

Hungarian University of Agriculture and Life Sciences



Doctoral School of Economic and Regional Sciences

**Corporate Sustainability in Practice: Understanding SME
Engagement with the Sustainable Development Goals in Kosovo**

Ph.D. Thesis

Arta Kuçi

GÖDÖLLŐ, HUNGARY

2025

Hungarian University of Agriculture and Life Sciences

Name of Doctoral School: Doctoral School of Economics and Regional Sciences

Discipline: Management and Business Administration Sciences

Head of Doctoral School: Prof. Dr. Zoltán Bujdosó, PhD
Head of Institute of Rural Development and Sustainable Economy
Head of Doctoral School of Economics and Regional Sciences

Supervisor: Dr. habil. Ildikó Rudnák, PhD
Institute of Agricultural and Food Economics
Department of Agricultural Management and Leadership Science

Approval of the Head of Doctoral School

Dr. Zoltán Bujdosó

Approval of the Supervisor

Dr. Ildikó Rudnák

.....

.....

Contents

CHAPTER 1: RESEARCH BACKGROUND AND OBJECTIVES	2
1.1 Introduction.....	2
1.2 Research Objectives	2
1.3 Research Questions and Hypothesis	3
CHAPTER 2: METHODOLOGY.....	4
2.1 Research Approach and Methodology Justification	4
2.2 SPSS Data Analysis and Comparative Triangulation Framework	4
2.3 Data Collection	5
2.4 Survey Design and Implementation	6
2.5 Target Population.....	6
2.6 Research Questions and Hypotheses.....	8
CHAPTER 3: RESULTS AND DISCUSSION	10
3.1 Discussion of Results from the Managers' Survey	10
3.2 Discussion of Results from the Employees' Survey.....	15
3.3 Discussion of the Comparative Findings from Managers' and Employees' Surveys.....	21
3.4 Discussion of Research Hypotheses.....	22
CHAPTER 4: CONCLUSION AND RECOMMENDATIONS	24
4.1 Recommendations Based on Survey Findings from Managers	25
4.2 Recommendations Based on Survey Findings from Employees	27
4.3 Limitations and Future Research.....	29
CHAPTER 5: NEW SCIENTIFIC RESULTS	31
CHAPTER 6: SUMMARY.....	32
7. LIST OF PUBLICATIONS	34
8. REFERENCE.....	35

CHAPTER 1: RESEARCH BACKGROUND AND OBJECTIVES

1.1 Introduction

Sustainable development has become a central global priority, particularly through the UN Sustainable Development Goals (SDGs), which call upon all sectors of society to act. While large corporations have made visible progress in adopting sustainability practices, the role of small and medium-sized enterprises (SMEs) remains comparatively underexplored—especially in emerging economies such as Kosovo. SMEs represent most businesses in Kosovo and play a critical role in job creation, economic growth, and social development (OECD, 2017). However, the extent to which SME owners and managers in Kosovo understand, prioritize, and act upon sustainability goals remains unclear. Current research disproportionately focuses on large enterprises and multinational corporations, leaving a notable gap in understanding how SMEs interpret and implement sustainability in practice. There is limited empirical evidence on how SME leaders in Kosovo perceive the relevance and applicability of the SDGs to their business models, operations, and long-term strategies. It is essential to explore whether these businesses view sustainability as a strategic opportunity, a regulatory obligation, or an operational burden. Without this understanding, policy interventions and support programs risk being misaligned with the actual needs and perceptions of SME stakeholders (Williams and Schaefer, 2013; Klewitz & Hansen, 2014). To address this gap, it is necessary to conduct a comprehensive analysis of the current state and implementation of sustainable development (SD) practices in SMEs. The fundamental value of this research lies in its potential to provide insights that can be used by academics, practitioners, and policymakers to enhance SME engagement with sustainability in transitional economies. Furthermore, it can support policymakers in designing policies that improve the social and environmental reporting practices of SMEs. The results of this study contribute significantly to ongoing research by identifying the existing barriers, benefits, and supporting factors within the SMEs sustainability literature.

1.2 Research Objectives

The overarching aim of this research is to critically examine the perceptions, attitudes, and responses of small and medium-sized enterprise (SME) owners and managers in Kosovo toward the adoption and implementation of the Sustainable Development Goals (SDGs) within their business operations. The study seeks to explore the extent to which sustainability is understood and prioritized in the SME sector, identify the internal and external challenges that hinder the integration of sustainability practices, and assess the strategies currently employed to overcome these barriers. In addition, the research aims to evaluate employee's perspectives, including their awareness, attitudes, and willingness to engage with or support sustainability practices adopted by SMEs. By investigating both the supply side (SME management) and the internal demand side (employees), this research intends to provide a comprehensive understanding of the internal dynamics that influence business sustainability efforts. Ultimately, the study aims to contribute valuable insights to policymakers, business support organizations, and SME stakeholders in

developing targeted strategies and policies that facilitate the broader adoption of sustainability principles in the SME sector. The objectives of the study are as follows:

- To evaluate the level of awareness, knowledge, and understanding of the Sustainable Development Goals (SDGs) among SME owners and managers, and to explore their attitudes, values, and motivations toward sustainability within their business operations in Kosovo;
- To examine the key barriers SMEs face in adopting sustainability practices, and to assess the strategies and tools they employ to integrate sustainability into their business models;
- To examine employees' awareness, attitudes, and willingness to engage with or support sustainability initiatives within SMEs, and to analyze how employee perceptions influence the implementation of sustainability practices in Kosovo;
- To analyze the alignment or gap between SME sustainability efforts and employees' expectations or values regarding sustainable business practices, and to provide practical recommendations for policymakers, support organizations, and SMEs to enhance the integration of sustainability in the sector in Kosovo.

1.3 Research Questions and Hypothesis

In summary, the problem lies in the insufficient understanding of how SMEs in Kosovo engage with the SDGs, the challenges they face in doing so, the strategies they employ, and the influence of employee attitudes and engagement on their sustainability efforts. Addressing this gap is essential to inform targeted policies, support programs, and business strategies that can foster broader and more effective integration of sustainability into the SME sector in Kosovo.

To address the identified gaps and provide a structured focus for this study, the following research questions have been formulated, directly aligned with the core issues outlined above:

RQ1: What is the level of awareness, understanding, and motivation toward sustainability and the SDGs among SME owners and managers in Kosovo?

RQ2: What are the main barriers SME in Kosovo face in adopting sustainability practices, and how do these barriers influence their adoption of sustainability?

RQ3: How do SME employees in Kosovo perceive and engage with sustainability initiatives, and how does this influence their organizations' sustainability practices?

RQ4: To what extent is there alignment or a gap between SME managers' sustainability efforts and employees' expectations, and how can this be addressed to enhance sustainability integration?

In alignment with the aims and questions of this research, the following hypotheses have been crafted to support a structured and evidence-based investigation. These hypotheses are drawn from the literature and are intended to examine how SMEs in Kosovo engage with the Sustainable Development Goals (SDGs) in their daily operations and management approaches.

- H1:** SME owners' and managers' level of awareness, knowledge, and understanding of the SDGs is positively associated with their motivation and commitment to integrate sustainability into their business operations.
- H2:** Internal and external barriers, such as limited resources and weak institutional support, significantly reduce SMEs' ability to adopt sustainability practices.
- H3:** Employees' awareness, attitudes, and willingness to engage with sustainability initiatives significantly influence the implementation and success of sustainability practices within SMEs.
- H4:** There is a significant gap between SME managers' sustainability efforts and employees' expectations regarding sustainable business practices, which affects the effective integration of sustainability practices in SMEs.

CHAPTER 2: METHODOLOGY

2.1 Research Approach and Methodology Justification

This study employs a quantitative research design grounded in both primary and secondary sources, supported by triangulation method. This study seeks to thoroughly analyze the perceptions, practices, and challenges encountered by small and medium-sized firms (SMEs) in Kosovo regarding the implementation of sustainability practices and the Sustainable Development Goals (SDGs). It also aims to analyze employees' viewpoints, and their importance and challenges towards integrating sustainable development goals in their workplace.

Quantitative approaches are chosen for their capacity to generate empirical, measurable, and generalizable data. This methodology is especially suitable for hypothesis testing, pattern recognition, and measuring correlations among variables such as awareness, attitudes, and actions pertaining to sustainability (Teddlie & Tashakkori, 2023; Babbie, 2021). The systematic and consistent approach to quantitative data collecting promotes objectivity and reduces researcher bias, hence improving the dependability and reliability of findings (Carmines & Zeller, 1979; Kothari, 2004). The study used the triangulation technique as well, which entails gathering data from many sources—specifically, SME owners/managers and employees—and synthesizing both primary survey data and secondary literature review. This method improves the validity of the results by facilitating cross-verification and a more refined comprehension of sustainability within the SME framework (Carmines & Zeller, 1979).

2.2 SPSS Data Analysis and Comparative Triangulation Framework

All questionnaire data were organized, coded, and analyzed using IBM SPSS Statistics software. The initial stage involved data cleaning to ensure accuracy and consistency across all responses. Descriptive analysis was then conducted to summarize key variables, providing insights into general trends and distributions. Following this, comparative and relational analyses were carried out to examine differences and associations between the responses of SME managers and employees. These procedures allowed for the identification of patterns, relationships, and discrepancies relevant to sustainability practices. The structured use of SPSS ensured a rigorous and systematic analysis process, which contributed to the empirical reliability of the study and supported the subsequent triangulation with employee perspectives and literature findings. Following the quantitative data analysis conducted using SPSS, a triangulation method was employed to enhance the credibility and depth of the findings. By integrating data from both

managerial and employee perspectives, this approach enabled cross-validation and enriched the interpretation of sustainability practices within SMEs. Triangulation allowed for a comparative analysis between the self-reported actions of SME managers, the perceptions and expectations of employees, and the established themes and patterns identified in the literature review. This comprehensive strategy revealed areas of alignment and discrepancy, thereby strengthening the internal validity of the study and contributing to a more nuanced understanding of the factors shaping sustainability adoption in Kosovo's SME sector.

The validity and richness of the findings are strengthened through data triangulation, made possible by the integration of both managerial (supply-side) and employee (work-side) perspectives via a dual-survey approach. This methodological design enables a nuanced comparison between the sustainability practices reported by SMEs and the expectations or perceptions held by their employees. Such contrast allows for the identification of key areas of alignment or divergence, offering valuable insights for the formulation of targeted policy interventions and corporate strategies. Furthermore, the study is grounded in a robust empirical foundation, combining primary survey data with a comprehensive review of the relevant theoretical and policy literature. This integrative approach ensures that the analysis remains both contextually informed and analytically rigorous. In the case of Kosovo's SME sector, it enhances the potential to derive practical, evidence-based recommendations for advancing sustainability adoption. As established across a range of disciplines, quantitative methodologies play a critical role in generating empirical evidence and supporting informed decision-making processes (Bryman, 2016; Denzin & Lincoln, 2018).

2.3 Data Collection

This study will employ both primary and secondary data gathering methods to deliver a thorough analysis of sustainability practices among small and medium-sized firms (SMEs) in Kosovo. Primary data will be collected via structured questionnaires directed at SME owners, managers, and employees, whilst secondary data will be acquired through a comprehensive analysis of current literature and pertinent documents.

The secondary research will concentrate on essential thematic areas pertinent to the study. This encompasses scholarly and policy literature on sustainability in business, specifically in relation to the Sustainable Development Goals (SDGs) and the European Union's sustainability agenda, both of which are significantly pertinent to Kosovo's economic and political destiny. The author will analyze existing research and reports on SME sustainability practices, focusing on how small enterprises adopt or encounter challenges in implementing environmental and social responsibility measures. The literature review will examine the challenges and obstacles encountered by SMEs, including financial limitations, regulatory ambiguity, and insufficient technical expertise, alongside the potential advantages of adopting sustainability, such as enhanced brand reputation, increased customer loyalty, and improved operational efficiency. This secondary study will furnish essential context, enhance the conceptual framework, and assist in the interpretation of primary data results.

To achieve these aims, the primary data collection will consist of structured surveys administered to two interconnected groups: (1) owners and managers of SMEs, and (2) employees of SMEs in Kosovo. This dual-survey methodology aims to obtain insights from both the supply-side (companies) and work-side (employees) perceptions about sustainability. A quantitative survey design facilitates the acquisition of standardized, comparable, and statistically analyzable data, enhancing the objectivity, reliability, and generalizability of the results (Carmines and Zeller, 1979; Kothari, 2004).

2.4 Survey Design and Implementation

To ensure uniformity and make analysis easier, both surveys will contain closed-ended questions. These questions will be accompanied by Likert scales, multiple-choice items, and categorical responses. It is planned to develop two separate surveys, each of which will be tailored to the population that is the focus of the questionnaire, while simultaneously focusing on the most important aspects surrounding sustainability awareness, behavior, and aspirations. Prior to distribution, the survey tools will be carefully reviewed to ensure clarity, cultural appropriateness, and contextual relevance to the Kosovar setting.

SMEs' Managers Questionnaire

The survey for small and medium-sized enterprise owners and managers will assess their understanding and awareness of the Sustainable Development Goals (SDGs), their attitudes and motives toward the adoption of sustainable practices, and the internal and external barriers that impede their capacity to implement sustainability efforts. The questionnaire will also gather data on the methods, tools, and frameworks that SMEs presently employ to incorporate sustainability into their operations. The incorporation of various sectors and areas throughout Kosovo will provide significant comparisons and the identification of patterns within the SME landscape in Kosovo.

Employees' Questionnaire

The study will focus on the perspective of employees, examining their knowledge and understanding of sustainability, their attitudes toward sustainable practices within the workplace, and their perceived role in supporting such initiatives. It will also explore how employees perceive the sustainability efforts undertaken by small and medium-sized enterprises (SMEs) and the extent to which these perceptions influence their engagement, motivation, and workplace behavior. By including a diverse cross-section of participants—based on age, income level, gender, and geographic location—the study aims to develop a deeper understanding of employee expectations and the internal organizational dynamics that shape sustainability adoption.

2.5 Target Population

Two interrelated groups that are central to the study of sustainability adoption in the SME sector in Kosovo serve as the target demographic for this research. These groups are the owners and managers of small and medium-sized enterprises (SMEs) and the employees who work within these organizations. This dual focus reflects the study's aim to provide a comprehensive understanding of sustainability practices and perceptions from both the supply-side (business leadership) and the internal workforce perspective. By addressing both viewpoints, the research seeks to fill a critical gap in the existing literature, which has often overlooked the role of employees in shaping and responding to sustainability initiatives within SMEs.

First Target Group: SMEs' Owners and Managers

The first segment of the target population consists of business owners and managers of small and medium-sized enterprises (SMEs) in Kosovo, spanning a broad range of industries and sectors. This study adopts SME classifications based on criteria established by the European Union and Kosovo, which typically include the number of employees, annual turnover, and balance sheet size. Given the central role that SMEs play in Kosovo's national economy—as key drivers of employment, innovation, and local development—this sector is particularly relevant for the adoption and implementation of sustainable practices. Owners and managers have been selected as primary informants due to their strategic and operational decision-making authority within their enterprises. Questionnaires with managers of SMEs were successfully completed and returned via online distribution, ensuring a diverse and representative sample of SME respondents. This

component of the study will explore their knowledge, perceptions, attitudes, and motivations regarding the Sustainable Development Goals (SDGs), along with the institutional, financial, and operational constraints that may shape or hinder their sustainability efforts.

The research will also examine the strategies, tools, and programs that SMEs have adopted to align their business models with sustainability principles. Furthermore, it seeks to understand how SME executives perceive the role and influence of employees in promoting or supporting sustainability practices—thereby linking internal leadership perspectives with broader organizational dynamics. To ensure the findings are representative and generalizable, the sample includes SMEs from a wide range of sectors, including but not limited to manufacturing, retail, agriculture, services, and technology. Additionally, the study accounts for the geographical dimension of sustainability adoption by examining implementation patterns in both urban and rural areas of Kosovo. This consideration acknowledges the contextual variability of sustainability practices, which may be influenced by factors such as geographic location, resource availability, and the strength of local regulatory frameworks.

Second Target Group: SMEs' Employees

In addition to the managers and owners of small and medium-sized enterprises (SMEs) in Kosovo, the second key demographic for this study is their employees. Including this group provides valuable insight into the internal, work-side perspective on sustainability—specifically, how employees' knowledge, attitudes, and workplace experiences influence and reflect the sustainability efforts of SMEs. Understanding employee perceptions is essential, as they play a direct role in implementing and supporting sustainable practices within the organization.

The study will explore employees' awareness of the Sustainable Development Goals (SDGs), their views on environmentally and socially responsible practices, and their willingness to engage with and support such initiatives in their daily work. It aims to identify whether a gap exists between the sustainability strategies articulated by SME leadership and the perceptions or expectations held by employees. Recognizing this dynamic is crucial for aligning organizational sustainability goals with internal capacities and engagement. By incorporating employees as a central target group, the research provides a more balanced and holistic assessment of sustainability adoption within SMEs in Kosovo. It bridges the gap between top-down strategies and bottom-up experiences, offering insights into how internal organizational dynamics shape, support, or challenge the path toward sustainable development.

Relevance of the Dual Target Population

The choice of these two populations is methodologically aligned with the research objectives and is theoretically supported by literature emphasizing the relationship between internal organizational dynamics and sustainability outcomes (Carrigan et al., 2004; Trudel & Cotte, 2009). Involving both SME managers and employees enables a comparative and relational analysis that captures not only the challenges and drivers experienced by SMEs but also the internal perspectives that shape or support sustainability adoption. This dual-targeted approach enhances the analytical depth of the study by enabling the identification of potential discrepancies, misalignments, or synergies between managerial strategies and employee perceptions. Ultimately, it supports the formulation of actionable recommendations for policymakers, business support institutions, and SME stakeholders aiming to strengthen the implementation and effectiveness of sustainability initiatives within Kosovo's SME sector.

2.6 Research Questions and Hypotheses

In line with the research objectives outlined in Chapter 1, this study formulates specific research questions and hypotheses to provide a clear framework for empirical investigation. These research questions are designed to guide the methodological approach, ensuring a systematic exploration of how small and medium-sized enterprises (SMEs) in Kosovo engage with sustainability and the UN Sustainable Development Goals (SDGs). The hypotheses are developed to be directly testable through the study's quantitative survey design and align with the dual focus of examining both SME owners/managers' perspectives and employees' viewpoints. **Table 1** outlines the research questions and corresponding hypotheses, establishing a coherent linkage between the conceptual foundation of the study and the data collection and analysis methods described in this chapter.

Table 1: Research Questions and Corresponding Hypotheses

Research Question	Corresponding Hypothesis
RQ1: What is the level of awareness, understanding, and motivation toward sustainability and the SDGs among SME owners and managers in Kosovo?	H1: SME owners' and managers' level of awareness, knowledge, and understanding of the SDGs is positively associated with their motivation and commitment to integrate sustainability into their business operations.
RQ2: What are the main barriers SMEs in Kosovo face in adopting sustainability practices, and what strategies do they use to overcome these challenges?	H2: Internal and external barriers, such as limited resources and weak institutional support, significantly reduce SMEs' ability to adopt sustainability practices.
RQ3: How do SME employees in Kosovo perceive and engage with sustainability initiatives, and how does this influence their organizations' sustainability practices?	H3: Employees' awareness, attitudes, and willingness to engage with sustainability initiatives significantly influence the implementation and success of sustainability practices within SMEs.
RQ4: To what extent is there alignment or a gap between SME managers' sustainability efforts and employees' expectations, and how can this be addressed to enhance sustainability integration?	H4: There is a significant gap between SME managers' sustainability efforts and employees' expectations regarding sustainable business practices, which affects the effective integration of sustainability practices in SMEs.

Source: Author's own work

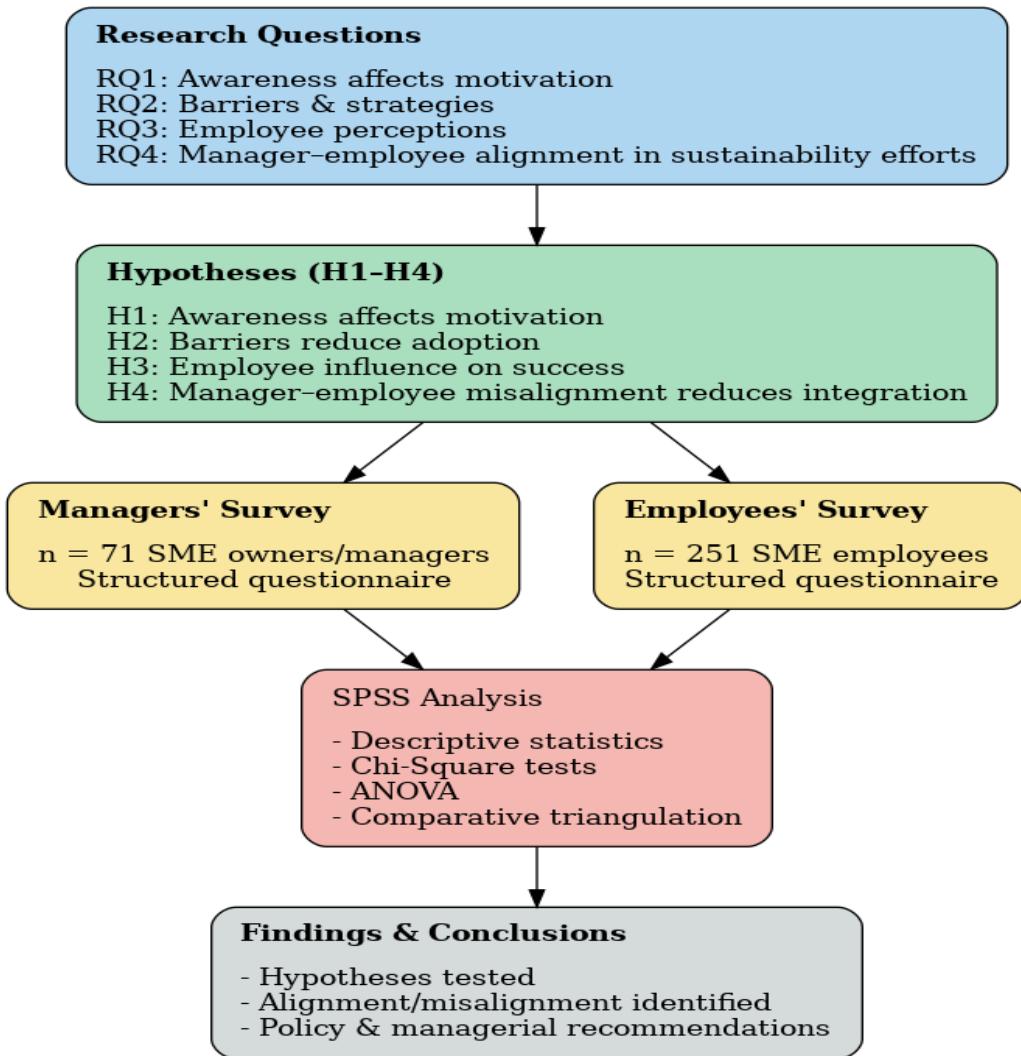


Figure 1: Research Design Flow Diagram

Source: Author's own work

The overall structure of the study design is shown in **Figure 1**, which maps the connection between the research questions, hypotheses, methodology, and analytical process.

Figure 1 presents the logical flow of the study, starting with four research questions (RQ1–RQ4) and their corresponding hypotheses (H1–H4). It shows the two parallel data collection streams—managers' survey ($n = 71$) and employees' survey ($n = 251$)—and the SPSS statistical procedures applied (descriptive statistics, chi-square tests, ANOVA), leading to the synthesis of findings and formulation of conclusions.

*Please refer to Appendix 3 for a detailed outline of Data Analysis Method, Data Collection, Target Group, Questionnaire Content and Structure, and the Procedures Followed.

CHAPTER 3: RESULTS AND DISCUSSION

3.1 Discussion of Results from the Managers' Survey

This chapter offers a comprehensive analysis of the data from a survey performed with 71 SME managers in Kosovo regarding their awareness, implementation, and issues related to Corporate Social and Environmental Responsibility (CSER). The findings reveal that although most managers endorse ethical, environmental, and social duties in theory, their practical application is constrained. Corporate Social and Environmental Responsibility (CSER) is infrequently integrated into business strategy or reinforced through formal training, codes of conduct, or sustainability reporting. Moreover, most firms depend on internal policies rather than governmental rules or recognized systems, and many do not experience substantial pressure from clients or suppliers to implement Corporate Social and Environmental Responsibility (CSER). These findings underscore a gap between values and organized action, emphasizing the necessity for enhanced awareness, institutional support, and stakeholder involvement to promote sustainability in the SME sector.

Awareness and Understanding of CSER

A significant finding of the study is that 55.7% of small and medium-sized enterprise (SME) managers reported being unfamiliar with the term "Corporate Social and Environmental Responsibility (CSER)," suggesting that over half of them lack a basic understanding of the concept. This finding reflects what Perego (2009) highlighted, where limited managerial comprehension of sustainability concepts was identified as a major barrier to effective integration within business practices. Similarly, Deloitte's (2010) survey revealed that many executives fail to engage critically with the complexities of sustainability, underscoring a widespread gap in managerial knowledge. The Ecocorporation survey (2012) further corroborates this, demonstrating insufficient awareness of sustainability's strategic importance among business leaders. These results confirm that in contexts such as Kosovo, where SMEs have restricted access to structured sustainability training and global frameworks, managerial unfamiliarity with CSER remains a critical impediment to aligning business practices with broader sustainability goals. "The results indicate that there is a pressing need for targeted educational initiatives to introduce and contextualize CSER for SME managers, particularly in emerging economies.

Perceived Responsibilities of SMEs

The research indicates that 48.6% of managers regarded the primary responsibility of businesses as either solely economic responsibilities or a combination of economic, environmental, and social responsibilities. Nevertheless, only 22.9% of respondents selected environmental responsibility alone and 21.4% prioritized social responsibility independently when asked separately. This aligns with Steger et al. (2007), who argue that profit maximization continues to overshadow social and environmental dimensions in corporate decision-making, especially within competitive markets. This indicates that although some managers acknowledge the interconnected nature of sustainability's economic, social, and environmental dimensions, their views remain largely driven by economic concerns. As a result, environmental and social responsibilities tend to be treated as secondary rather than central to business strategy. This tendency may limit the progress of sustainability efforts within Kosovo's SME sector and highlights the importance of awareness-building initiatives and policy measures aimed at encouraging a more balanced approach to sustainability.

Environmental and Workplace Responsibility

More than three-quarters of managers (74.3%) acknowledged that their company is responsible for the internal work environment, including factors such as water quality, dust, noise, health, and safety. Similarly, 72.9% agreed that their company has a responsibility toward the external environment. In addition, over 89% believed that businesses should address issues like fair wages, overtime pay, and insurance. However, these positive attitudes are not fully reflected in practice. Only 30% of companies provide employees with training on corporate social and environmental responsibility (CSER). Likewise, just 30% have established clear sustainability-related standards of behavior, and only 27.1% publish CSER or sustainability reports. Furthermore, only 10% follow government-approved sustainability procedures, while 68.6% rely solely on internal waste management practices. Labor compliance is also weak: although 48.6% of companies reported having overtime work, only 47.1% of those compensate employees for it. Taken together, these findings suggest that while many SME managers in Kosovo recognize their responsibilities toward employees and the environment in principle, their actions often fall short of these stated intentions. This gap between awareness and implementation echoes the findings of Kraus et al. (2020) and Jenkins (2006), who highlight how resource constraints and limited formal structures often prevent SMEs from translating sustainability awareness into concrete, systematic action. This suggests a pressing need for targeted training programs, stronger policy enforcement, and practical support to help SMEs bridge the gap between recognition of sustainability responsibilities and their consistent, effective implementation.

Strategic Integration of CSER

The findings on the strategic integration of Corporate Social and Environmental Responsibility (CSER) among SME managers reveal a striking gap between awareness and practice. Only 35.7% of managers reported incorporating CSER into their business strategies, while a significant 64.3% admitted they do not. This imbalance suggests that although there is some level of recognition of socially and environmentally responsible practices, their integration into core business strategies remains limited. This limited integration reflects what prior research has emphasized: SMEs often face difficulties in embedding sustainability into their operations due to resource constraints and lack of institutional support (Kraus et al., 2020; Jenkins, 2006). Moreover, studies like Williams and Schaefer (2013) have highlighted that SME managers frequently conceptualize sustainability informally, with little translation into structured or strategic initiatives. This aligns with the present findings, indicating that while sustainability is not entirely absent, it is largely peripheral rather than embedded within the strategic planning of SMEs in Kosovo. Overall, this result underscores the urgent need for capacity-building measures, including managerial training, sector-specific CSER guidelines, and policy incentives that encourage formal integration of sustainability into SME strategies. Without these interventions, SMEs may continue to treat CSER as an ancillary concern rather than a central business driver, thus perpetuating a cycle of informal and inconsistent sustainability practices.

Motivations behind CSER Engagement

The research reveals that the leading motivations for engaging in CSER among SME managers were ethical (37.1%) and moral (32.9%) considerations, while external pressures such as regulatory compliance (10%) and customer demands (8.6%) were far less frequently cited. Religious beliefs accounted for only 2.9% of responses, while 22.9% of managers selected “Other,” suggesting a diverse range of motivations that do not fit neatly within conventional categories. These findings strongly support the arguments of Jamali et al. (2009) and Perrini (2006), who emphasize that SMEs are typically driven by internal values rather than external frameworks. Unlike larger corporations, which often respond to formal regulations, shareholder expectations, and market-driven incentives, SMEs tend to be shaped by the personal convictions of their owners or managers. This is consistent with the “values-driven” perspective frequently highlighted in SME sustainability research, where decisions are rooted in individual ethical

orientations rather than institutionalized processes. However, the predominance of intrinsic motivation—while valuable—can also be a barrier to the broader and more systematic integration of CSER practices. As Jamali et al. (2009) note, without reinforcing mechanisms such as regulatory oversight or consumer pressure, such motivations often remain informal and inconsistently applied. This is reflected in the limited strategic integration of CSER identified in this study, where only 35.7% of managers reported embedding CSER within their business strategy, despite a majority expressing awareness of social and environmental responsibilities. Overall, these results indicate that while ethical and moral values are crucial in fostering CSER engagement among SMEs, relying solely on internal motivations without complementary external drivers (such as supportive policies, market incentives, or stronger stakeholder expectations) may limit progress. Building on this, targeted interventions—such as regulatory support, customer awareness campaigns, and community-based initiatives—could help align intrinsic motivations with structured, long-term CSER integration, bridging the gap between awareness and sustained action.

Environmental Impact and Waste Management

The environmental impact of their company was evaluated by 28.6% of managers as "Average," 27.1% as "Somewhat significant," and 18.6% as "Significant." This indicates that many managers are cognizant of the environmental repercussions of their operations. However, recycling is only practiced by 21.4% of the population, while 30% depend on landfill disposal. "Other" methods for refuse management were selected by nearly half of the respondents (48.6%), which may indicate informal or unregulated practices. Additionally, only 52.9% of respondents indicated that their organizations actively acknowledge and mitigate environmental damage. SMEs frequently lack formal environmental strategies, and their waste disposal practices are frequently suboptimal, as previously asserted (Koirala, 2019; OECD, 2017). These findings corroborate these assertions. Alarmingly, 68.6% of respondents reported that waste management procedures are solely based on internal company practices, with minimal alignment to government standards (21.4%) or certified systems (10%). These findings support what Koirala (2019) and the OECD (2017) have pointed out: many SMEs lack formal environmental strategies and instead depend on informal or ad hoc practices, often due to limited resources, expertise, and institutional support. The low recycling rates and minimal compliance with formal waste management standards seen here reflect these broader challenges. There is a clear gap between managers' awareness of their environmental impact and their companies' ability to follow through with effective, regulated practices. While many managers acknowledge the importance of reducing environmental harm, their reliance on internal, unregulated approaches shows that structural barriers and resource constraints are holding them back. As the OECD (2017) notes, without stronger regulatory frameworks, practical training, and accessible support, SMEs are likely to continue relying on informal practices that fall short of sustainability goals. This also aligns with Koirala's (2019) view that SMEs in developing and transitional economies often face systemic obstacles, such as weak enforcement of environmental rules and limited access to certified management systems. Improving environmental performance in these businesses will require not only raising awareness but also providing concrete tools, clearer guidance, and incentives that help turn knowledge into action.

Internal Practices and Employment Conditions

The research revealed that 54.3% of organizations establish wages through internal procedures, while 35.7% depend on government regulations. Certified standards are adhered to by only 4.3% of the population. Additionally, only 47.1% of the firms that reported overtime work compensated their employees for it, even though 48.6% of them reported overtime work. This implies that labor conditions are frequently managed informally and exhibit significant variability. The literature by Preuss and Perschke (2010) suggests that this informality is typical of SMEs, but it poses a danger to the reputation of the organization and the welfare of its employees. Employee rights, particularly those related to overtime and pay equity, may be inconsistently safeguarded in the absence of

external monitoring or more robust labor enforcement mechanisms. These findings point to the need for clearer labor standards and stronger oversight in SMEs to ensure employees are treated fairly and consistently. Because many businesses rely heavily on internal procedures and show little use of certified standards, employee protections often depend on individual managerial decisions rather than formal rules. This not only puts workers' welfare at risk but also leaves SMEs vulnerable to reputational damage and legal problems. Improving this situation will require better enforcement of labor laws as well as practical training and guidance for SME managers to help them adopt fair pay practices and comply with regulations.

Internal Communication and Manager-Employee Relations

The results also provide insight into internal dynamics: 84.3% of managers rated their relationship with employees as either "Good" or "Very Good," and 64.3% reported taking active measures to improve that relationship. It is possible that this is due to the flat hierarchies or intimate interpersonal relationships that are characteristic of SMEs, which would indicate a positive internal climate. Nevertheless, these relationships, despite their amicable nature, may not be strategically leveraged to advance organizational sustainability, as the literature advocates for participatory and inclusive CSER approaches, due to the limited CSER training and the absence of employee participation in sustainability discussions. However, these positive relationships do not seem to be fully used to drive sustainability efforts. Baumgartner and Ebner (2010) argue that effective CSER relies on participatory approaches that involve employees in decision-making and sustainability initiatives. Yet, the limited availability of CSER training and the lack of employee involvement in related discussions suggest that this potential remains largely untapped. While SMEs often benefit from close and positive manager-employee relationships, these connections are not being actively used to support sustainability goals. Involving employees more directly in CSER activities could strengthen their commitment and help build a culture of sustainability within the organization. To achieve this, SMEs should look to connect their existing interpersonal strengths with structured training and inclusive practices, as recommended by Baumgartner and Ebner (2010), turning informal goodwill into a more deliberate, organization-wide approach to CSER.

External Pressures and CSER Challenges

One of the primary obstacles identified was the absence of external pressure: 44.3% of managers reported that clients have no impact on the behavior of CSERs. Similarly, only 22.9% of respondents regarded suppliers as "very influential," while 35.7% perceived government influence as "normal" or "moderate." Lepoutre and Heene (2006) and Trudel and Cotte (2009) have both observed that SMEs are rarely incentivized by external actors to prioritize sustainability. These findings reaffirm this notion. In particular, the business case for CSER is weakened by the absence of client, supplier, and governmental demands, particularly when SMEs are already faced with resource constraints. Strengthened public-private coordination and client education campaigns are required to transform sustainability into a competitive advantage rather than a cost burden. This is also consistent with Jenkins (2006), who argued that without meaningful pressure from customers, regulators, or supply chain partners, SMEs tend to deprioritize sustainability in favor of immediate operational concerns. The lack of strong external drivers undermines the business case for CSER, particularly in SMEs already constrained by limited resources. To address this, stronger collaboration between public institutions and private businesses, combined with targeted client education campaigns, is needed to reframe sustainability as a source of competitive advantage rather than simply a cost burden. Introducing clear regulatory incentives and market signals could help shift sustainability from being optional to becoming an integral part of SMEs' business strategies.

Structural Barriers to CSER Implementation

The survey results show that SMEs in Kosovo face several barriers to effectively implementing sustainable practices. The most common challenge reported was a lack of government support, mentioned by 41.4% of managers, followed by high electricity costs (31.4%) and the belief that CSER hurts profitability (27.1%). Other key issues included limited awareness of CSER (25.7%) and financial constraints (20%). In addition, 17.1% of respondents pointed to "other" barriers, suggesting a range of operational and context-specific difficulties. These findings reflect what Jamali et al. (2009) and Carrigan et al. (2004) have observed: that institutional, financial, and knowledge-related hurdles often prevent SMEs from adopting sustainability practices. The emphasis on lack of government support and economic pressures also supports Koirala's (2019) view that weak policy frameworks and financial burdens are major obstacles for SMEs in developing or transitional economies. These results highlight the need for more active government involvement and targeted support for SMEs. Clearer policies, financial incentives, and accessible training programs would help address these barriers by providing the guidance and resources that SMEs currently lack. Without such interventions, many SMEs will likely continue to rely on informal or fragmented approaches to sustainability, leaving them behind in adapting to growing global expectations around CSER and missing out on potential competitive benefits.

Discussion of Statistical and Inferential Analysis Results

The analysis of the data highlights how different factors interact to shape the way SMEs in Kosovo approach Corporate Social and Environmental Responsibility (CSER). One of the clearest findings is the strong link between managers' awareness of CSER and its implementation. This shows that understanding sustainability concepts is a crucial driver of action. As Perego (2009) and Deloitte (2010) point out, a lack of familiarity with CSER often prevents managers from adopting formal practices, even if they support the idea of sustainability in principle. Without proper knowledge or training, many managers are simply not equipped to put CSER into practice in a systematic way. The results also show that managers who see their businesses as responsible for environmental protection and fair working conditions are more likely to implement CSER. This supports the view put forward by Jamali et al. (2009) and Perrini (2006) that SMEs are often "values-driven," with decisions shaped by the personal ethics and convictions of their owners or managers rather than by external regulations or market pressure. While these values are important, they can also lead to informal and inconsistent practices when not supported by clear frameworks or guidance. On the other hand, factors such as ownership type, years in operation, and client pressure did not show a strong influence on CSER practices. This reflects what Lepoutre and Heene (2006) noted: SMEs often operate in environments where external pressure—whether from customers, suppliers, or regulators—is weak. Even sectoral differences showed only a limited relationship with CSER, suggesting that without stronger oversight or targeted support, industry-specific risks alone are not enough to drive change. Taken together, these results paint a clear picture. Internal drivers—like awareness, environmental responsibility, and ethical values—are currently more influential than external forces in shaping CSER practices among SMEs in Kosovo. However, as Kraus et al. (2020) argue, relying on internal motivation alone is not enough to produce consistent or long-term progress. Resource constraints, lack of institutional support, and limited outside pressure mean that many SMEs continue to approach CSER informally and inconsistently. For CSER to take hold more effectively, both internal and external factors need to be addressed. Raising managers' knowledge through training and education would help turn positive intentions into concrete actions. At the same time, stronger policies, clearer regulations, sector-specific programs, and greater pressure from clients and suppliers are needed to create the external conditions that encourage and support these changes. These findings echo what Jenkins (2006) and the OECD (2017) have argued: SME sustainability depends on both individual leadership and the wider context in which businesses operate. Without support on both fronts, CSER is likely to remain

informal and uneven, limiting SMEs' contributions to sustainability goals and reducing their competitiveness in markets where sustainability is becoming increasingly important.

Conclusion of Managers' Survey Results

The survey of SME managers in Kosovo shows a clear gap between the recognition of Corporate Social and Environmental Responsibility (CSER) and its practical implementation. While many managers acknowledge ethical, environmental, and social responsibilities in principle, these ideas are not well integrated into their business strategies. Awareness of CSER remains low, with 55.7% of managers unfamiliar with the term, indicating significant knowledge gaps that limit its adoption. Even though nearly half (48.6%) recognize the importance of combining economic, environmental, and social responsibilities, economic priorities still dominate decision-making, often sidelining sustainability. Positive views on workplace and environmental responsibility—expressed by over 70% of managers—are not matched by action, with only 30% of firms offering CSER training, setting sustainability standards, or producing related reports. Strategic integration is limited, with just 35.7% of managers incorporating CSER into their business plans. Motivations are largely driven by ethical (37.1%) and moral (32.9%) reasons rather than external pressures, such as regulations (10%) or customer demand (8.6%), highlighting a lack of institutional and market forces that could support more consistent implementation. Environmental practices remain largely informal: only 21.4% of managers reported recycling, and 68.6% rely on internal waste management methods that do not follow official standards. Labor practices are similarly inconsistent, with over half (54.3%) setting wages internally and fewer than half (47.1%) compensating for overtime. Although most managers (84.3%) rated their relationships with employees as "Good" or "Very Good," these strong workplace ties are not being used to advance sustainability efforts. External drivers of CSER are also weak. Nearly half (44.3%) of managers reported no client influence, and just 22.9% considered suppliers "very influential." Barriers such as limited government support (41.4%), high costs (31.4%), and low awareness (25.7%) further hinder progress. These findings align with previous research (Jamali et al., 2009; Jenkins, 2006; Kraus et al., 2020), which points to the combined effects of institutional, financial, and knowledge constraints on SMEs. Overall, these results indicate that without stronger policy support, training opportunities, and external incentives, CSER in Kosovo's SMEs will likely remain informal and fragmented. Closing this gap will require better education for managers, clearer policies, and greater involvement from clients, suppliers, and government to help SMEs translate awareness into consistent, strategic action on sustainability. These conclusions are further supported by the inferential analysis, which showed that awareness, perceptions of environmental and labor responsibility, and internal values are strongly tied to CSER implementation, while external factors such as ownership, client pressure, and sectoral influence remain weak. This underscores the importance of strengthening both internal capacities through education and external drivers through regulatory and market mechanisms, ensuring that SMEs can move from informal, value-driven practices to structured, strategic engagement with CSER.

3.2 Discussion of Results from the Employees' Survey

This chapter presents an analysis of data from a survey conducted with 251 employees of SMEs in Kosovo, focusing on their awareness, perceptions, and experiences related to Corporate Social and Environmental Responsibility (CSER). The findings show that although many employees acknowledge the importance of balancing economic, social, and environmental responsibilities, their involvement in CSER within their workplaces is limited. A lack of training opportunities, weak communication from management, and the absence of formal structures for participation have left employees with little direct engagement in sustainability initiatives. In addition, limited managerial knowledge and leadership on CSER, along with minimal reporting or transparency, contribute to the perception that CSER remains peripheral rather than embedded in everyday

business practices. The survey also highlights broader structural challenges. Employees pointed to resource constraints, limited government support, and low consumer demand as key barriers holding back progress on CSER. While many employees see clear benefits in terms of workplace conditions, environmental protection, and company reputation, these expectations are often unmet due to weak organizational systems and policies. Overall, the results reveal a gap between employee awareness and the reality of CSER implementation, underlining the need for stronger leadership, clearer communication, and better institutional support to make CSER an integral part of SME operations in Kosovo.

Awareness and Understanding of CSER

The findings show that employee awareness of Corporate Social and Environmental Responsibility (CSER) is still quite limited. While 46.2% reported a basic understanding and 22.7% showed deeper knowledge, over one in five employees (21.5%) had never encountered the concept, and only 9.6% had taken part in CSER-related activities. This supports Vokshi and Krasniqi's (2020) observation that, although sustainability awareness in Kosovo has improved overall, CSER remains poorly developed and largely absent from formal workplace structures. These results suggest that CSER is not yet seen as part of everyday work in most SMEs. As Halili (2021) points out, many SMEs do not include sustainability in staff training or development programs, leaving employees with little practical exposure or opportunity to engage. Awareness tends to stay theoretical rather than translating into meaningful action. This gap is significant because employees are key to embedding CSER into daily operations. Without clear training, communication, or involvement, they are unlikely to contribute actively to sustainability initiatives. For SMEs to close this gap, they need to invest in simple, targeted training, communicate their CSER goals clearly, and create ways for staff to participate in these efforts. Building awareness in this way can help move CSER from being an abstract idea to something that is understood, supported, and acted on within the workplace.

Perceived Responsibilities of Corporations

The findings show that half of the employees (50.2%) believe that economic, social, and environmental responsibilities are equally important, while 37.5% still see economic responsibility as the main priority. This suggests that although many employees recognize that businesses should address more than just profit, a significant number still associate a company's role primarily with financial goals. As Shehu and Gashi (2022) note, this is common in places like Kosovo, where economic pressures often push profit to the forefront. At the same time, the growing recognition of social and environmental responsibilities points to a gradual shift in employee expectations. Gërvalla and Hoxha (2019) argue that global sustainability trends are influencing local attitudes, and this is reflected in employees increasingly expecting companies to act more responsibly. However, this awareness hasn't been matched by concrete action within most SMEs, largely because there are still no clear policies, training, or systems in place to support these ideas in day-to-day work. There is a clear gap between what employees believe companies should be responsible for and what happens in practice. While many employees are open to a broader view of corporate responsibility, SMEs haven't yet built the internal culture or structures needed to act on it. This shows that with better training, clearer roles, and stronger communication, businesses could better align their practices with what employees are increasingly expecting and use this shift as an opportunity to strengthen CSER internally.

Perception of Managerial Attitudes toward CSER

More than half of employees (56.6%) believe their managers lack adequate knowledge of CSER. Only 14.3% view their managers as understanding its strategic value, while even fewer associate them with CSER's reputational (11.2%) or community-based (13.5%) benefits. These perceptions support the findings by Krasniqi and Vokshi (2020), who argue that many SME managers in Kosovo engage with CSER only superficially and often fail to internalize its broader organizational benefits. These findings suggest both individual awareness and systemic gaps in translating CSER

principles into meaningful actions. They reveal how perceptions within SMEs are shaped by organizational culture, communication practices, and practical limitations. The disconnect between understanding and implementation underscores the importance of fostering internal mechanisms, including clearer roles, capacity-building, and structured feedback channels to embed CSER into everyday practice. Moreover, Krasniqi (2019) reports that managerial understanding of CSER in Kosovo is often driven by external funding projects, rather than embedded commitment. These perceptions underline a structural weakness in how CSER is understood and led within SMEs. When managers lack knowledge or see CSER primarily as externally imposed, employees are less likely to see it as a serious organizational priority. This suggests that for CSER to be effective, managerial understanding and ownership need to improve so that sustainability shifts from being seen as a peripheral obligation to a genuine part of business strategy, reinforcing employee confidence and participation.

Environmental and Labor Responsibility

The findings show that 59.4% of employees believe their company is responsible for environmental issues, and 68.1% feel the same about labor responsibilities. However, about a third of employees either disagreed or were unsure, which points to mixed views within the workforce. As Gërvalla and Hoxha (2019) note, this reflects a situation where sustainability values are only partly internalized: employees are increasingly aware of these responsibilities, but this awareness isn't fully matched by what they see in their workplaces. This gap between awareness and action is reinforced by the lack of formal systems in many SMEs. Employees may recognize the importance of environmental protection and fair labor conditions, but without clear policies, enforcement, or consistency, these remain more of an expectation than a reality. Shehu and Gashi (2022) similarly highlight that informal wage practices, poor overtime compensation, and uneven safety standards are still common in Kosovo's SMEs, which helps explain why some employees remain skeptical. These results suggest that while employees are becoming more conscious of sustainability and labor rights, there's still a disconnection between what they expect and what is practiced. Without stronger internal structures or clearer commitments from management, these responsibilities remain inconsistently applied. This indicates that employee awareness alone isn't enough; it needs to be supported by organizational follow-through if CSER principles are to become part of everyday work.

Strategic Value and Future Expectations of CSER

The results show that almost half of employees (48.2%) believe CSER contributes to their company's success, and 55.8% think sustainable practices help attract investors. This suggests that many employees see CSER as more than just an ethical obligation—they view it as something that can strengthen the business, which is in line with Gërvalla and Hoxha's (2019) point that sustainability can improve a company's long-term reputation and support from stakeholders. At the same time, around 31.1% of employees were unsure or felt that current efforts were enough, showing that not everyone is convinced of CSER's value or necessity. This reflects what Shehu and Gashi (2022) observed: many SMEs still treat CSER as secondary, focusing mainly on immediate operational needs rather than its long-term benefits. These findings highlight a divide between employees who see CSER as a path to growth and those who see it as non-essential. While recognition of CSER's potential is growing, the lack of visible action or integration within many SMEs likely fuels this uncertainty. For employees to fully connect CSER with business success, companies need to show clearer evidence that sustainability is part of their plans and not just a side activity.

Satisfaction and Employee Involvement

The results show that only 8.8% of employees are highly satisfied with their company's CSER efforts, while 31.1% are dissatisfied. This suggests that many employees feel their companies are not doing enough when it comes to sustainability or social responsibility. Halili (2021) points out that most SMEs in Kosovo don't have formal ways of involving staff in CSER, which helps explain

why satisfaction is so low. A big part of this issue is the lack of employee participation. Without opportunities to be involved—through training, feedback systems, or even small roles in sustainability initiatives—employees are left on the sidelines. As Vokshi and Krasniqi (2020) argue, CSER works best when employees are part of the process and can share their ideas or take ownership of specific actions. These findings show that while employees see the value of CSER, their lack of involvement leaves them frustrated and disengaged. When CSER is handled only at the managerial level, it can feel distant or symbolic rather than practical. Involving employees more directly could boost satisfaction and make CSER feel like a genuine part of the workplace rather than just a top-down initiative.

Managerial Relations and Communication

The results show that 57% of employees rated their relationship with management as “Good” or “Very Good,” suggesting that day-to-day interactions between managers and staff are generally positive. However, only 30.7% felt that management genuinely prioritizes their needs. This supports Shehu and Gashi’s (2022) view that while SMEs in Kosovo often have close, informal relationships between managers and employees, these do not always lead to concrete action or formal systems to address workplace issues. This points to an important disconnect. Employees may feel comfortable with their managers personally, but without clear communication channels or formal feedback mechanisms, their concerns—especially about CSER—are less likely to be addressed. Halili (2021) stresses that ethical leadership and open dialogue are essential for effective CSER, but these appear to be underdeveloped in many SMEs. While good personal relationships can create a supportive atmosphere, they are not enough on their own to advance CSER or improve workplace practices. Without formal ways for employees to share input and see it acted on, even strong interpersonal ties can fail to drive real change. SMEs could benefit from building on their close-knit culture by adding clearer processes for communication and decision-making, helping to make CSER efforts more practical and inclusive.

Consumer and Market Perspectives

The findings show that 44.6% of employees believe customers are “sometimes” willing to pay more for products that meet CSER standards, while only 16.3% think this is usually the case. This supports Gërvalla and Hoxha’s (2019) point that while awareness of sustainability is slowly improving in Kosovo, it isn’t strong enough yet to significantly shape consumer behavior. From the employees’ perspective, this lack of consistent demand helps explain why many SMEs don’t treat CSER as a priority. If customers aren’t actively asking for sustainable products or willing to pay extra for them, managers are less likely to see it as a worthwhile investment—especially in markets where price sensitivity is high. These results suggest that employees recognize weak consumer demand as a key barrier to stronger CSER practices. Without more pressure from the market, sustainability is likely to remain a secondary concern for many SMEs. This highlights the need to raise public awareness of CSER’s importance and for businesses themselves to help educate customers about the value of sustainable products and practices. For employees, stronger consumer demand would also mean more pressure on managers to prioritize CSER, bringing workplace efforts in line with market expectations.

Perceived Benefits of CSER

The results show that employees see reduced pollution, better energy efficiency, and improved job performance as the main benefits of CSER. This matches Halili’s (2021) point that in SMEs with limited resources, employees tend to focus on the practical, immediate results of sustainability efforts—things they can see and experience directly in their workplace. Fewer employees mentioned benefits like innovation or competitiveness. This supports Shehu and Gashi’s (2022) view that many SMEs focus more on day-to-day operations than on long-term strategic advantages tied to CSER. For most employees, CSER appears to be linked more for visible environmental and workplace improvements rather than to broader business growth or market positioning. These findings suggest that employees associate CSER mainly with straightforward, practical

improvements rather than larger strategic goals. While this perspective helps build support for basic sustainability actions, it also shows that employees may not fully see how CSER connects to a company's competitiveness or long-term success. Helping employees understand this wider impact could strengthen their engagement and support for more ambitious sustainability initiatives.

Perceived Barriers to CSER Implementation

The results show that employees see the main barriers to CSER as a lack of awareness (57.8%), limited budgets (31.9%), and weak support from management (19.5%). This reflects what Vokshi and Krasniqi (2020) have pointed out: many SMEs in Kosovo struggle with basic issues like inadequate training, scarce resources, and little institutional support, all of which make it difficult to adopt sustainability practices. These barriers were noted across different sectors, which backs up Halili's (2021) view that the problem isn't tied to specific industries but is more systemic. Employees clearly see that low awareness and tight budgets are holding things back, while the perception of limited managerial support suggests that leaders aren't doing enough to prioritize CSER. Overall, these findings show that employees believe CSER is being held back by both practical constraints and a lack of leadership focus. Even if employees understand its value, without training, resources, and stronger direction from management, there's little room to turn ideas into action. This underlines the need for clearer internal guidance and more support to make CSER a workable part of daily business.

Role of Government in Supporting CSER

The findings show that employees view government involvement as essential for driving CSER forward. About 43% said financial incentives are needed, 43.9% pointed to better monitoring, and 21.9% emphasized the importance of public awareness campaigns. This supports Shehu and Gashi's (2022) point that Kosovo's sustainability policies are still fragmented and lack the institutional strength to support SMEs effectively. Employees' views reflect a sense that companies cannot do this alone, especially given the financial and operational constraints many SMEs face. Their call for more oversight and funding suggests they see the government not just as a supporter, but as a necessary force to guide and enforce CSER standards. These results highlight that employees expect the government to play a bigger role in shaping the CSER landscape. Without stronger policies, better funding options, and clear monitoring, sustainability efforts will likely remain inconsistent and limited. Employees see public support as key to helping SMEs make CSER a realistic and actionable part of business.

Reporting and Transparency

The results show that only 13.1% of employees said their company shares information about CSER or sustainability. This aligns with Gërvalla and Hoxha's (2019) point that SMEs in Kosovo rarely focus on transparency or public accountability. For employees, this lack of reporting makes it harder to know what, if anything, their company is doing around CSER. Without clear updates, sustainability efforts can feel invisible or even nonexistent, which can lead to doubt about how serious the company really is about these issues. Reporting isn't just important for external audiences—it also helps employees understand their company's goals and see how their own roles connect to them. These findings suggest that weak reporting leaves employees feeling disconnected from CSER initiatives. Even if some actions are happening, poor communication keeps staff out of the loop and limits their ability to engage. Simple internal updates or progress reports could help build trust and make sustainability feel like a shared effort rather than something distant or symbolic.

Internal Training and Capacity Building

The results show that only 33.9% of employees said they had received any training on CSER. This reflects what Halili (2021) noted—that sustainability training in SMEs is often irregular and not part of formal employee development. For most staff, this means their understanding of CSER stays basic and disconnected from their day-to-day work. This lack of training is important

because, without it, employees are less likely to feel equipped or confident enough to get involved in sustainability efforts. While some awareness is there, it isn't backed up by the practical knowledge needed to turn it into action. Vokshi and Krasniqi (2020) also highlight that this is a common issue in Kosovo's SMEs, where the absence of structured capacity-building stops CSER from becoming part of normal workplace routines. These findings show that even when employees know about CSER, the lack of training holds back progress. Regular, practical training could help employees better understand how sustainability ties into their work and give them the tools to contribute meaningfully. Without it, CSER risks staying more of an idea than something people actively practice at work.

Cross-Sector Comparisons

The findings show that while awareness and involvement in CSER differ slightly between sectors, the same barriers—like financial constraints and lack of training—are present across all of them. This backs up Vokshi and Krasniqi's (2020) point that the challenges around CSER in Kosovo's SMEs are broad and not tied to any single industry. Even in sectors with higher awareness, such as services, these problems remain. Greater familiarity with CSER hasn't led to better resources, clearer policies, or more structured practices. As Halili (2021) explains, these issues are rooted in the wider SME environment, where weak institutional support and limited capacity affect businesses regardless of the sector they belong to. This suggests that improving CSER in Kosovo's SMEs can't be tackled on an industry-by-industry basis. Since the problems are shared—like tight budgets, limited training, and poor policy support—they need broader solutions that address these systemic gaps. Without that, even sectors where awareness is improving will continue to face the same obstacles stopping CSER from becoming part of normal business practices.

Conclusion of Findings from the Employee Survey

The survey shows a clear gap between how employees view Corporate Social and Environmental Responsibility (CSER) and how it is practiced in Kosovo's SMEs. While many employees recognize the importance of balancing economic, social, and environmental responsibilities, their involvement in CSER is limited, and managers are often seen as lacking the knowledge or commitment needed to lead these efforts. Key problems include a lack of training, weak communication, and few opportunities for employees to participate in sustainability initiatives. Even though employees see the potential benefits of CSER—such as improving company reputation, attracting investors, and creating better workplace conditions—these ideas are held back by limited resources, insufficient leadership focus, and weak government support. Overall, employees view CSER as important but not well integrated into daily business. They see the need for stronger leadership, clearer communication, and more involvement from staff to make it work. They also point to the government's role in providing incentives, oversight, and public awareness to help push SMEs toward more consistent and meaningful sustainability practices. In short, employees believe CSER has value, but without better internal systems and stronger external support, it risks remaining more of an idea than something fully put into practice in Kosovo's SMEs.

3.3 Discussion of the Comparative Findings from Managers' and Employees' Surveys

The comparison between managers and employees in SMEs in Kosovo shows both clear overlaps and important differences in how they view and approach Corporate Social and Environmental Responsibility (CSER). Both groups share low levels of awareness about CSER, which has limited its integration into business practices. Many managers admitted they were unfamiliar with the concept, while a significant number of employees reported never having heard of it or taking part in related initiatives. While this points to a shared lack of understanding, its causes differ: managers' knowledge gaps are linked to the absence of formal training and exposure to sustainability frameworks, while employees' gaps result largely from poor internal communication and a lack of training opportunities at work. This shows that although both groups are underinformed, the reasons behind it lie in different parts of the organizational structure.

Views on business responsibilities also show differences. Managers tend to focus on economic priorities, with nearly half seeing profitability as their main responsibility and giving less attention to social or environmental issues. Employees, however, show a more balanced perspective, with half emphasizing that economic, social, and environmental roles should be equally important. This suggests that employees may be more influenced by global conversations on sustainability, while managers remain driven by immediate financial pressures. Here, the contrast reflects a misalignment between employees' expectations and managers' day-to-day priorities, where profit still takes precedence over broader sustainability concerns.

The question of managerial competence in CSER deepens this divide. Managers often describe themselves as supportive of sustainability but constrained by limited resources and weak institutional backing. However, employees see this differently: over half believe their managers lack the necessary knowledge or leadership to turn CSER ideas into action, often viewing current efforts as superficial or symbolic. This disconnect undermines trust and creates frustration. While managers feel they are doing what they can in a difficult context, employees interpret the same lack of results as a lack of commitment, which discourages them from getting involved.

This gap between what people say and what happens is clear in both groups. Managers acknowledge CSER but rarely turn it into policies, training programs, or reports, while employee's express dissatisfaction and point out that they are rarely involved in these initiatives. Managers tend to explain this gap by pointing to external barriers like costs or weak government support, while employees focus more on internal issues such as poor communication and limited involvement. This shows that while both external pressures and internal culture matter, employees are especially sensitive to what happens within their own workplace and whether their voices are heard.

Workplace and labor practices further illustrate this difference in perspective. Managers widely recognize their responsibility for fair pay and safe conditions, but their reliance on informal practices means employees experience inconsistent wages, unpaid overtime, and uneven safety standards. Similarly, both groups recognize environmental responsibility, but while managers cite costs and limited support to explain informal waste practices, employees express doubt because they see little evidence of change in their workplaces. In both areas, the gap lies not in recognition but in translating words into actions employees can see and trust.

Motivations for CSER also differ subtly. Managers are mainly driven by personal ethics and moral considerations, while employees focus on practical benefits, such as cleaner workplaces and reduced pollution. Employees are more concerned with outcomes they can directly experience,

whereas managers tend to keep their engagement at a values-based, abstract level. Without visible results, this makes it harder for employees to connect to CSER in a meaningful way.

When it comes to barriers, both groups agree that resources and support are lacking, but they view the problem from different angles. Managers emphasize external challenges such as weak government incentives and high costs, while employees see the problem more in terms of insufficient managerial leadership and low workplace awareness. This shows that change will require addressing both systemic and internal obstacles at the same time.

Relationships and communication within SMEs show a similar pattern. Both managers and employees describe their relationships as generally good, reflecting the informal, close-knit nature of small businesses. Yet employees also feel excluded from decisions about CSER and say there are few formal ways to share feedback or get involved. While managers see positive relationships as enough to maintain a healthy workplace, employees want clearer communication and a more active role in sustainability efforts. Without this, good personal ties do not translate into progress on CSER.

Finally, both sides agree that transparency is weak. Few managers publish CSER reports or updates, and employees say they rarely hear about any sustainability efforts within their companies. For employees, this lack of information makes CSER feel distant or unimportant, while managers frame it as a resource issue. This lack of communication contributes to a perception gap: even when some efforts are being made, they remain largely invisible to staff.

Overall, while managers and employees both recognize CSER's importance, they approach it from different angles. Managers see it primarily as a matter of ethics and values, constrained by costs and weak institutional support, while employees focus on tangible workplace improvements, stronger leadership, and clearer communication. This misalignment reinforces the gap between awareness and action: managers' limited initiatives fail to engage employees, and low employee involvement does little to push managers toward more formal integration of CSER. Addressing this divide will require building managerial capacity, improving communication, involving employees more actively in decision-making, and strengthening external policies and incentives. For CSER to move beyond a rhetorical concept and become embedded in the functioning of SMEs in Kosovo, it is essential to bridge the gap between managerial priorities and employee expectations, fostering a shared and coordinated approach to sustainability.

3.4 Discussion of Research Hypotheses

This section discusses the four research hypotheses based on the empirical results presented in Chapter 6. Each hypothesis is examined in relation to the findings of the statistical analyses (Chi-square and ANOVA tests) and descriptive data. The discussion integrates these findings with the existing literature reviewed in Chapters 2 and 3, and draws implications relevant to SMEs in Kosovo.

H1: Awareness and Motivation

H1: stated that SME owners' and managers' level of awareness, knowledge, and understanding of the SDGs is positively associated with their motivation and commitment to integrate sustainability into their business operations.

The results indicate that managers who reported higher awareness of the SDGs were significantly more likely to engage in sustainability-related practices ($p < 0.05$). However, these practices were often informal, suggesting a gap between awareness and formal implementation. This supports H1 and aligns with studies by Kraus et al. (2020) and Wickert et al. (2016), which emphasize awareness as a necessary but insufficient driver of sustainability in SMEs.

These findings imply that while knowledge of SDGs motivates action, SMEs in Kosovo still need targeted institutional support and training programs to convert awareness into structured sustainability strategies.

H2: Barriers to Adoption

H2 proposed that internal and external barriers, such as limited resources and weak institutional support, significantly reduce SMEs' ability to adopt sustainability practices

Results confirmed that financial constraints, lack of technical expertise, and insufficient government support were the most commonly cited barriers. This hypothesis is supported by statistical evidence linking these barriers to lower sustainability implementation levels. These findings are consistent with prior research (Bassi and Guidolin, 2021) that highlights resource scarcity and weak policy frameworks as critical obstacles for SMEs.

Addressing these barriers through government incentives, access to finance, and capacity-building programs could help SMEs in Kosovo formalize and scale up their sustainability efforts.

H3: Employee Influence

H3 proposed that employees' awareness, attitudes, and willingness to engage with sustainability initiatives significantly influence the implementation and success of sustainability practices within SMEs.

The findings provide clear support for this hypothesis. Employees who demonstrated higher awareness of sustainability issues and positive attitudes toward such practices were significantly more likely to participate in sustainability-related activities within their organizations. Furthermore, SMEs where employees perceived strong managerial commitment to sustainability showed notably higher levels of sustainability engagement. These results indicate that employees' attitudes not only reinforce managerial initiatives but also serve as a catalyst for embedding sustainability within organizational routines.

This evidence resonates with Renwick et al. (2016), who emphasize that sustainability within SMEs is contingent upon workforce participation and shared organizational values. In Kosovo's context, where SMEs often lack formal sustainability structures, employee-driven engagement becomes even more critical. The findings underscore that employee awareness is not peripheral but central to successful sustainability integration, acting as a bridge between managerial intent and operational execution.

In practical terms, this suggests that SMEs must invest in internal awareness campaigns, employee training, and participatory approaches to sustainability decision-making. By doing so, they can leverage employees' willingness and transform it into a key asset for advancing sustainability goals.

H4: Alignment Gap

H4 asserted that there is a significant gap between SME managers' sustainability efforts and employees' expectations regarding sustainable business practices.

The comparative analysis (Section 7.3) strongly validates this hypothesis. While managers generally rated their sustainability efforts as adequate, employees expressed higher expectations, particularly in environmental initiatives, ethical labor practices, and transparency. This divergence highlights a perception gap: managers believe their current measures are sufficient, whereas employees view them as falling short of modern sustainability standards.

This finding aligns with Carrigan et al. (2004), who argue that such internal misalignment can undermine organizational cohesion and weaken sustainability outcomes. In Kosovo's SMEs, this gap reflects the broader challenge of integrating sustainability in resource-constrained settings where managerial priorities are often shaped by immediate operational pressures rather than longer-term sustainability visions. Addressing this gap requires fostering more inclusive sustainability planning processes, creating platforms for dialogue between managers and employees, and clearly communicating sustainability goals and progress. Doing so would align internal.

CHAPTER 4: CONCLUSION AND RECOMMENDATIONS

This study explored how small and medium-sized enterprises (SMEs) in Kosovo engage with sustainability and the UN Sustainable Development Goals (SDGs). While global research often emphasizes large corporations, the role of SMEs in transitional economies like Kosovo remains underexplored, despite their significance for jobs and regional development. The research investigated awareness, motivations, barriers, and the perspectives of both managers and employees, offering a dual lens on internal organizational dynamics. Using a mixed-methods approach—literature review, surveys, and statistical analysis—the study found that SME managers are increasingly aware of sustainability but often view it as compliance or image management rather than core strategy. Barriers such as financial limitations, lack of expertise, and regulatory complexity hinder deeper integration. Employees, though less formally informed, showed positive attitudes and willingness to engage, especially when initiatives were well communicated and aligned with workplace values. However, a misalignment was identified: managers focused on external compliance and cost, while employees valued fairness, participation, and social benefits. The research highlighted that transparent communication and stronger manager–employee relations enhance sustainability integration, demonstrating that employees can act as active drivers rather than passive participants. Theoretically, the study expands sustainability literature by incorporating employee perspectives, while practically it calls for financial incentives, training, simplified regulations, and greater internal inclusivity. In conclusion, advancing SME sustainability in Kosovo requires both overcoming structural barriers and fostering participatory cultures. Aligning managerial strategies with employee expectations can strengthen sustainability outcomes and contribute meaningfully to the global SDG agenda.

This section outlines recommendations drawn from the combined findings of the managers' and employees' surveys on Corporate Social and Environmental Responsibility (CSER) in SMEs in Kosovo. The surveys revealed common challenges such as low awareness, limited training, weak institutional support, and the lack of formal integration of CSER into everyday business practices. They also highlighted differences between managerial and employee perspectives, emphasizing the need for solutions that strengthen both leadership capacity and employee engagement. The recommendations presented here focus on practical ways to improve managerial knowledge and strategic planning for CSER, increase employee participation, strengthen communication and transparency, and create stronger external support through policy incentives and collaboration with stakeholders. Together, these measures aim to close the gap between awareness and implementation and help SMEs in Kosovo embed CSER more effectively into their operations.

4.1 Recommendations Based on Survey Findings from Managers

Enhance Awareness and Conceptual Understanding of CSER

Considering that numerous managers were unacquainted with the word CSER and lacked understanding of its elements, it is imperative to create focused awareness campaigns and instructional programs. These should:

- Present CSER concepts in a manner that is both practical and straightforward, and that is applicable to SMEs.
- Enhance engagement by employing culturally contextualized examples and local languages.
- Emphasize tangible advantages by promoting success stories from the region.
- Academic institutions, business associations, and NGOs can cooperate to provide workshops, seminars, and online modules aimed at establishing a fundamental comprehension of sustainability principles.

Integrate CSER into Business Strategy and Operations

Even though numerous managers expressed ethical responsibility toward the environment and employees, this was not reflected in strategic documents or formal company policies. To address this implementation deficit, it is recommended that SMEs be strongly encouraged and assisted in the integration of CSER objectives into their business plans.

- Managers should embed CSER practices into core business strategies rather than treating them as separate or optional. This includes developing written CSER policies, codes of conduct, and integrating sustainability metrics into performance evaluations and reporting.
- Small enterprises should have access to sustainability strategies, codes of conduct, and reporting formats in simplified and adaptable formats, such as toolkits and templates
- Business support organizations could provide one-on-one mentoring or consulting services to assist SMEs in the effective customization and application of these tools.

Enhance Environmental Responsibility and Practices

- Since perception of environmental responsibility is significantly associated with CSER implementation, SMEs should focus on low-cost, practical steps like energy efficiency measures, better waste management, and recycling programs.
- Adoption of basic environmental management tools (like ISO 14001 light versions or local equivalents) can improve compliance and signal responsibility to clients and partners.

Strengthen Training and Capacity Building for Managers and Employees

The reported minimal levels of CSER-related training underscore the necessity for ongoing capacity development within organizations. Recommended actions include:

- Offering subsidized training programs for managers on CSER management, legal compliance, and sustainable innovation.
- Providing workplace-based training for employees to foster inclusive engagement in sustainability goals.
- Embedding sustainability and CSER into vocational education and business development programs to build long-term capacity.

Improve Workplace Standards and Social Responsibility

Inconsistent practices concerning salary norms, overtime compensation, and waste management indicate a necessity for more explicit advice and pragmatic solutions. Recommendations include:

- Formulating sector-specific rules on equitable labor practices and appropriate environmental conduct.
- Advocating for affordable, readily implementable strategies for waste minimization, recycling, and energy conservation

- Fostering peer learning through SME networks, which facilitate the exchange of practical ideas and challenges among enterprises.
- Recognizing the significant link between fair working conditions and CSER adoption, SMEs should prioritize compliance with labor laws (wages, overtime pay, health and safety).
- Managers can formalize HR policies to standardize practices and reduce reliance on informal arrangements, improving employee satisfaction and company reputation.

Increase External Incentives and Regulatory Support

The minimal pressure from customers, suppliers, and authorities results in sustainability frequently being deprioritized. To tackle this issue:

- Governments and municipalities ought to implement incentives such as tax reductions, procurement benefits, or public acknowledgment for SMEs exhibiting robust CSER performance.
- Regulatory frameworks should be explained and simplified, ensuring that SMEs comprehend their obligations without being inundated by bureaucracy.
- Enhanced enforcement of labor and environmental norms is essential to provide equitable conditions and incentivize responsible conduct.

Foster Collaboration and Stakeholder Engagement

SME's are incapable of independently meeting the challenge of sustainability. More collaborative structures are required due to the absence of external stakeholder engagement identified in the study:

- Develop multi-stakeholder platforms that enable SMEs to collaborate with government agencies, NGOs, academia, and consumers in the development of CSER strategies.
- Foster collective initiatives that encourage larger organizations and supply chain executives to aid and guidance to small and medium-sized enterprises (SMEs) in their transition to sustainable practices.
- Foster a dialogue between civil society organizations and SMEs to establish mutual accountability and trust.

Invest in Monitoring, Evaluation, and Knowledge Sharing

To monitor advancements and encourage ethical conduct:

- Encourage small and medium-sized enterprises (SMEs) to initiate basic internal evaluations of their environmental and social impacts, regardless of their ability to conduct comprehensive reporting.
- Develop local CSER benchmarks to assist SMEs in comparing their performance and identifying areas for improvement.
- Utilize accessible platforms, such as regional business forums or chambers of commerce to disseminate results, case studies, and lessons learned.

Promoting Client, Supplier, and Employee Pressure for Sustainability

Engaging Clients:

- Publish **simple sustainability reports** to showcase responsible practices.
- Use **clear labeling or certification** (even local or sector-specific) to build consumer trust.
- Communicate sustainability efforts openly through websites, social media, and in-store materials to **raise client awareness and demand**.
- **Actively educate clients** about sustainable practices and their benefits through campaigns, workshops, or direct communication, encouraging them to support responsible businesses.

Collaborating with Suppliers:

- Work with suppliers to **set shared sustainability standards** within the supply chain.
- Join or form **industry-led sustainability initiatives** to align supplier practices.
- Use **joint procurement** of eco-friendly materials or services to cut costs and encourage sustainable options.

Empowering Employees:

- Provide **basic CSER training** to employees to raise awareness.
- Create **green teams or sustainability committees** to involve staff in initiatives.
- Link CSER to **workplace benefits** (e.g., improved safety, fair pay) and recognize employees who contribute to sustainability efforts.

Concluding Note

These recommendations underscore the necessity of a multifaceted strategy to promote CSER among SMEs, which includes strategic integration, training, supportive policies, and collaborative structures. The SME sector in Kosovo can progressively transform into a more sustainable, resilient, and ethically grounded component of the national economy by addressing both internal limitations and external gaps. Sustainable development is not only a global obligation but also a local opportunity, and small and medium-sized enterprises (SMEs) can be effective agents of this metamorphosis when they are adequately supported.

4.2 Recommendations Based on Survey Findings from Employees

Based on the findings and discussion of the study that involved employees of small and medium-sized enterprises (SMEs) in Kosovo, this chapter provides recommendations that are both practical and strategic. Within the context of small and medium-sized businesses, these guidelines are directed primarily toward employee involvement and empowerment, as well as the conditions that are required to make CSER more inclusive, actionable, and effectively implemented.

1. Strengthen Employee Awareness and Understanding of CSER

- Offer basic training sessions or informational materials to employees about their role in environmental and social responsibility.
- Encourage peer-to-peer learning and discussion around workplace ethics, sustainability, and labor rights.
- Use staff meetings or internal newsletters to highlight the relevance of CSER to employees' everyday roles.

2. Promote Employee Involvement in CSER Initiatives

- Establish suggestion boxes or feedback channels to allow employees to propose CSER actions or raise concerns.
- Involve employee representatives in CSER planning and evaluations.
- Recognize employee contributions to environmental and social initiatives through internal awards or bonuses.

3. Provide Access to Skills Development Related to CSER

- Offer short-term workshops or online resources on energy efficiency, recycling, ethical behavior, and workplace sustainability.
- Link CSER skills with professional development pathways and job satisfaction.
- Encourage participation in local or NGO-led sustainability initiatives as part of work-based learning.

4. Improve Communication Between Management and Employees on CSER

- Encourage two-way dialogue where employees can ask questions and express concerns about CSER responsibilities.
- Train supervisors to communicate CSER goals in a way that motivates and includes all staff members.
- Ensure transparency by regularly updating employees on the company's sustainability progress and challenges.

5 Ensure Fair and Safe Working Conditions as a CSER Priority

- Empower employees to report violations or unsafe practices without fear of retaliation.
- Promote a culture of respect, fairness, and shared responsibility in matters like overtime, wage transparency, and work safety.
- Incorporate employee well-being as a core element of the company's CSER vision.

6 Create Incentives for Employee Engagement in CSER

- Reward proactive employees who demonstrate commitment to sustainability through role modeling or innovative ideas.
- Introduce team challenges or green campaigns that foster collective responsibility for environmental and social impact.
- Develop simple recognition systems to celebrate daily contributions to CSER goals.

7 Encourage Participation in Monitoring and Reporting

- Invite employees to participate in evaluating the company's sustainability efforts or internal audits.
- Provide easy-to-understand formats for staff to contribute data or observations related to CSER.
- Use results from employee participation to inform internal improvements and future plans.

Concluding Note

These proposals put employees at the center of CSER initiatives, acknowledging their role not just as implementers but also as vital partners in the process of establishing a culture that is sustainable in the workplace. It is possible for small and medium-sized enterprises (SMEs) to maximize the full potential of their workforce to develop meaningful and context-sensitive sustainability practices if they foster awareness, engagement, and fair treatment.

4.3 Limitations and Future Research

Limitations of the Study

While this study provides valuable empirical insights into the sustainability practices of small and medium-sized enterprises (SMEs) in Kosovo, several limitations must be acknowledged. These limitations do not diminish the significance of the findings but rather delineate the boundaries of interpretation and suggest pathways for future scholarly inquiry.

Sample Size and Selection Bias.

The sample size, although appropriate for an exploratory study of this nature, may not fully capture the diversity and heterogeneity of SMEs operating across various sectors in Kosovo. Furthermore, as participants were recruited through online distribution channels and purposive convenience sampling, the resulting sample may disproportionately represent enterprises with stronger digital access, greater technological engagement, or heightened interest in sustainability issues. This introduces a potential selection bias, which may constrain the generalizability of the results to the broader SME population. Future research could mitigate this limitation by employing probabilistic or stratified sampling techniques and expanding the sample size to enhance representativeness.

Contextual Scope and Measurement Validity.

The study's focus on SMEs in Kosovo—an emerging economy characterized by its distinct socio-economic, institutional, and regulatory context—offers rich contextual insights but limits broader cross-national generalization. Although validated measurement instruments were employed where possible, several items were adapted linguistically and contextually to ensure their appropriateness within the Kosovar setting. Such adaptations, while necessary, may affect measurement validity. Future studies are encouraged to undertake formal validation procedures to confirm the psychometric robustness of the adapted scales.

Self-Reported Data and Common Method Bias.

The study relied exclusively on self-administered, self-reported surveys as the primary data collection method. This approach may be subject to social desirability bias and common method variance, potentially inflating correlations among constructs. Employing multiple data collection methods—such as qualitative interviews, observational techniques, or longitudinal tracking—would strengthen methodological triangulation and reduce the risk of response bias.

Sampling Design and Paired Data.

Although the dual-survey design enabled comparative analysis between managers and employees, the two respondent groups were not directly matched within the same firms. Consequently, inferences regarding alignment or divergence between managerial and employee perspectives should be interpreted at an aggregate rather than firm-specific level. Future research could incorporate paired or nested sampling frameworks to allow for more precise intra-organizational comparisons.

Stakeholder Scope and Performance Indicators.

The present study focused primarily on internal organizational actors—managers and employees—while excluding other critical stakeholders such as customers, suppliers, policymakers, and community representatives. Including these perspectives in future research through a multi-stakeholder analytical framework would enrich the understanding of external influences and inter-organizational dynamics affecting sustainability practices. Additionally, the

present analysis concentrated on awareness, attitudes, and self-reported sustainability practices but did not empirically assess objective performance outcomes. Integrating performance indicators, sustainability audits, or verified reports could provide a more comprehensive assessment of the relationship between sustainability intentions and realized outcomes.

Collectively, these limitations delineate important directions for future research. Expanding sample representativeness, validating context-specific measurement tools, incorporating multiple data sources, and adopting mixed-method or longitudinal designs would enhance both the theoretical depth and empirical robustness of subsequent studies. Such advancements would contribute to a more comprehensive and contextually grounded understanding of how SMEs in emerging economies, such as Kosovo, integrate sustainability principles into their operational and strategic practices.

CHAPTER 5: NEW SCIENTIFIC RESULTS

Integrating Managerial and Employee Perspectives

This study adopts a dual-perspective approach by including both managers and employees from Kosovo's SMEs. Unlike previous research centred mainly on managers, it reveals how employees also perceive and influence sustainability. Integrating these viewpoints offers a more comprehensive understanding of how internal dynamics shape sustainable practices within SMEs.

The Knowledge-Implementation Gap in Kosovo SMEs

The study reveals a clear gap between sustainability awareness and implementation in Kosovo's SMEs. While managers and employees value sustainability, the shortfall lies not in awareness but in structural barriers—limited resources, weak institutional support, and short-term market pressures—that hinder the translation of intentions into concrete action.

Placing sustainability in Kosovo's real-world context:

By focusing on Kosovo, this study shows how limited funding, weak regulation, and evolving institutions shape SMEs' engagement with sustainability. It demonstrates how the realities of a transitional economy create distinct challenges and opportunities compared to developed contexts.

Understanding the Influence of Employee Values

The study reveals that employees in Kosovo's SMEs hold strong ethical and environmental values that often diverge from managerial priorities. This misalignment affects how sustainability is interpreted and practiced within firms. The finding highlights the decisive role of workplace culture and employee engagement in shaping the success or failure of sustainability initiatives in small enterprises.

A Practical Framework for Sustainable SME Development

Drawing on these insights, the study proposes a practical framework that connects global sustainability goals, such as the UN SDGs, with the specific realities of SMEs in Kosovo. This framework bridges theory and practice, offering actionable guidance for policymakers, business leaders, and support organizations seeking to strengthen sustainability in transitional economies.

CHAPTER 6: SUMMARY

This study examined how small and medium-sized enterprises (SMEs) in Kosovo engage with the principles of sustainability and the UN Sustainable Development Goals (SDGs). Although sustainability has emerged as a global priority, much of the existing literature has focused primarily on large corporations, leaving limited understanding of the perspectives and practices of SMEs, particularly in emerging economies. Considering that SMEs constitute the overwhelming majority of businesses in Kosovo and play a crucial role in job creation, regional development, and social well-being, understanding their approach to sustainability represents both a theoretical and practical necessity.

The central purpose of the study was to investigate the perceptions, attitudes, and motivations of SME owners and managers in relation to sustainability, while also incorporating the perspective of employees in order to provide a comprehensive understanding of how internal organizational dynamics shape sustainability outcomes. Four main questions guided the research: the extent of awareness and motivation toward sustainability among SME leaders, the barriers they face in implementation, the perceptions and engagement of employees, and the degree of alignment between managerial efforts and workforce expectations. From these questions, hypotheses were formulated concerning the relationship between awareness and commitment, the influence of barriers on sustainability practices, the role of employee engagement, and the potential gaps between management and staff in shaping the integration of sustainable development principles.

To address these objectives, a quantitative research design supported by triangulation was employed. The study combined an extensive review of relevant literature with two quantitative surveys targeting SME managers and employees. This design enabled the analysis of both supply-side dynamics (represented by owners and managers) and internal demand-side perspectives (represented by employees). Statistical analyses, including chi-square and ANOVA tests, were conducted to explore patterns and associations between awareness, attitudes, practices, and barriers to sustainability adoption. To enhance validity and reliability, the study applied data-source triangulation, integrating literature review, survey results, and comparative analysis between managerial and employee perspectives. The comparative examination of managers' and employees' views—an example of role-based triangulation—provided a nuanced understanding of alignment and divergence in sustainability engagement, allowing the research to move beyond anecdotal accounts and produce robust empirical evidence that informs both theory and practice.

The findings revealed that although awareness of sustainability and the SDGs among managers is steadily increasing, their depth of understanding and level of strategic integration remain limited. For many SMEs, sustainability is perceived more as a regulatory obligation or reputational factor than as a fundamental business strategy. Financial constraints, insufficient technical expertise, weak institutional support, and regulatory complexity emerged as significant barriers that prevent SMEs from adopting sustainability practices on a larger scale. Despite these challenges, managers expressed willingness to integrate sustainability when clearer incentives, support mechanisms, and training opportunities are available.

Employees, on the other hand, demonstrated lower levels of formal knowledge about sustainability but expressed generally positive attitudes toward its adoption. They showed a willingness to engage with sustainability initiatives, particularly when these initiatives were clearly communicated and connected to their working environment. Importantly, the research revealed a notable misalignment between managerial perspectives and employee expectations. Managers

often emphasized compliance, cost reduction, and external image, whereas employees placed stronger value on workplace conditions, fairness, participation, and the social benefits of sustainability. This mismatch highlights the need for stronger internal communication and more inclusive approaches that actively involve employees in shaping sustainability strategies. The study also found that companies with more transparent communication and stronger manager–employee relations exhibited greater success in integrating sustainability into their operations. In such cases, employees felt more motivated and connected to sustainability objectives, which reinforced organizational commitment and improved implementation. These findings underscore the role of employees not merely as passive recipients of managerial decisions but as active drivers of sustainability adoption.

The study makes several contributions to theory and practice. Theoretically, it extends the literature on corporate sustainability by situating SME engagement with the SDGs in the underexplored context of a transitional economy. The dual-lens approach—capturing both managerial and employee perspectives—enriches existing models of SME sustainability, which have typically privileged leadership viewpoints. This broader perspective demonstrates the significance of intra-organizational dynamics in shaping sustainability outcomes and contributes to the growing recognition that sustainability is not solely a strategic or structural question but also a cultural and participatory one. The study provides clear implications for policymakers, emphasizing the need for targeted support in the form of financial incentives, training, and simplified regulatory frameworks that reflect the capacities of SMEs. For business support organizations, the results underline the importance of awareness-raising and capacity-building initiatives that engage both managers and employees. For SMEs themselves, the findings highlight the necessity of building stronger internal alignment by improving communication, involving employees in decision-making, and aligning sustainability efforts with workforce values.

In conclusion, the research shows that while SMEs in Kosovo recognize the relevance of sustainability, significant challenges hinder the translation of awareness into practice. The barriers of limited resources, insufficient institutional support, and fragmented communication complicate strategic integration. At the same time, employees represent an underutilized yet highly important source of potential for advancing sustainability, as their attitudes and willingness to participate can strongly shape organizational outcomes. By addressing the gap between managerial efforts and employee expectations, SMEs can move toward more effective and inclusive integration of sustainable development principles.

This thesis ultimately demonstrates that advancing sustainability in SMEs requires a dual focus: overcoming structural constraints while also fostering a culture of engagement and participation within the organization. By capturing the perspectives of both managers and employees, the study provides a holistic understanding of SME sustainability in Kosovo and offers valuable insights for academia, policymakers, and practitioners. These insights can inform the design of strategies that not only strengthen sustainability adoption among SMEs but also contribute to the broader global agenda of achieving the Sustainable Development Goals by 2030.

7. LIST OF PUBLICATIONS

1. Tmava, Q., Spahiu, M., Durguti, E., & **Kuçi, A.** (2025). Institutional and economic drivers of GNI growth in the context of income inequality: Evidence from Southeast Europe. *Multidisciplinary Science Journal*, 7(8), 2025478. (**Scopus**)
2. **Kuci, Arta** and Fogarassy, Csaba (2021) *European Green Deal Policy for the Circular Economy Opportunities and Challenges*. HUNGARIAN AGRICULTURAL ENGINEERING (39). pp. 65-73. ISSN 0864-7410.
3. **Kuci, Arta.** , Daragmeh, Ahmad. , & Sági, Judit. (2024). The role and challenges of governments in promoting sustainable development. *Prosperitas*, 11(1), Article 4.
4. Judit Sági, Ahmad Daragmeh, **Arta Kuci**. A Study of Consumers' Purchase Intentions for Green Clothing in Kosovo. *J. East Eur. Manag. Stud.* **2025**, 30(1), 39412.

8. REFERENCE

1. BRYMAN, A. (2016): Social research methods. Oxford University Press, Oxford.
2. CARRIGAN, M., SZMIGIN, I. and WRIGHT, J. (2004): Shopping for a better world? An interpretive study of the potential for ethical consumption within the older market. In: *Journal of Consumer Marketing*, 21(6), pp. 401–417. doi:10.1108/07363760410558644.
3. CARMINES, E. G. and ZELLER, R. A. (1979): Reliability and validity assessment. Sage Publications, Beverly Hills.
4. DENZIN, N. K. and LINCOLN, Y. S. (2018): The SAGE handbook of qualitative research. Sage Publications, Thousand Oaks.
5. EBNER, D. and BAUMGARTNER, R. J. (2006): The relationship between sustainable development and corporate social responsibility. In: Proceedings of the Corporate Responsibility Research Conference, Dublin. Available at: (Accessed: 17 September 2007).
6. JENKINS, H. (2006): Small business champions for corporate social responsibility. In: *Journal of Business Ethics*, 67(3), pp.241–256. doi:10.1007/s10551-006-9182-6
7. JAMALI, D., ZANHOUR, M. and KESHISHIAN, T. (2009): Peculiar strengths and relational attributes of SMEs in the context of CSR. In: *Journal of Business Ethics*, 87, pp. 355–377. doi:10.1007/s10551-008-9925-7.
8. KRAUS, P., STOKES, P., COOPER, S.C., LIU, Y., MOORE, N., BRITZELMAIER, B. and TARBA, S. (2020): Cultural antecedents of sustainability and regional economic development—a study of SME “Mittelstand” firms in Baden-Württemberg (Germany). In: *Entrepreneurship and Regional Development*, 32, pp. 629–653. doi:10.1080/08985626.2019.1695284.
9. KLEWITZ, J. and HANSEN, E. G. (2014): Sustainability-oriented innovation in SMEs: A systematic review. In: *Journal of Cleaner Production*, 65, pp. 57–75. doi:10.1016/j.jclepro.2013.07.017.
10. KOTHARI, C. R. (2004): Research methodology: Methods and techniques. 2nd ed., New Age International Publishers, New Delhi.
11. KOIRALA, S. (2019): SMEs: key drivers of green and inclusive growth. *OECD Green Growth Papers*, No. 2019/03. Paris: OECD Publishing.
12. LEPOUTRE, J. and HEENE, A. (2006): Investigating the impact of firm size on small business social responsibility: A critical review. In: *Journal of Business Ethics*, 67(3), pp. 257–273. doi:10.1007/s10551-006-9183-5.
13. OECD (2016): Development CoOperation Report 2016: The Sustainable Development Goals as Business Opportunities. Paris: Organisation for Economic Cooperation and Development Publishing. doi:10.1787/dcr-2016-e
14. PEREGO, P. (2009): Causes and Consequences of Choosing Different Assurance Providers: An International Study of Sustainability Reporting. *International Journal of Management*, 26(3), 412–425.
15. PERRINI, F. (2006): SMEs and CSR theory: Evidence and implications from an Italian perspective. In: *Journal of Business Ethics*, 67(3), pp. 305–316. doi:10.1007/s10551-006-9186-2.
16. PREUSS, L. and PERSCHKE, J. (2010): Slipstreaming the larger boats: social responsibility in medium-sized businesses. In: *Journal of Business Ethics*, 92(3), pp. 531–551. doi:10.1007/s10551-009-0135-4.
17. STEGER, A., IONESCU, S. and SALZMANN, O. (2007): The Economic Foundations of Corporate Sustainability. *Corporate Governance: The International Journal of Business in Society*, 7(2), 162–177.
18. TEDDLIE, C. and TASHAKKORI, A. (Eds.) (2023): Foundations of mixed methods research: Integrating quantitative and qualitative approaches in the social and behavioral sciences. Sage Publications, Thousand Oaks
19. WILLIAMS, S. and SCHAEFER, A. (2013): Small and medium-sized enterprises and sustainability: Managers' values and engagement with environmental and climate change issues. In: *Business Strategy and the Environment*, 22(3), pp. 173–186. doi:10.1002/bse.1740.