



# Kolegji AAB

FACULTY OF ECONOMICS - MASTER STUDIES

DEPARTMENT: MANAGEMENT AND INFORMATICS

MASTER THESIS

## **BUSINESS ORGANIZATIONS IN KOSOVO - MANAGEMENT AND ORGANIZATIONAL AMENDMENTS**

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## **CHAPTER I**

### **Introduction to economics and aim of the paper**

#### **Introduction**

Business organizations are created to perform services from which good material is realized. In Kosovo, business organizations that are created as individual affinities, as opportunities for employment, motivated by different donors, are also topics of discussion: how they are created, how they serve, how they are financed, how they are managed, etc. The difficulties of creating businesses and their functioning have been and are challenged because of the processes that Kosovo is going through: supervised and administered by UNMIK, the new laws of the Government of the Republic of Kosovo issued on the basis of contemporary standards, a market still without tradition, etc. This reality in new social circumstances has been characterized by human resource training, practical with investments from various sources not known before.

Management is the most common topic that has been organized in these trainings, to create a new culture that is expressed in school language, we can say lifelong learning. So, management and self-management, family, business, and more is being learned and demonstrated. Business management is among the most important factors affecting business survival, to grow, or in the worst case from bad management, to get bankrupt. In this sense, still more important is the management of organizational changes.

In the free market economy that is becoming a reality in Kosovo, the reduction of business services and the growth of services, which are a business imperative, will only be successful by making good business management. While in business management, change management in business organizations is the straightforward segment that makes the business environment more sustainable in business competition as changes are necessary to the requirements imposed by the globalized market. Managing change is the priority of successful organizations since many change initiatives fail to reach the intended objectives. These situations then become the motives of knowing the factors that influence the successful implementation of business change initiatives.

## **CHAPTER VII**

### **Conclusions and recommendations**

#### **Conclusions**

Business organizations in Kosovo by the year when they were established directly contacted or acquainted through publications such as Ministry reports or studies from research institutions, show a creation of a reality for self-employment and jobs, which process started in 1999. Thus from 1999-2005 there are registered 290 business organizations, out of the 600 companies contacted or known through the publications. The establishment of SMEs has continued over the years to come in different intensity, so that the MTI can reach 8640 businesses within one year while the 3540 activity ceases. And since in 2011 there have been identified 96798 businesses out of which 15286 have been dismissed from their business activity.

SME management is largely from the owners of the business who have funded their savings or are creditors. In the research done by MTI in 600 SMEs in Kosovo it turns out that over 60% managers are the owners of the firm. There are times when the owner is coordinated with the manager and according to MTI's research it is a 33.7% growth rate. It is evident that SMEs where professional managers are furnishing, service and performing obligations have become popular addresses for consumers. This has resulted from the application of managerial initiatives especially in the field of training to learn new working methods regarding the reception, communication that needs to be done with the clients. Staff training is also important in the availability and increase of their responsibility by engaging in maintaining the workplace with services and pleasant behavior for clients.

SMEs in Kosovo also have a distinctive feature of their founders. Thus, in the survey of 600 business organizations by MTI as a founder of age are distinguished 36 and 45 years old people, since the other age group as founders are symbolic. Also, by the gender structure dominate men with a symbolic number of females.

SME success has been measured with the application of strategic planning by setting their objectives and goals that can be achieved for which time period with the number of staff, what tools used by IT to have information at any time for the continuance, market and competition in

the market. In this way, it is used with the constant continuation of the existing business, the change of business, the expansion of the business, the placing of products in the market or their export to the regional markets (especially in the Albanian market) or European markets, advertising services, etc.

The use of own funds or borrowed credits is used for the purchase of manufacturing technology, raw material, land, land concession or part of firms owned by the KPA, which in percentage appears to have been well exploited over 36% of the 600 surveyed SMEs have been stabilized with their services, are professionalized, recognized as successful businesses, have their clients and continue to work without taking credit.

SMEs that are still dependent to continue their services by credit prefer loans with bank interest rates of 5% or 4%. The percentage of SMEs that prefer this form of financial insurance is over 67%. In this category of businesses, using a loan is a number considered to be managed by family members with costly losses until bankruptcy. The financial means borrowed from the banks have made use of expensive cars for personal and family driving, high-end housing, and a standard with multiple costs to business risk.

Strategic planning in general and marketing in particular by professional managers has come up with significant inputs and has come to be a motive in many SMEs, especially in market research and supply, sales, services. With this marketing strategy some SMEs have managed to be invited and to be present at trade fairs at country, regional and international level. In addition to marketing, SMEs have also used advertising in print and electronic media, brochures, catalogs, web sites, etc. Internet access is a new action that is being successfully applied and the communications that have taken place with external partners and the collaborations that have been created from these contacts have been evaluated to the conclusion of agreements where they have been agreed upon for mutual interests.

Membership in various local, regional and international associations that present services to manufacturing, supply, and service companies is an action that many aspirants are aspiring to. In these Kosovar associations are already tangible results, such as the Kosovo Chamber of Commerce in which from 600 surveyed SMEs, 65.9% in the Kosovar Business Alliance, 17.2% members, Regional Business Agency with 4.4% of the members.

## **RECOMMENDATIONS**

SMEs, depending on the business service they are doing: producers, construction traders etc. need still to support macroeconomic policies in order to be professionalized for long-term market supply, fair competition in the free market to emerge in the foreign market and survive.

Management of the firm by the manager who is responsible for the organization's form and for the objectives on the basis of which you will know in a timely manner to identify the market requirements, the time of supply and the financial market. So, a new culture should be created for owners who are unqualified for management.

Employees in business organizations should be held accountable by implementing a selective income policy. This coincides with the rewards in the world economy, especially in the region of Southeast Europe and the Balkans, in particular that has had positive effects.

Employee trainings have shown significant impacts both in professionalism and in increasing accountability for more quality services by advancing work methods and business management in general.

Build state policies that hinder unfair competition in the general SME services by implementing stimulating monetary and financial policies that mitigate financial flows. In this sense, to conclude free trade agreements with the countries of the region and beyond.

Define standards that hinder unfair competition in general SME services by implementing stimulating monetary and financial policies that mitigate financial flows. In this sense, to conclude free trade agreements with the countries of the region and beyond.

Establish ISO standards for product quality and services so that managers and qualified personnel can be stimulated.