

## The Knowledge and Students' Readiness to Join the Business Services Sector in Albania

### **Drita Kruja**

European University of Tirana, Albania  
Faculty of Economy and Information Technology  
Marketing and Management Department

[drita.kruja@uet.edu.al](mailto:drita.kruja@uet.edu.al)

### **Elena Kokthi**

European University of Tirana, Albania  
Faculty of Economy and Information Technology  
Marketing and Management Department

[elena.kokthi@uet.edu.al](mailto:elena.kokthi@uet.edu.al)

*Abstract: This research focuses on the shared service centers (SSC) that represent the most developing part of the business services sector. This research aims to analyze the career consciousness of the students, to measure the knowledge of the students about the sector and to analyze students' readiness to join the business services sector. The target audience for the research was selected due to the fact that students represent a large pool for the SSC's hiring activities. Findings suggest that: international exposure and reputation of the company plays the key role for students when selecting a certain company; money benefits and the possibilities of career growth when selecting a certain position, Students prefer careers in international companies and own business. Students who have a positive attitude towards the jobs in the SSCs, the main reason to start a career in the center is to have a good career start after graduation. The research provides insights on the Albanian labour market.*

*Keywords: Business service sector, shared services center, knowledge, readiness, talent .*

## 1 Introduction

The development of the tertiary sector during the last years became one of the most remarkable phenomenon of global development in the last century. Today one of the main tendencies in the world economy is the fast growth of the service sector. The world economy is still being transformed into a service dominated economy. According to the World Factbook 2015 (Central Intelligence Agency) the contribution of services industries to GDP globally is 63%, 70 % in European Union<sup>1</sup> and 53%<sup>2</sup> in Albania

Exactly this fact attracts the attention to pay a special consideration to this sector.

The figures for the employment in the service sector seem very significant. The tertiary sector represents more than 60 % of the active population employment in almost all developed countries and about 70 % in European Union. The greatest single source of new jobs will be found in private sector services, such as business and administrative services, and real estate, and also it is forecasted an increasing demand for higher-skilled workers, according to ILO World Economic and Social Outlook ( 2015).

This research focuses on the shared service centers that represent the most developing part of the business services sector.

### **Research objectives are:**

- To analyze the career consciousness of the students
- To measure the knowledge of the students about the sector
- To assess students' preferences towards types of the companies, and area they would like to work at
- To analyze students' readiness to join the business services sector
- To analyze students' attitudes towards the types of jobs offered by the SSCs

## 2 Literature Review

Therefore the service sector becomes more and more a dominating factor in the world economy. Services are no longer considered as peripheral activities supporting the manufacturing sector, but the backbone of its economic performance. (Wirtz and Ehret, 2009, pg.391).

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<sup>1</sup> The World Bank Group, 2016

<sup>2</sup> The World Bank Group, 2016

The contribution of services is growing, because the manufacturers of capital goods extend their total offerings towards services and now their main competitive advantage is attributed to services rather than capital goods (Kruja, 2004; Gebauer, Paiola, and Edvardsson, 2010; Kowalkowski, Windahl, Kindström, and Gebauer, 2015; Wynstra, Spring, and Schoenherr, 2015. Rabetino, Kohtamäki, Lehtonen, and Kostama, 2015)

The variety of services has also changed positively. What influenced the continuous growth and the diversity of the offer of this sector? There were many factors, but we can only mention among those the main ones: Government policies, social changes, business trends, globalization, advances in information technology and communications ( Wirtz and Lovelock, 2016, pg 14).

## **2.1 Business services**

A key driver of successful economies is their ecosystem of advanced, competitive, and innovative business services. (Wirtz and Lovelock, 2016, pg 14)).

Business services consist of a variety of knowledge-intensive and creative professional services (e.g., legal, accountancy, market research, consulting, design, and research & development), IT and technology-intensive services (e.g., data processing, database activities, and IT and communications infrastructure-related services) as well as diverse activities such as financial, labor recruitment and operational support services (e.g., industrial cleaning activities) (Barile, Saviano and Simone, 2015; Ženka, Novotný, Slach, and Ivan, 2015; Wirtz, Tuzovic, and Ehret, 2015).

The business services are usually implemented in service centers that can operate independent as a market service provider or as an organizational unit within the parent company (Marciniak, 2016, pg.192). This research deals with the shared service centers.

## **2.2 Shared services sector**

According to Accenture around the globe, shared services has become the dominant operating model for business support services, with more than 75 percent of Fortune 500 companies having implemented shared services in some form.

Shared services is a new model for delivering corporate support, combining and consolidating of services from headquarters and business units into a distinct, market-efficient entity ( Booz-Allen&Hamilton, 1998, pg. 3).

The shared services are the consolidation of administrative or business support functions (such as HR transactions and HR support, finance and accounting, ICT

services, purchasing, facilities, student services, manufacturing services, logistic services, medical services, procurement, etc.) from several departments into a single, standalone organizational entity that has one mission: to provide services as efficiently and effectively as possible. (Accenture, 2015; Strikwerda, 2014)

Typical statutory support for executive board, legal counsel, management development and strategy, and corporate control are consistently not allocated in a shared service center (Strikwerda, 2014, pg.3).

The consolidation of processes in business service centers (BSCs) allows companies to optimize the delivery of cost-effective, flexible, reliable services to all “customers”, to processes transfer to less expensive locations, to accommodate growth and generate revenue (Boglund, Hallsten, & Thilander, 2011; McIvor, McCracken, and McHugh, 2011; Oshri, Kotlarsky, and Willcocks, 2015; Koval, Nabareseh, Klímek, and Chromjaková, 2016.).

Business service sector is one of the most developing areas in the CEE countries, and according to 2015 Global Shared Services survey of Deloitte 10% of World SSC are in Eastern Europe.

A great number of foreign companies choose these countries as the optimum nearshore location for their service provision, while the service companies that operate in the region already are expanding their operations. It means that business service sector is one of the most important employers in these countries among the recent graduates.

Talent attraction and retaining talent is a top priority; however companies still struggle to fill skilled positions. Employee talent is the key factor to sustaining our knowledge economy and remaining innovative and competitive.

The professionals competencies of employees in shared services centers change quickly. In these conditions new skill sets and career paths in Shared Services are required.

According to Filippo Passerini (Former Group President Global Business Services and Chief Information Officer, Procter and Gamble) top 4 critical job skills for SSC employees are: Critical thinking, Complex problem solving, Decision making, and Active listening<sup>3</sup>.

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<sup>3</sup> <http://www.ssonetwork.com/global-business-services/columns/10-trends-shaping-your-sso-success>

## **3 Research Methodology**

### **3.1 Research Design**

The primary and secondary research methods were applied in this study. The secondary data has been gathered from the literature review, focusing on previous work done in the field of business services sector and especially at the shared services centers. The primary and descriptive research method consisted of the use of survey and questionnaire techniques. The questionnaire has been conducted online, using Google forms, the online survey software.

### **3.2 Questionnaire Design**

This study used a questionnaire as a measurement instrument. Every section of the questionnaire had both open- and closed-ended questions. The respondents were asked to rate, on a 5-point, Likert-type scale, the degree of agreement or disagreement, or the degree of their satisfaction or dissatisfaction with certain statements.

The preliminary questionnaire was developed, and 12 students were asked to review the questions. No suggestions for change were received.

### **3.3 Sampling**

This study was conducted in two universities of Albania, one public and one private. The questionnaire was sent to all students of these universities. The process of data collection lasted for 4 months. A total of 324 completed questionnaires were received.

## **4 Findings**

The most of respondents were 20 - 25 years (78%). Among the respondents, 63% of them were female, and 37% were male. 82% of respondents had the average grade: good (4.4-3.5) and satisfactory (3.4-2.5). The primary field of your studies of them was Business, Finance, Marketing, Economics, Management (78%) and IT (22%). 81% of respondents speak 2 or 3 foreign languages, especially English, Italian and French. The strongest point of Albanian students is the knowledge of foreign languages.

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<b>Respondents' profiles</b>		<b>Valid Percent</b>
How old are you?	20 - 25 years	78.0
	26 - 30 years	14.7
	over 30 years	7.3
	Total	100.0
What is your gender?	Female	63.3
	Male	36.7
	Total	100.0
What is the level of your education?	Bachelor	20.8
	Professional Master	8.4
	Master of Sciences	70.8
	Total	100.0
How many foreign languages do you speak?	0	.9
	1	12.0
	2	53.7
	3	27.8
	4 or more	5.6
	Total	100.0
What is the primary field of your studies?	Business, economics, management	66.7
	IT	22.2
	Other	11.1
	Total	100.0
What is your average grade?	Excellent (5.0-4.5)	12.1
	Good (4.4-3.5)	33.6
	Satisfactory (3.4-2.5)	48.6
	Poor (2.4-1.5)	5.6
	Total	100.0

Table 1  
Respondents' profiles

57% of respondents would like to work in private sector, 38% in public sector (eg. local government, school) and 5% in non-profit sector (eg. fund).

The respondents were asked to rate; on a 5-point, Likert-type scale, the degree of like or dislike (1- not at all, 5 - Very kindly) with If they get a job offer from private sector, what kind of company would you like to work for?

	Minimum	Maximum	Mean	Std. Deviation
International company	1.00	5.00	<b>4.5370</b>	.93154
Own business	1.00	5.00	<b>4.3019</b>	1.17246
Family business	1.00	5.00	4.0000	1.24808
Start-up	1.00	5.00	3.0777	1.28863
Local business	1.00	5.00	2.9528	1.29749

Table 2  
The type of company that students like to work

The students like to work at International company and Own business and they dislike to work at Local businesses.

When selecting a certain company, reputation of the company, good working atmosphere and career opportunity play the key role for students

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Criteria	Minimum	Maximum	Mean	Std. Deviation
<b>Reputation of the organization</b>	3.00	5.00	<b>4.8148</b>	.51425
<b>Good working atmosphere</b>	3.00	5.00	<b>4.7798</b>	.49736
<b>Career opportunity</b>	3.00	5.00	<b>4.7453</b>	.51753
Opportunity for training and development	1.00	5.00	4.5514	.89267
Well-balanced work, bearable work-load?	1.00	5.00	4.4862	.86725
High salaries	1.00	5.00	4.4259	.86687
Products/services that organization produces	2.00	5.00	4.2385	.91185
Attractive internship programs	1.00	5.00	4.1835	.95418
Travel opportunities offered by the organization	1.00	5.00	3.9813	1.14085
Good reviews from friends/peers	1.00	5.00	3.8692	1.00079
Size of the company	1.00	5.00	<b>3.7615</b>	1.11305
Geographical closeness to your place of living	1.00	5.00	<b>3.6168</b>	1.24116
Shift worktime or work time-frame	1.00	5.00	<b>3.5229</b>	1.14339
Valid N (listwise)				

Table 3  
The Criteria in searching for an employer

When selecting a certain position, money benefits and the possibilities of rapid professional growth play the key role for students.

Criteria	Min	Max	Mean	Std. Deviation
Total financial benefit package	2.00	5.00	<b>4.7222</b>	.57735
Possibility of rapid professional growth	1.00	5.00	<b>4.6055</b>	.68066
Becoming known inside and outside of the organization	1.00	5.00	4.3679	.94944
The opportunity of contributing the organizational success	1.00	5.00	4.3578	.91816
The flexible schedule	1.00	5.00	4.1759	.91538
The variety of work	1.00	5.00	4.1321	.95693
The possibility of self-actualization	1.00	5.00	4.0459	.86480
Valid N (listwise)				

Table 4  
The Criteria in selection a job position

100% of students know what is a call-center, but 77% from them know the job opportunities are offered by it; 53% of students know what is a shared service centre or business service centre, but 40% from them know the job opportunities are offered by it; and 59% know what is an outsourcing service provider, but 44% from them know the job opportunities are offered by it. Here we have the most missing values. The highest knowledge of call-center is related with 847 call center companies and employees 25.000 that operates in Albania (2015), where students constitute the largest number of employees as primary reason of flexible working hours.

Those students that recognize the career opportunities offered by the SSCs have higher readiness than the others to applying for the job positions offered in the business service center of the company.

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Do you know what job opportunities are offered by a shared service centres or business service centres?/ Will your decision be influenced if the vacancy is offered in the business service center of the company?	Mean (1-not influenced... 5-very influenced )	Std. Deviation
Yes	2.1818	1.25874
No	<b>2.7188</b>	1.32554
Total	2.5000	1.31393

Table 5  
The crosstabulation between job opportunities knowledge and decision to work at SSC

Students think that typical for shared service centres are: the flexible forms of employment, communication very well in more foreign languages and youthful working environment.

Criteria	Min	Max	Mean	Std. Deviation
They support the flexible forms of employment (eg. part-time, telecommuting, etc.)?	1.00	5.00	4.0095	1.16434
You have to communicate very well in more foreign languages?	1.00	5.00	3.9444	1.20616
There is youthful working environment and low average age among the employees?	1.00	5.00	3.9065	1.17788
There is quite high staff turnover rate?	1.00	5.00	3.5370	1.24124
They are operating in well-equipped, modern office buildings?	1.00	5.00	3.4722	1.25645
The work is too monotonous there?	1.00	5.00	3.3704	1.39821
There are only few promotion opportunities there?	1.00	5.00	3.3396	1.25650
It matters less your degree and other academic results?	1.00	5.00	3.3178	1.65745
They intend to develop an work environment needs to Y- and Z-generation?	1.00	5.00	3.1143	1.16284
There is higher salary than the average there?	1.00	5.00	3.0833	1.12012
The working day is typically longer than 8 hours?	1.00	5.00	2.7037	1.40931
Valid N (listwise)				

Table 6  
Typical characteristics for shared service centres

If the position in target company from students offered in the shared service centre 75.5% it will not discourage and 24.5 will discourage to apply for it.

The primary reasons that discourage students to apply in the shared service centre are: career growth potential, the routine nature of the job and not sufficient salary.



Statements	Percent	Percent of cases
<b>I do not see career growth potential</b>	22.2%	<b>53.8%</b>
<b>I think that the job is too routine</b>	20.6%	<b>50.0%</b>
<b>I think salary is not sufficient in these jobs</b>	12.7%	<b>30.8%</b>
I need more flexibility than shared service centres offer	9.5%	<b>23.1%</b>
I heard negative reviews from my friends	9.5%	23.1%
I want to be self-employed	6.3%	15.4%
I do not like support jobs	4.8%	11.5%
I think it is a very stressful job	4.8%	11.5%
I think there is shift worktime or work time-frame	3.2%	7.7%
These jobs are relatively far from my home (should be necessary to move or commute)	3.2%	7.7%
Other	3.2%	7.7%

Table 7  
The reasons that discourage students to apply in SSC

The primary reason that students consider shared service centers a good place to work is a good career start.

Statements	Percent	Percent of cases
<b>It is a good career start</b>	43.2%	65.4%
The salary is good for recent graduates	19.5%	29.5%
I heard good reviews from my friends	12.7%	19.2%
They offer good career opportunities	11.9%	17.9%
They offer good positions in the place where I live (or close to my place)	10.2%	15.4%
Other	2.5%	3.8%

Table 8  
The reasons that consider students to apply in SSC

## Conclusions

There is an increase in growth of SSC organizations because its benefits as a delivery model have been tested over time.

Geographic barriers are decreasing as demonstrated by the increase in multi-regional SSCs; organizations are finding ways to address prior concerns such as languages skills, time zone coverage, and regulatory requirements.

The shared service centers industry faces serious challenges in attracting and retaining qualified employees is a large and growing employer in the Central and Eastern European region.

The shared service centers need to find the qualified graduates with appropriate and unique skills to occupy such job places.

Students and recent graduates represent an important resource for hiring activities of the shared service centers.

Albanian higher education students are not well aware of the career opportunities offered by business services sector.

The different service providers (outsourcing providers, shared service centers, call-centers) and their job opportunities are not distinguished from the most graduates too, therefore, complicate attraction of the graduates to the industry.

We recommend for Human Resources professionals in the business services sector that the attraction strategy of graduate students must be the promotion of different service providers, their job opportunities, and the top 4 critical job skills (Critical thinking, Complex problem solving, Decision making and Active listening)

Based on these results an important recommendation is for Higher education institutions, that in their study programmes curriculum must to include these skills and competencies.

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