment, was confronted with the so-called golden skirt effect, when the number of women that had the necessary background for top management positions was insufficient compared to the available positions.

Should the law, as in Western European Countries, guarantee women a place on company boards?



Conclusions

Through this publication, Deloitte Albania, as part of the SHeXO Club Initiative aims at highlighting the essential role of women in business and the need to encourage gender diversity at top management levels.

It is clear, from our survey and from other studies that women and men have complementary management styles.

Women, through their abilities (soft skills), such as inspirational power, consistency, multi-tasking, empathy, communication skills, vision, flexibility and passion remain vital for well-functioning of the daily activities.

And men have this progressive ambition in exploring new opportunities that puts them in the front line in fighting for new business opportunities.

There is no doubt, financial performance and the development

of a healthy organizational culture depends on the optimal ratio of both men and women.

The best solution, not only for the businesses but for all the society would be enhancement of diversity and contribution from both genders based on talents and meritocracy. Both women and men can be excellent business leaders, even though they will choose different manners in achieving same goals.

Foreign studies clearly indicated positive correlations between gender diversity in executive positions and effectiveness and innovation in enterprises. Researches involving the largest international companies confirm that those employing more women have better financial results.⁶

Concluding, that diversity fosters

6. Why Diversity Matters, Catalyst Information Center, July 2013

Methodology

The main goal of this study was to generate an adequate context for debates and panel discussions regarding the barriers that women need to overcome in the business environment to achieve higher functions on the hierarchical scale.

207 C-level (CEO, CFO) took part in the survey. These executives are active within multinational and local companies.

The survey was conducted in two stages; the first was an online questionnaire and the second focused on individual interviews with top level executives.

Executives invited to participate in the survey were selected from a list of 500 biggest companies in the market.

The online test specimen of respondents represented a mix of woman (59.6%) and man (40.4%). Participants of this study come from different fields of activity such as banking (27%), Retail/Consumer business (11%), manufacturing (8%), Telecommunication, Media and Technology (13%), Real Estate/Construction (7%), Energy and Resources (8%) etc.

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