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# THE IMPACT OF HUMAN RESOURCES ON THE EXPORT PERFORMANCE OF KOSOVO SMEs

## ABSTRACT

This paper highlights the importance of human resources in the performance of Kosovo exporting SMEs. Due to its fragile past, Kosovo has suffered greatly from both economic and human resources underdevelopment. In the late 1990s, the European Union (EU) began to promote trade liberalization in order to bring about regional reconciliation in the Western Balkan region. SMEs in Kosovo need to develop their competitiveness in order to increase their exports. Therefore, the aim of this paper is to analyze the impact of human resource characteristics such as the number of employees, education level, and attendance of training related to exports on the level of exports of 100 Kosovo SMEs. The Probit model is used to derive statistical results. Statistical analysis is conducted based on descriptive statistics, Reliability Test - Cronbach's Alpha-, Pseudo R2, LR chi2, the Prob>chi2 and Wald test. It can be concluded that this research will be of interest for the field of Human Resources Management as well as the scientific community in developing countries such as Kosovo. The main conclusion of the paper is that human resources of Kosovo exporting SMEs do not have the necessary expertise and contemporary knowledge regarding international trade.

**Keywords:** Human resources, Kosovo, SMEs, export growth, Probit model

## 1. Introduction

SMEs play an important role in economies of every country in the world. According to Krasniqi (2007), the increased importance of SMEs in transition countries lies in their ability to solve some of the economic problems stemming from the process of transformation from a central planning to a market economy. In the market economy, the internationalization of SMEs is vital for development of international business and trade activities. Therefore, an international strategy of large, small, established and new enterprises is essential for an enterprise's survival and success (Sirmon et al., 2011; Harc, 2019). Human resources are the most important element in that strategy as they are key to the survival and success of any company.

Kosovo, similar to other Western Balkan countries, is still suffering the tragic consequences of past conflicts. Improving the business climate and a rapid development of exporting SMEs can create an atmosphere of peace and long-term reconciliation (Jusufi, Lubeniqi, 2019). Kosovo has signed several agreements related to trade liberalization. These agreements such as the Stabilisation and Association Agreement (SAA), CEFTA 2006, and bilateral free trade agreements have enabled trade without barriers (Jusufi, Bellaqa, 2019). However, it is not enough to remove barriers to free trade development if there is not enough supply from exporting SMEs.

Increased supply in manufacturing depends on the capacity, skills and capabilities of human resources. Due to the poor production base, export activities

of Kosovo SMEs are at a low level. To target EU and global market needs, the government should implement long-term policies, including technical and financial support, and provide valuable information about new industry trends, contemporary trainings in human resource capacity development, technologies, and market needs within the EU and other global markets (Qorraj, Jusufi, 2019; Buturac et al., 2019; Rustemi, 2011).

It should be noted that Kosovo faces significant problems in devising policies for improvement in the quality of work life. Especially the mismatching between the skills of the labor force and market needs poses a serious problem. Due to the political crisis in the former Yugoslavia, the early 1990s were marked by a significant drop in the workforce, re-

duced size of the active population, as well as a high level of unemployment. Employment reduction was primarily caused by drastic cuts in the state-owned or public sector entities.

All these developments have left serious consequences on the competencies, capabilities and skills of Kosovo human resources. Hence, Kosovo must develop adequate policies that will improve the education system. A modern education system would produce professional staff or human resources who would then contribute to the efficiency of exporting SMEs. This would increase international trade activities globally and regionally. The following table shows the share of exports statistics in percent of different types of enterprises in Kosovo and other countries in the Western Balkan region.

*Table 1 Share of exports in %*

Type of enterprises	Albania	Bosnia & Herzegovina	Kosovo	North Macedonia	Montenegro	Serbia
Micro	9.11%	11.03%	54.85%	7.43%	12.34%	7.95%
Small	17.50%	21.32%	33.55%	10.13%	37.02%	11.05%
Medium	34.58%	28.89%	8.93%	14.03%	25.97%	20.25%
Large	38.80%	38.76%	2.67%	68.43%	24.67%	60.75%
SMEs	61.19%	61.24%	97.33%	31.58%	75.33%	39.25%

Source: OECD et al. (2019)<sup>1</sup>

HR of exporting SMEs should develop innovative processes. New manufacturing methods, new ideas, new techniques and technologies increase the level of exports of such SMEs. Cojocaru (2017)<sup>2</sup> claims that SMEs in Western Balkans, including Kosovo, face greater hiring challenges if they are innovative. SMEs which invest more in R&D are foreign owned or have international business contacts; nonetheless, they too face hiring challenges. These types of SMEs require employees with special skills and abilities. Hence, skill forecasting and anticipation systems are needed to better inform professionals in career and education guidance services as well as school leavers and university graduates about job opportunities on the labor markets (Lame, Çela, 2004; Arandarenko, Bartlett, 2012). Such policies will enable the development of human capital, which will in turn improve the effectiveness of HR management in the SMEs.

The paper explores the impact of the number of employees, engagement of external experts in export-

ing SMEs, education level of employees, attending trainings related to export growth, and sources of recruitment on SMEs exports. The paper seeks to provide a better insight into the characteristics of human resources in Kosovo SMEs and gives recommendations on how to improve their quality.

## 2. Theoretical framework

The term resource includes tangible, intangible, and human resources. Tangible resources are various material and financial resources that an enterprise has. Intangible resources are invisible resources in the form of reputation of the organization, organizational culture and technological resources, such as trade secrets, patents, copyrights, and know-how. Human resources represent the knowledge and skills of enterprise employees (Delić, Smajlović, 2014). The successful organizations consider their workforce as the biggest source of sustainable competitive advantage. Human resources are inimitable, therefore, managing them effectively plays a fundamental role

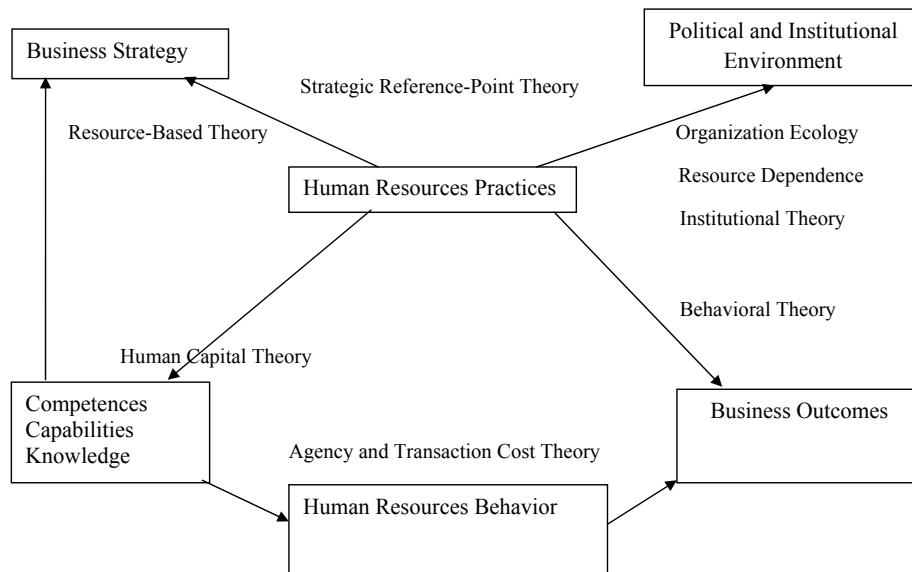
in the success and growth of the organizations, especially for manufacturing SMEs (Sohail-Rehan, Ul-Haq, 2018; Jashari, Kutllovic, 2020).

Human Resource Management (HRM) is the process of employing people, training and compensating them, designing policies relating to them, and developing strategies to retain them. Over the last twenty years, HRM has undergone many changes, giving it a very important role in today's enterprises. In the past, HRM meant processing payroll, sending birthday gifts to employees, arranging company outings, and making sure that forms are filled out correctly. HRM has had more of an administrative role than a strategic role essential for the success of the enterprises (Osmani, 2016). Therefore, human resource management has become key to the success and good performance of enterprises around the world.

There are elements or parameters that affect the effectiveness of this process. According to Vučur

et al. (2016), different groups of parameters influence the process of human resources management. The first set of parameters includes parameters that affect employee satisfaction, such as time spent within the enterprise, participation in decision-making, rewards, education and advancement. The second set of parameters includes parameters that refer to employee behavior, such as the number of complaints, absenteeism, and requests for redundancies and dismissals. The third set of parameters includes parameters related to their access to the required information or the employees' environment, support from the enterprise, encouraging employee creativity and innovation, stress at work, interpersonal relationships and the overall state of the enterprise. Several hypotheses and theories have been put forward to elaborate on the impact of these parameters on HR development. Theoretical approaches to human resource management are presented in the figure below.

**Figure 1 Theoretical approaches to Human Resource Management (HRM)**



Source: Pardo and Moreno (2009)

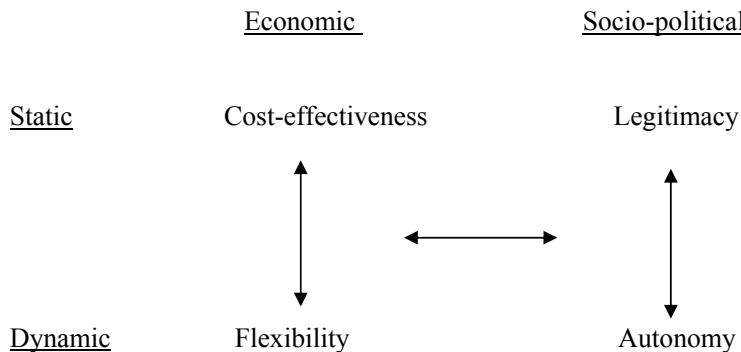
The development of management science has played an important role in facilitating the development of the concept of Human Resource Management. The new concept of Human Resource Management sees employees as the most important resource in the SME. It represents the human factor in the organization, i.e. combined intelligence, skills

and experiences that give the organization its distinctive character. Human capital resources include the training, experience, judgment, intelligence, relationships, and insight of individual managers and employees in organizations (Berisha-Qehaja, Kutllovic, 2015).

The new concept of Human Resource Management should be observed as a separate concept that considers employees as the most important resource of the business organization, on the basis of which it acquires a certain strategic and competitive advantage. Knowledge, skills, capabilities, personal characteristics and ambitions of employees become the

dominant factor of development of the business organization, and in this context, of its adaptability to the demands of the environment (Camilovic, 2009). The goals of human resource management can be categorized into two groups: economic goals and socio-political goals. The following figure presents these goals from a static and dynamic point of view.

**Figure 2 The goals of Human Resource Management (HRM)**



Source: Boxall (2007)

In the human resource literature there is some theoretical and empirical evidence regarding the impact of human resources on economic indicators. In regard to the contribution of human resources to economic growth and development on the macro level, it can be claimed that it has been measured by the influence of the population's education level on economic growth. This means that the subject of calculation is the correlation between the achieved

education level and the achieved GDP per capita (Karaman Aksentijević, Ježić, 2009). A robust HR system will be the most valuable asset of a twenty-first century institution and the productivity of an enterprise will be closely correlated with the employee-oriented managerial system. As can be seen from the table below, Human Resource Management activities contribute greatly as a determinant of SME growth.

**Table 2 Determinants of SME growth**

Owner-Manager	SME	Business Strategy
Education/training Gender Age Founder of business Career history Management Expertise/experience Other business interests Other business owners	Firm age Ownership Industrial sector Location Legal structure Size	State support External finance Product development Process development Marketing Management recruitment Planning Workforce/management training

Source: Bryan, 2006

As a result, HRM indeed plays an important role in achieving competitive advantage through people. It now has the opportunity to move out of the background into the mainstream of organizational strategy and management. As intellectual capital is the key competitive advantage in the knowledge economy, human management should naturally become an integral part of the corporate strategy and a key responsibility of all levels of management (Vokić, Vidović, 2007; Voca, Havolli, 2019). Ramirez et al. (1997) emphasize the importance of economic reforms, and assert that a focus must be placed on human resources development from the very beginning of any reform program. Economic growth itself will not be sustained unless preceded or accompanied by improvements in human resources.

For SMEs that operate through export activities in the foreign market, Kadochnikov and Fedyunina (2017) find strong empirical evidence that improvements in the availability of human resources for larger export flows with larger export values may have important economic policy implications both at national and regional levels. International trade activities are very important for economic development, especially in developing countries such as Western Balkan countries. Human capital is an important source of international competitiveness for SMEs in developing countries. However, only SMEs

with a larger share of well-educated workforce have higher export propensity and intensity (Gashi et al., 2013). The first hypothesis is formulated as follows:

*H<sub>1</sub>: The level of education increases the export capacities of SMEs.*

Through empirical findings, Siddique and Mahmood (2015) show that human capital is positively related with the export of goods and services in developing countries. As stock of human capital rises, it enhances the country's attractiveness, which in turn increases the exports of goods and services. Csugány (2018) highlights that the quality of education, trainings and the education attainment are equally important in human resource development. Not only the tertiary education plays important role in technological progress, but also the overall education system must operate well to achieve human resource development. In innovation-based economies, school life expectancy is higher as is the quality of human resources, as indicated by better average PISA results. Several indicators measure the level of development of human resources. Human Resources Development Index shows the level of development of human resources and capital for each country of the world. The following table presents the level of development of human resources in the Western Balkan region.

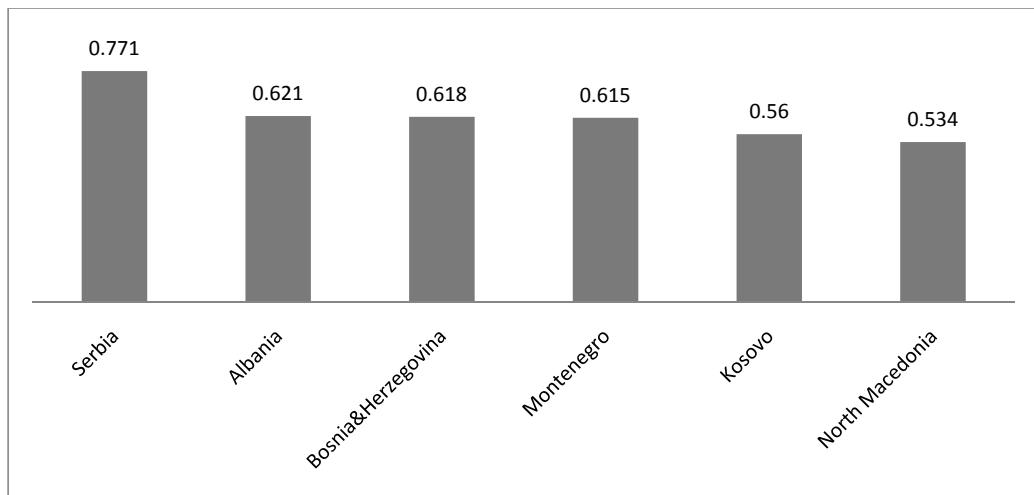
**Table 3 Human Resources Development Index, Research Capacity Index, Technology and Innovation Efficiency Index and the Ability to Absorb Knowledge and Technology Index for Western Balkan Countries**

Country	Human Resources Development Index	Research Capacity Index	Technology and Innovation Efficiency Index	Ability to Absorb Knowledge and Technology Index
Albania	0.8070	0.0000	0.0478	0.6184
Bosnia and Herzegovina	0.8020	0.0000	0.1621	0.6925
Montenegro	0.8220	0.0000	0.0000	0.3780
North Macedonia	0.8080	0.0216	0.2760	0.6444
Serbia	0.8210	0.2333	0.2456	0.6405
Kosovo	0.7130	n/a	n/a	n/a

Source: Karaman Aksentijević and Ježić (2009); UNDP (2012)<sup>3</sup>

The following figure shows the 2018 statistics of the Human Capital Index (HCI) for Western Balkan countries.

Figure 3 Human Capital Index (HCI) for Western Balkans in 2018



Source: Muja (2018)<sup>4</sup>

In their paper, Brush et al. (2002) conclude that human resources of exporting SMEs have advantages compared to non-exporting SMEs in these attributes: marketing expertise, international work experience and international education. In addition, the engagement of external or foreign experts is thought to have a significant impact on exporting SMEs. The next hypothesis is formulated as follows:

*H<sub>2</sub>: The engagement of external (foreign) experts increases the level of exports.*

Marimuthu et al. (2009) emphasize that SME performance in relation to human capital should not be understood as a phenomenon that only adds more zeros to an SMEs profits, but rather as the most 'valuable assets' in the organization. Human capital enhances the capacity of SMEs for achieving better results through innovation and creativity. Hence, SMEs should come up with effective plans, especially for investing in the various aspects of human resources. It enables SMEs to enhance their performance and ensures SMEs' competitiveness needed for their long-term survival.

According to Fafchamps (2009), human capital may not be necessary to start exporting products, but it may be essential to remain competitive and increase quality levels when the advantage of cheap

labor starts losing its importance. Human resource skills increase competition and give a positive direction to international business flows. Qorraj and Jusufi (2018) analyzed the main factors that exporting SMEs should improve in the future in order to optimally use the EU market. Around 20% of SMEs declared that human resources are among the main factors of company success, while 24% believe it is government policies. Only 15% rely on production capabilities, and most of them, around 39%, chose EU financial support for their SMEs. Hence, these are the main factors that need to be improved in order for SMEs to increase their performance in international trade. Successful promotion of trade, specifically trade liberalization through free trade agreements will be achieved in Kosovo only through the improvement of economic and human indicators. Improving human indicators is achieved through various trainings. The third hypothesis is formulated as follows:

*H<sub>3</sub>: Participation in trainings increases the level of exports.*

The impact of training participation on export growth has been scarcely investigated and very few publications can be found in the human resources literature that discuss this issue. Therefore, this pa-

per will be among the few that address the impact of training on increasing the exports of manufacturing SMEs.

### 3. Research methodology

Empirical research has involved the collection of data using a survey. The process of data collection took place between September 2019 and March 2020. We surveyed 100 Kosovo exporting SMEs that currently operate in the EU market. Kosovo has a limited number of SMEs that operate in international markets; therefore, the sample of exporting SMEs is limited. The target audience were CEOs and human resource managers of manufac-

turing SMEs in all regions of Kosovo. The duration of the interviews ranged from 50 to 60 minutes. Due to the nature of the empirical problem, face-to-face interviews were conducted. We obtained the data on the exporting SMEs from the National Customs Agency of Kosovo.

The probit regression equation is as follows:

$$P(Y_i = 1) = \Phi(\beta_0 + \beta_1 \text{Number of employees} + \beta_2 \text{Engagement of external experts in SME} + \beta_3 \text{Education level of employees} + \beta_4 \text{Attending export trainings} + \beta_5 \text{Sources of recruitment} + \varepsilon_i)$$

**Table 4 Variables description**

Dependent variable	Variables descriptions and measurement
Export growth	1- if the export increased, 0- otherwise
Independent variables	Variables descriptions and measurement
Number of employees	1-9 employees (reference category), 1. 10-49 employees, 2. 50-250 employees
Engagement of external experts in SME	1. Yes, 2. No
Education level of employees	Primary education (reference category), 1. Secondary education, 2. Tertiary education, 3. M.Sc., 4. Ph.D.
Attending trainings geared towards raising the level of exports	1. Yes, 2. No
Sources of recruitment	Internal advertisement (reference category), 1-Press advertisement, 2-Former employees, 3-Promotions

Source: Own study

The dependent variable is capturing the period 2016–2019. The dependent variable is export growth if SMEs. In the questionnaire, respondents were asked whether the export of their SMEs has increased in the mentioned period.

### 4. Research results and analysis

The following table presents the descriptive statistics for each variable and its constituent categories. Descriptive statistics help to understand the features of a specific data set by giving frequencies and percentages for the sample of the data.

**Table 5 Descriptive statistics**

<b>Variables</b>	<b>Frequency</b>	<b>Percent</b>
<i>Number of employees:</i>		
1-9 employees	13	12.9
10-49 employees	54	53.5
50-250 employees	33	32.7
<i>Engagement of external experts in SME:</i>		
Yes	16	15.8
No	84	83.2
<i>Education level of employees:</i>		
Low	6	5.9
Secondary	39	38.6
High	45	44.6
Master of science level	8	7.9
PhD level	2	2.0
<i>Attending trainings geared towards raising the level of exports:</i>		
Yes	68	67.3
No	32	31.7
<i>Sources of recruitment:</i>		
Internal advertisement	28	27.7
Press advertisement	65	64.4
Former employees	5	5.0
Promotions	2	2.0

Source: Own calculations

Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. The reliability of any given measurement

refers to the extent to which it is a consistent measure of a concept. Cronbach's alpha is one way of measuring the strength of that consistency.

**Table 6 Reliability test: Cronbach's Alpha**

Cronbach's Alpha	Cronbach's Alpha based on standardized items	Number of items
0.613	0.614	6

Source: Own calculations

The alpha coefficient for the six items is 0.613 suggesting that the items have relatively high internal consistency. The pseudo R<sup>2</sup> is 0.33. LR chi<sup>2</sup> is the likelihood ratio chi-square test. The value of this test is 30.09. The Prob>chi<sup>2</sup> shows that jointly the coefficients are highly significant because the value

of this test is 0.04. The Wald test, which is a test for exclusion restrictions, is 29.08. All of these tests show that our model is statistically significant.

It is known that Human Resource Management has a positive influence on employee wellbeing, productivity, and organizational climate. However, there is

a possibility that good Human Resource Management practices are not the cause of good business performance, but vice-versa (Bakator et al., 2019). In her empirical research, Klepić (2019) concludes that due to their size (small number of employees), SMEs draw support for competitive struggle on a globalised market mainly from the uniqueness of their human resources, their motivation and capabilities. Thus, for this type of enterprise, the quality of human resources plays an important role in gaining competitive advantage.

However, according to Stanescu et al. (2018), there is no direct link between the number of employees and profit of the SMEs. In this research, *the number of employees* variable confirms the positive correlation between the reference category and the other two categories. Especially, the 10-49 employees category shows high value (3.183), and is significantly correlated with the category 50-250 employees. This suggests that the larger the number of employees, the greater the likelihood of increased exports.

**Table 7 Probit Model Estimation Results**

Variables	B	Std. Error	Wald	df	Sig.	Exp (B)
<i>Number of employees:</i>						
1-9 employees (Reference category)						
10-49 employees	1.168	1.046	1.222	1	0.026**	3.153
50-250 employees	0.590	0.518	1.296	1	0.045**	1.804
<i>Engagement of external experts in SME</i>	0.983	0.627	1.186	1	0.276	1.505
<i>Education level of employees:</i>						
Primary education (Reference category)						
Secondary education	0.482	1.300	0.137	1	0.711	1.619
Tertiary education	0.619	1.003	0.381	1	0.537	1.857
M.Sc.	0.561	1.005	0.312	1	0.577	0.753
Ph.D.	0.225	1.854	0.015	1	0.903	0.853
<i>Attending trainings geared towards raising the level of exports</i>	2.467	0.771	10.226	1	0.001**	8.782
<i>Sources of recruitment:</i>						
Internal advertisement (reference category)						
Press advertisement	-0.395	0.578	0.466	1	0.495	0.674
Former employees	-0.213	0.034	0.034	1	0.853	0.808
Promotions	-0.471	0.092	0.092	1	0.792	0.624
Constant	-2.074	1.876	1.223	1	0.269	0.126

Notes: \*\*significant at 5%.

Source: Own calculations

*Engagement of external (foreign) experts* in exporting SMEs is vital for the development of their activities. SMEs must build an effective international network of potential customers, partners, experts and suppliers<sup>5</sup>. However, very few export SMEs in Kosovo have engaged external (foreign) experts in their manufacturing activities. The odds ratio of this variable shows the value of 1.505, which

confirms a positive relationship with the dependent variable ‘export growth’. The engagement of external (foreign) experts increases the level of exports of SMEs.

In terms of the *education level of employees*, the first reference category is the level of primary education. As visible from the figures for the other four categories, only the SMEs that are in the category of

employees with a M.Sc. (0.753) and a Ph.D. (0.853) do not have a positive relationship with the reference category. Kotorri and Krasniqi (2018) found important empirical evidence regarding education of managers or employees in exporting firms. According to them, managerial characteristics, rather than firm or environmental characteristics, determine the export performance of Kosovan firms. Hiring managers with higher education and international experience improves export performance as they have better strategic decision-making skills and capabilities, a deeper understanding of foreign markets, and established social and professional networks.

Havolli (2013) suggests that the role of education in promoting economic well-being should be initiated by the improvement of the educational quality. Ajdarpašić and Qorraj (2019) claim that the governments in the Western Balkans should increase their financial support for education and should participate actively in enhancing education, research, and innovation. According to them, institutions in these countries need to develop relevant programs based on labor needs, thereby improving the quality of human capital through training schemes. There should be a combination of teaching and research activities at universities in Kosovo.

The results confirm that *attending trainings geared towards raising the level of exports*, greatly affects the growth of exports of SMEs. The odds ratio of this variable (8.782) shows a high and very important value, which should be taken into account by the senior management of the SMEs. Moreover, this variable is significant. The more employees and management staff participate in the trainings, the higher will be the level of exports of the SMEs. The abilities and skills of young workers who arrive in the market in general are unknown (Acemoglu, Pischke, 1998). Therefore, training is necessary in all SMEs, whether exporting or non-exporting.

Assessment of training needs depends on institutions involved and level of management<sup>6</sup>. All levels of management in exporting SMEs need training to improve the level of their exports and increase their knowledge of the international market. Konings and Vanormelingen (2010) found that training boosts marginal productivity of an employee more than it increases his/her wage. Attending training geared towards raising the level of exports is a sig-

nificant variable in this equation. Without adequate training, the level of exports cannot increase.

In his research, Gashi (2014) shows that investment in training has a consistent positive and statistically significant relationship with the export propensity and longevity of serving export markets. The results of his survey of 500 Kosovar SMEs indicate that the education system in Kosovo does not necessarily provide the right level and mix of skills required by the private sector, which in turn forces managers of SMEs to invest a significant proportion of their limited resources in training to increase the knowledge and skills of their employees.

Saleem and Khurshid (2014) found that the recruitment process plays a significant role in hiring competent employees and ensuring good job performance. This paper seeks to investigate the impact of *recruitment practices* on increasing exports of the SMEs. According to our empirical results, none of the categories has a positive relationship with the reference category. Therefore, we can conclude that the sources of recruitment do not have an impact on increasing the exports of the analyzed SMEs.

## 5. Discussion and conclusion

The significance of the study lies in the elaboration of a topic that has so far been underresearched. There is little literature on the characteristics, potentials, level of education and skills of human resources in Kosovo SMEs. In particular, there is very little evidence regarding the human resources in Kosovo exporting SMEs. The EU has liberalized its market through *free trade agreements* for all Western Balkan countries. Most exporting SMEs from Kosovo have access to the EU market. In order to take advantage of the benefits provided by the EU, the SMEs must have the competitive ability to operate successfully in the EU market.

The theoretical and empirical evidence provided in this paper suggests that the production of new and quality products, the increase in production capacities and the increase in the level of sales and exports are highly dependent on human resources management. Human resource management activities should increase the efficiency of employees and improve their skills and abilities in order to increase SME performance. Furthermore, employee education, their technical and interpersonal skills, recruitment practices, engagement of competent ex-

perts to perform specific tasks, and training of staff at all levels were found to be the most important elements or variables that affect the performance of Kosovo exporting SMEs.

The first hypothesis is as follows: "*The level of education increases the export capacities of SMEs*". According to our results, the level of education of SME employees has a positive relationship with the growth of exports. The education system in Kosovo is not responsive to the needs of the labor market and enterprises. A large number of employees have postsecondary education, while very few hold a M.Sc. or a Ph.D. degree. This is a major disadvantage for the SMEs in Kosovo because such employees have greater innovation skills, i.e. the ability to develop innovative processes in the enterprise. While in EU enterprises, there are many highly educated employees, in Kosovo and other Western Balkan enterprises, there are very few.

The second hypothesis: "*The engagement of external (foreign) experts increases the level of exports*" is accepted. The engagement of external (foreign) experts in Kosovo SMEs leads to an increase in the level of exports because there is a positive relationship between this variable and the dependent variable 'export growth'. From the descriptive statistics it can be concluded that a small number of exporting SMEs have engaged external (foreign) experts in their business activities. Therefore, exporting SMEs should employ and engage as many external experts as possible. Their expertise will help increase the level of knowledge and skills among employees as well as the SME export capacity.

The third hypothesis of this research: "*Participation in trainings increases the level of exports*" is

also accepted. The results of this paper show that provision of various trainings related to export techniques, methods, processes and strategies has a highly positive impact on export activities of the analyzed SMEs. Moreover, this variable is significant. The trainings provide the expertise that managers and employees need in order to gain a competitive advantage in the challenging and complex world of export and international trade. Governments in these countries need to grant subsidies to exporting SMEs in order to increase the level of exports to the EU and other parts of the world. Therefore, there should be greater support from governments in order to increase the level of exports in these countries.

The results of this research indicate that in addition to limitations in production capacity, exporting SMEs in Kosovo lack the necessary expertise and contemporary knowledge of trends in international trade. Therefore, it can be concluded that the government of Kosovo should provide greater support to exporting SMEs. Moreover, exporting SMEs should invest more in human resources, in particular in raising their knowledge and skills regarding exporting activities through modern methods of training, counseling, seminars, workshops, etc. The limitations of this study lie in the number of analyzed SMEs. Kosovo does not have a large number of exporting SMEs. Therefore, the findings of this study cannot be applied to other countries. Further research is necessary to extend our knowledge of the psychological characteristics, intercultural competence and foreign language skills of human resources in exporting SMEs, as well as the impact of these characteristics on international business flows and activities.

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# UTJECAJ LJUDSKIH RESURSA NA IZVOZNE REZULTATE MALIH I SREDNJIH PODUZEĆA NA KOSOVU

## SAŽETAK

U radu se naglašava važnost ljudskih resursa u rezultatima kosovskih malih i srednjih poduzeća koja su izvoznici. S obzirom na problematičnu prošlost, Kosovo trpi znatne posljedice ekonomske nerazvijenosti, ali i nedovoljnog razvoja ljudskih resursa. Krajem 90-tih Evropska unija počela je poticati liberalizaciju trgovine kako bi doprinijela regionalnom pomirenju na području zapadnog Balkana. Ako žele povećati izvoz, MSP-ovi na Kosovu trebaju razvijati svoju konkurentnost. Cilj je ovog rada analizirati kakav utjecaj na izvoz 100 kosovskih MSP-ova imaju čimbenici povezani s ljudskim resursima, kao što su broj zaposlenika, razina obrazovanja i sposobljavanje za izvozne poslove. Za izvođenje statističkih rezultata korišten je probit model. Statistička analiza provedena je na temelju deskriptivne statistike, a za određivanje pouzdanosti korišteni su Cronbach Alpha, Pseudo R<sup>2</sup>, LR chi<sup>2</sup>, Prob>chi<sup>2</sup> i Waldov test. Može se zaključiti da će istraživanje biti zanimljivo stručnjacima koji se bave ljudskim resursima te znanstvenoj zajednici u zemljama u razvoju poput Kosova. Glavni je zaključak istraživanja da ljudski resursi u kosovskim MSP-ovima koji su aktivni u izvozu nemaju suvremena stručna znanja koja su potrebna za uspješno sudjelovanje u međunarodnoj trgovini.

**Ključne riječi:** ljudski resursi, Kosovo, mala i srednja poduzeća (MSP), rast izvoza, probit model