



# Kolegji AAB

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MASTER THESIS

THEME:

**MANAGEMENT CHARACTERISTICS OF SMEs in KOSOVO**

Mentor:

Prof. Asoc. Dr. Fetah Reçica

Candidate:

Albulena Latifi

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## **ABSTRACT**

Small and medium enterprises (SMEs) are described by characteristics that distinguish them from other businesses, so their management passes through several characteristics and certain specifics that distinguish them from others. SME characteristics are associated more with the sector in which they operate, individuality and aspirations of those who manage and those who work. Diversity by which SME consist, makes it very difficult to define it, and the definition provided according to the general rules.

Given the importance of small and medium enterprises in the economic development of every country, we tried through recognition of their management to better understand the phenomenon of "SME" and analyze the difficulties and problems faced by these businesses in our country. Through recognition and better analyzing of SME management characteristics and the problems created by it, we understand better the entrepreneurs and entrepreneurship, examine appropriately issues that accompany them, and of course, the way of achieving the establishment and development of a successful business. Chronology of SME development in Kosovo, the necessity of creating a legal and regulatory environment suitable for their development, make this paper creative and special.

Institutions of Republic of Kosovo during these years, especially after the country's independence, are trying to build a legal framework and an enabling environment for the development of SMEs, in order to move towards an open economy and competitive and innovative environment. Since Kosovo has the highest number of unemployed in the region, SMEs are seen as the main source and as an important sector for economic development. This theme makes you understand to know how to eliminate obstacles for private investment, how to create jobs, how is knowledge, courage acquired at all levels of their management and how can a good business idea or a successful business plan be realized in practice.

## CONCLUSION

A suitable environment for entrepreneurs and a powerful sector of SMEs is seen as a dynamic and flexibility part in the overall economy. The private sector of many economies in the world is dominated by small and medium firms, which provide the majority of employment in the entire private sector.

From all made the studies related to SMEs, they noted that their role in an economy is unquestionable. They are considered to be the backbone for the development of a country. But despite their importance and dynamism, SMEs face greater challenges in terms of their proper management for SME entrepreneurs often not familiar with the problems and issues that steer towards success. Also, the environment of doing business, is not conducive because there are still not favorable conditions for entrepreneurship, although we have institutional efforts in this direction, there are still things that remain to be done.

Kosovo's efforts for a free and integrative economy are closely linked to the development of small and medium business, because SMEs are considered as the main drivers of innovation and economic development.

Therefore, our research is focused on the SMEs characteristics, their management, and the importance of management in the development of Kosovo's economy and these businesses. This sector has helped and is contributing significantly to the economic development of our country, but the country's institutions should give more support to the leaders of these businesses, to be more flexible and capable in managing them.

Financial, economic and business environment need to know to successfully run their enterprises. Through the proper preparation of a business plan and the selection of adequate staff, profiled and professional, SME leaders will know how to face the challenges that confront them.

Therefore, institutional care and facilities created by the Government of Kosovo for these businesses should be directed to the focus and creation of a successful leadership, educated and skilled in leadership, leadership that follows the contemporary trends.