Zef Dedaj, PhD
General Director
Kosovo Investment and Enterprise Support Agency (KIESA)
Ministry of Industry, Entrepreneurship and Trade, Kosovo
E-mail: dedajz@gmail.com
Orcid: https://orcid.org/0000-0002-8421-4414

Besnik A. Krasniqi, PhD
Full Professor
University of Prishtina
Kosovo Academy of Sciences and Arts
E-mail: besnik.krasniqi@uni-pr.edu
Orcid: https://orcid.org/0000-0003-2440-3974

MANAGERIAL PERCEPTIONS OF EXPORT BARRIERS: INSIGHTS FROM THE SURVEY WITH ICT COMPANIES IN KOSOVO

UDC / UDK: 004:339.564](497.115)
JEL classification / JEL klasifikacija: F14, F23, M16, O15
DOI: 10.17818/EMIP/2023/1.5
Preliminary communication / Prethodno priopćenje
Received / Primljeno: August 2, 2022 / 2. kolovoza 2022.
Accepted / Prihvaćeno: January 10, 2023 / 10. siječnja 2023.

Abstract

This study investigates the managerial perceptions of export barriers of Kosovo ICT companies and provides some policy proposals. For this purpose, the study uses a survey of owners or managers of the ICT companies in Kosovo. The data collected through an online questionnaire survey using a Qualtrics platform were analysed. The survey results reveal four significant export barriers: external institutional barriers, such as visa requirement for Kosovo to visit companies in EU and access to international markets, financing issues for scaling up and growth and human resources barriers, and difficulties in having comprehensive information about the target markets and finding the right partner. Findings from the factor analysis clustered barriers to export into four groups: (1) formal and informal institutions; (2) market information and networking; (3) skills, technical capacities, and quality standards; and (4) International branding, visa requirement and lack of government support. The findings will help boost the growth potential ICT sector, address their needs, and raise policy awareness of the importance of the ICT sector for generating employment and economic growth. The study provides critical practical implications and policy recommendations for government, business associations and ICT companies.

Keywords: Managerial perceptions, export barriers, institutional barriers, ICT, Kosovo, Principal factor analysis.

1. INTRODUCTION

In recent years, the ICT sector has proliferated, playing a pivotal role in the economic development of any country worldwide. The ICT sector ranks as one of the world's largest industries, and the ICT market is forecasted to reach a size of 5.5 trillion dollars in 2022 and almost six trillion by 2023. The digital economy plays a pivotal role in any country's economic development; in this context, Kosovo is no exception. Despite being relatively new, it has rapidly developed and is among the top priority sectors contributing to the country's economic development.

The ICT sector in Kosovo experienced high growth in recent years, contributing to job creation and economic growth. According to the Kosovo Agency of Statistics, there are more than 1.200 companies and 11.500 jobs . Based on the survey of more than 70 companies, more than 81% are engaged in export activities. National and international customers acknowledge ICT services and products for good quality, price, delivery time, punctuality, and technical know-how (Krasniqi and Zu Koker, 2022). Despite being a relatively new sector, ICT has rapidly developed, and currently, it is among the top priority sectors contributing to the country's economic development. Among others, ICT is considered an attractive sector for promoting export, creating jobs for the youth, returning the youth from the diaspora and, most importantly, keeping young talents in Kosovo.

From the export perspective, the context of home country institutions and the targeted country plays an essential role for SMEs to achieve their full export potential, translated into the generation of employment and income. In this regard, SME internationalisation literature calls for more studies focused on the importance of context and situations in forming managerial perceptions and hence the decision to export and export performance. Some authors call for greater context sensitivity, calling for more studies investigating the export barriers perceptions in different institutional settings (e.g., Meyer, 2014; Teagarden, Von Glinow & Mellahi, 2018; Krasnqi & Desai, 2016, 2017; Baker & Welter, 2020).

Following this line of literature, this study aims to analyse the managerial perceptions of the export barriers in the ICT sector by identifying the main barriers to exporting ICT services and products and the underlying factors that might assist in explaining trade performance. From the policy angle, this study will help design policy measures to support companies in achieving their potential by addressing their needs and raising awareness of the importance of the ICT sector in the country's economic development.

Drawing on the quantitative method, the analysis in this study is based on a survey of 71 companies. The study uses statistical analysis and Principal component Data reduction techniques to explore the key barriers to export. The study provides critical practical implications and policy recommendations for government, business associations and ICT companies. The paper benefited from the support within the framework of the efforts of the Ministry of Industry, Entrepreneurship and Trade (MIET), and it is part of the Human Capacity Development Facility (HCDF). This paper is organised as follows. The next section discusses the literature review on the barriers to the export of services. Then it discusses the methodology and survey data analysis. Finally, the study presents the results and concludes.

2. LITERATURE REVIEW

2.1. Export barriers

The interest in managers' perceptions of export barriers dates back to the beginning of the 60s (Bilkey (1978). Rabino (1980) examined the perception of export barriers by small high-technology firms in the US, revealing the importance of five major factors: paperwork, finding a distributor, non-tariff barriers, honouring letters of credit, and communication with customers in the foreign markets. Since then, there has been an increased interest in studying the perception of export barriers. The burgeoning literature on perceptions of export barriers was mainly because the perceptions had a significant role in export performance (Aaby and Slater, 1989; Zou and Stan, 1998). Managerial perceptions of the export problems reflect the managerial attitudes towards exporting (Shoham and Albaum, 1995) and, as such, perceptions are essential because perceptions determine a firm's behaviour in the internationalisation process and exporting (Katsikeas et al., 1996). Another study on Latin America found that the perceptions of export barriers are directly linked with the continuity of exporting. (Da Silva & da Rocha, 2001). More recently, Richardson (2011) investigated the perception of export barriers in a high-tech sector in the case of ICT SMEs in Malaysia and found that export problems consist of all factors that can negatively affect the internationalisation of a firm.

Whether the factors are 'real' or 'perceived' can be determined empirically, and evidence suggests that perceptions impact managers' decisions to enter export markets (Albaum et al., 2002). According to them, when this decision is made based on the perceived situation managers face, it does not make a difference whether the export problems are real or imagined because managers will act based on the perceptions (Albaum et al., 2002). In this context, the country of the export decision appears very important for decision-making to enter those markets, raising the importance of institutional lenses to investigate the export barriers perceptions.

2.2. Institutional barriers and 'institutional escapism.'

Institutional theory literature posits that institutions are essential in explaining individual behaviour because they form the formal and informal norms framing the behaviour of firms (e.g. North, 1990). The institutions are also critical in explaining exports because the managers' perceptions of export problems are influenced by contextual and institutional factors (Samiee and Walters, 1990; Karelakis et al., 2008). Recently, a line of literature dealing with the export introduced the notion of "institutional escapism". According to Yamakawa, Peng, & Deeds (2008), SMEs in emerging markets associated with weak institutions may be forced or pushed out by their institutional barriers in the domestic business environment. Therefore, firms from emerging markets use escape response to domestic institutional constraints in search of better institutions that can serve their business needs (Boisot & Meyer, 2008; Deng & Zhang, 2018). The evidence from the transition economies context shows that domestic institutional quality plays a critical role in export performance (Kransiqi and Desai, 2016). Their context influences the internationalisation of SMEs – targeted foreign countries and their home economy – and the firm's characteristics (Child et al., 2022, p.1.). Formal and informal institutions are considered in this study because both can reflect the extent to which a firm can rely on an environment of stability, consistency, and predictability (see LiPuma et al., 2013). They can affect exporting through different channels by raising or lowering perceived export-related costs in a firm. Following the institutional theory, Kransiqi and Desai (2016, 2017) argue that the perception of owners/managers about institutional quality, fairness, and the rule of law can significantly impact export decisions; therefore, the perception of the export barriers is vital to explain export performance. For example, registration. Licencing and permitting regulations are essential for exporting firms; thus, the formal institutions affect all firms and the additional set of formal institutions specific to export activity (Krasniqi and Desai, 2016). The following section discusses the context of ICT and export potential in Kosovo.

3. CONTEXT OF KOSOVO

Kosovo's economy grew consistently above the Western Balkans average in the post-global financial crisis period, albeit from a low base (CIVITTA International, 2021). The private sector and digital economy play a vital role in the economic development of any country, and this holds for Kosovo as well (European Commission, 2019b). In this context, the ICT sector is relatively new; however, it has rapidly developed in the last decade (STIKK, 2021). Given its potential, the Government of Kosovo has recognised and listed the ICT sector among the six top priority sectors contributing to economic development (ECIKS, 2020). ICT is seen as an attractive sector for economic growth, promoting export, a critical sector for creating jobs for the youth, returning youth from the diaspora and keeping young talents in Kosovo (Aliu & Halili, 2013; IFME, 2020). An additional feature of ICT is that it represents an important indicator of innovation and knowledge-based activities, which affect economic growth (Simnica & Jashari, 2017).

According to the time series data of the Central Bank of Kosovo, the export of ICT products/services in 2021 in Kosovo reached a record of €98.8 million, while the import of ICT products/services in 2021 was €48.0 million. This trade yields a €50.8 million positive trade balance for ICT services. The results come from the Balance of Payment (BoP) transactions, including the export and import of telecommunications, computers, and information services. Between 2007 and 2020, the share of ICT service export to total service export (BoP) in Kosovo ranged between 3.4% and 16.4% - the average percentage during this period was

7.2% (World Bank 2022)[1]. Kosovo needs to design and implement policies to promote the ICT sector to utilise the potential for export growth.

The ICT sector in Kosovo is characterised by many small and medium-sized companies with limited capacities for large-scale projects and endeavours. The small size of the domestic market, low labour costs, and relatively skilled labour in some sub-segments have been the effective drivers of continuous growth of export of services among the ICT companies in Kosovo (STIKK, 2014). This has conditioned business process outsourcing (BPO) to be the best model for exporting software development services, telemarketing, mobile application development, and multimedia production.

4. METHODOLOGY

To investigate the entrepreneurs' perception of the export barriers, the data reported in this study is from a Kosovo survey conducted by authors in February-March 2022. The respondents were the owners of the enterprises or key decision-makers in companies. The sample of 100 firms in the ICT sector was selected randomly from the business register at the Kosovo Business Registration Agency (KBRA). The response rate of 71% is very high for this type of study. For survey design and field data collection, the authors used Qualtrics online platform. Pen and paper were used only occasionally. After completing the survey in the field, the data was exported to SPSS for quantitative analysis.

The study uses two main analysis techniques. First, the statistical analysis using cross-tabulations to produce descriptive statistics on key variables about the state of the ICT sector in Kosovo; second, factor analysis using the Principal OCmpenent data reduction technique is used to explore the managerial perception of export barriers and cluster the variables into main groups of factors influencing export. The export barriers can be highly correlated, so the assumption of the linear independence of single institutional variables does not hold. Thus, PCA enables the identification of factors comprising single variables that cluster together (see Aidis et al., 2012; Krasniqi & Tullumi, 2013; Kryeziu et al., 2022). We conduct exploratory factor analysis using Varimax rotation with Kaiser normalisation.

5. FINDINGS

Table 1 reports descriptive statistics of the sample of all variables of interest. The majority of the respondents are male (81.7%), 25-34 years old (50.7%), and in possession of a university degree (66.2%). Most respondents are owners of companies or general managers (more than 80%), suggesting the high reliability of data, as these two categories are better informed about companies.

[1] Key Reforms Can Boost Kosovo's Growth and Raise Living Standards, 2022, The World Bank

Table 1

Descriptive statistics of the sample (N=71)

	Frequency	Percentage
Gender		
Female	13	18.3
Male	58	81.7
Age		
18-24 years old	4	5.6
25-34 years old	36	50.7
35-44 years old	25	35.2
45-54 years old	6	8.5
Education		
Primary school	1	1.4
Secondary school general	2	2.8
Secondary vocational (VET)	5	7.0
University	47	66.2
PhD / post-graduate	16	22.5
Position in the organisation		
Entrepreneur/owner	31	43.7
Manager (CEO)	32	45.1
Human resource manager	4	5.6
Other	4	5.6
Age of firm		
Less than 5 years	24	33.8
5-9 years	24	33.8
10+ years	23	32.4
Size (number of employees)		
Micro enterprise	34	47.9
Small enterprise	32	45.1
Medium enterprise	5	7.0
Region		
Prishtina	59	83.1
Mitrovica	4	5.6
Peja	4	5.6
Ferizaj	2	2.8
Gjilan	1	1.4
Gjakova	1	1.4

Most of the companies are micro and small-sized enterprises (93.0%) from the region of Prishtina (83.1%), which have been operating for between 1 and 9 years (67.6%). In order to have an overview of the companies' offerings, we asked the respondents about the products/services they provide. Software/IT services are the most common activity provided by 35% of the IT companies, followed by software products (22%), other (12%), hardware products (11%), services for hardware products (10%), and digital marketing services (10%) (Figure 1).

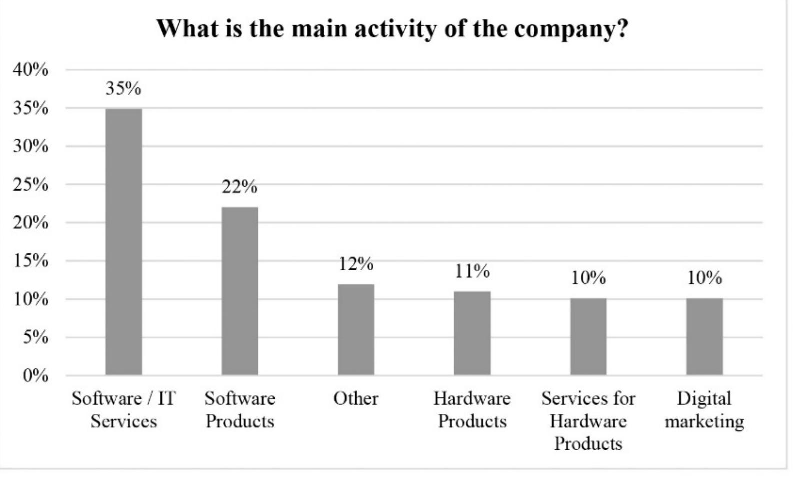

Figure 1 The main activity of the companies

5.1. Performance of ICT companies

The results indicate that the total number of employees in 2019 was 767, and there was a substantial annual growth rate in 2022, by 90% or 1,457 employees. The number of employees in five years is expected to grow by approximately 167% or 3,888 workers employed in the ICT sector. These data indicate the sector's potential to grow over the years and suggest future employment growth and export opportunities. Table 2 provides the full details.

Table 2

Total number of employees in the sample across years

	2019	2022	Expected number of employees in 5 years from now	Growth in employment 2019-2022 (in %)	Expected growth in employment; 3 years from now (in %)
Total number of employees	767	1,457	3,888	90%	167%

Additionally, the vast majority of the companies (85%), are optimistic about the future. They expect that five years from now, their company sales will increase. The positive expectation about the future is inherently based on the continuous increase in sales in recent years, and the increasing number of employees.

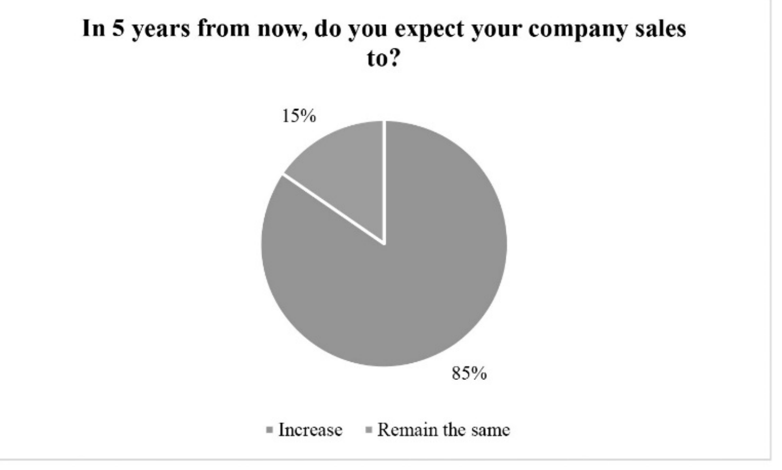

Figure 2 Expectations concerning the sales in the future

5.2. Export potential

The survey results indicate that a large portion of ICT companies in Kosovo, namely 81%, export services/products. The findings indicate that surveyed companies generate 60% of export sales. To evaluate the current export market and the export potential for different countries, we asked the respondents to indicate the current export market versus the potential of the same markets for export. The countries where Kosovan ICT firms export the most are Germany, Austria and Switzerland (DACH countries; 26%), followed by the USA and Canada (17%), regional countries of Albania, North Macedonia, BiH, Montenegro and Serbia (14%), UK (11%), and Belgium, The Netherlands, Luxembourg (BeNeLux countries; 10%). Whereas, concerning the market potential, companies rated that the countries with the highest export potential are the UK (11%), Middle East and Africa (11%), DACH (10%), USA and Canada (10%), France (10%), Asia (10%), Benelux (9%), Southern Europe or Italy, Spain, Portugal (9%), and Scandinavian countries (9%) (Figure 3).

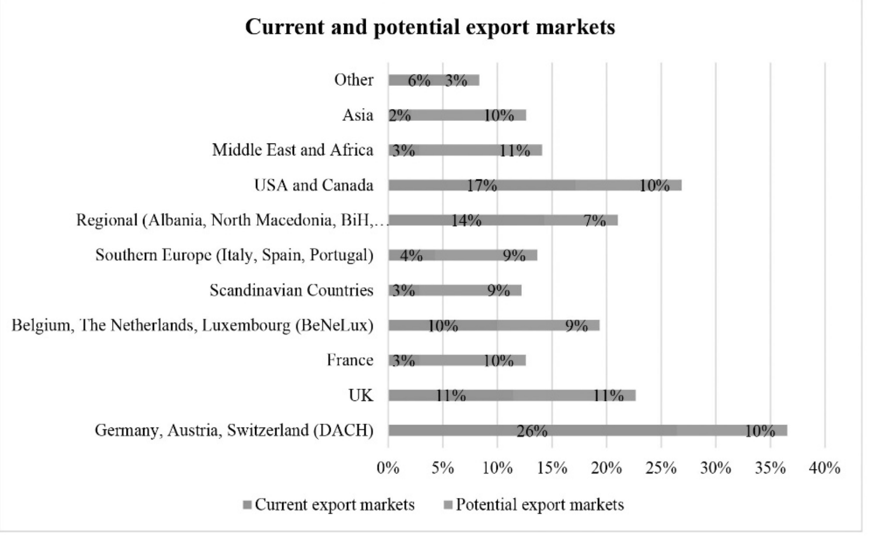

Figure 3 Current and potential export markets

The dominant entry mode in the export market is direct export (34%), followed by subsidiary/branch office in the target market (16%), representative office (14%), local partner (14%), strategic alliance (13%), and joint venture (9%). The direct export approach dominates mainly because the relationship with international partners is usually based on personal networks and acquaintances; therefore, a direct export fits better.

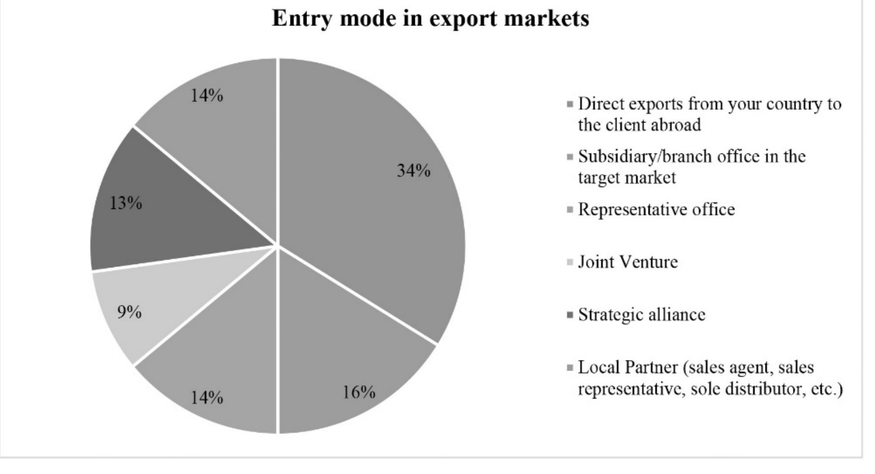

Figure 4 Entry mode in the export market

To have a more comprehensive understanding of the export profile of the companies, we asked managers what services/products they export. The results reveal that software development is the most exported service (13%), followed by mobile application development (9%), web development/web design (9%), and digital marketing (specifically SEO and SEA) (9%).

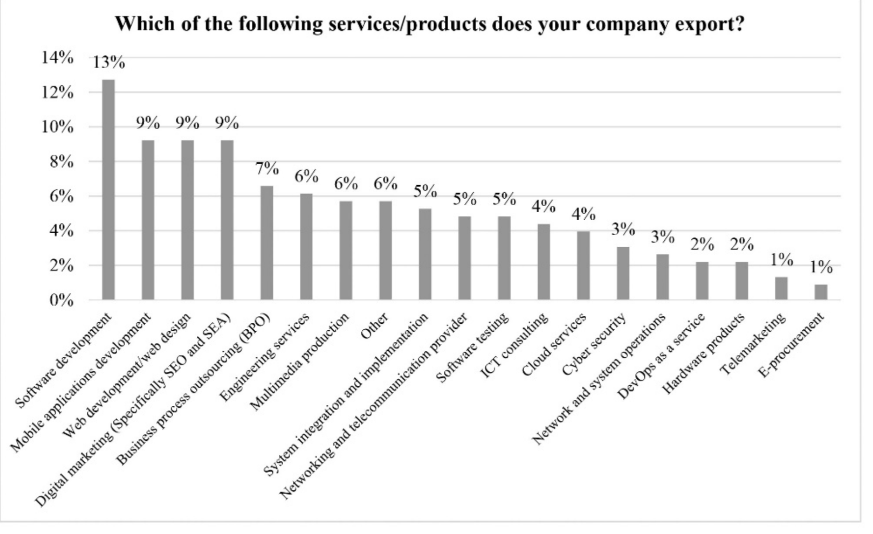

Figure 5 Type of exported products/services

According to the results, the critical aspects for building a competitive advantage in the international market are quality of work (4.7) and delivery time and punctuality (4.7) *(1 = not important; 5 = very important)*. In the local market, price (4.2), delivery time, and punctuality (4.2) are the most critical aspects.

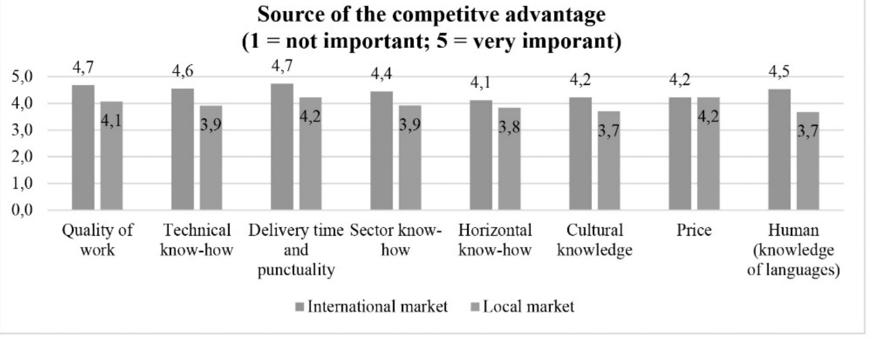

Figure 6 Source of the competitive advantage

Although most Kosovan ICT companies export their products/services, they are still located and somehow connected in Kosovo. Therefore, we asked the respondents what the reasons are that they are still operating in Kosovo. The results show that the main reason is the Availability of skilled IT and non-IT-related professionals (4.3). Next, increasing domestic demand for ICT (4.0) and tax benefits (3.9) are two other strong reasons they still operate in the domestic market. In other words, domestic demand is increasing; therefore, IT and non-IT-related professionals are suitable to respond to such an emerging demand, which explains why the former is the main reason they still operate in Kosovo.

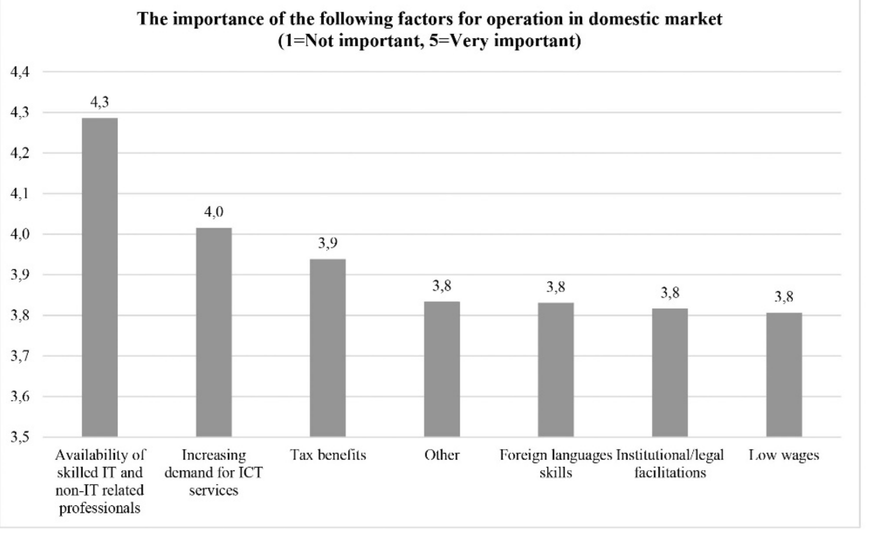

Figure 7 Importance of domestic market

5.3. Managerial perceptions of export barriers

We asked the participating respondents to express the main obstacles or barriers that hinder their business growth and expansion abroad. The graph below represents the main barriers the ICT sector faces in the following order: visa requirements (4.0), finding the right partner (4.0), business contacts in the target market (4.0), financing (3.9), and suitable information in target countries (3.9) *(1= strongly disagree, 5 = strongly agree)*. Because of visa requirements, network building and client attraction are limited. This acts as difficulty in having comprehensive information about the target markets and finding the right partner because personal networking and meeting are challenging to handle. ICT entrepreneurs should have more relaxed visa application procedures to boost their export potential. In addition, government and business associations should collaborate to build business intelligence with insights and information about current and potential export markets to facilitate their decision-making.

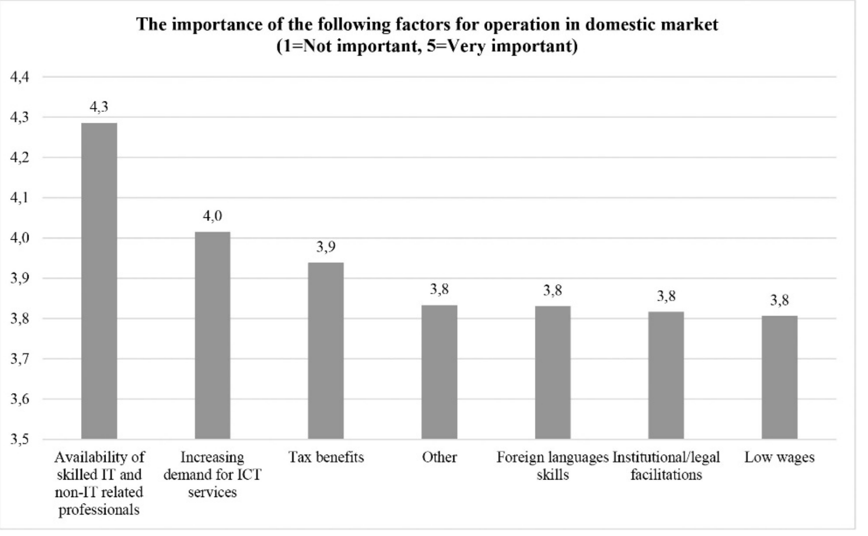

Figure 8 Barriers to business expansion and growth

We asked ICT firms what kind of employee qualifications or job profiles are the hardest to find in Kosovo. Based on the survey results, software developer (11%), marketing specialist (7%), software engineer (7%), I.T. (6%), content writer (5%), and designers (5%) are the job profiles that companies struggle to find the most.

5.4. Factor Analysis Findings

This section reports finding on export barriers based on Principal Component Analysis (PCA) based on the rotation method using Varimax with Kaiser Normalization conducted in SPSS. The data on 16 variables related to export barriers for ICT companies are collected based on a five-point Likert scale, with five (5) being extremely important and one (1) being least important. In addition, to the descriptive statistics reported in Table 8, PCA analysis provides a clearer picture of the association between factors. Results of PCA reported in Table 9 show that the rotated matrix generated a 4-factor solution with acceptable level results (Kaiser–Meyer–Olkin measure of sampling adequacy = 0.782, $p<0.000$).

As shown in Table 3, the factor analysis indicates that 13 variables are grouped into four factors as (1) Formal and informal institutions, (2) Market information and networking, (3) Skills, technical capacity, and quality of standards, and (4) International branding, visa requirement and lack of government support. All variables in this model have factor loadings greater than 0.50, except the variable "taxes", removed from further analysis. Reliability Statistics show that Cronbach's Alpha of 0.70 suggests good consistency in survey data.

Table 9

Factors identified using the data reduction technique

Factors	Component			
	1	2	3	4
Formal and informal institutions				
Corruption	.757			
Cost of exporting	.729			
ICT Infrastructure	.669			
Legal framework	.666			
Lack of big e-payments and e-commerce platforms (PayPal, Amazon)	.572			
Market information and networking				
Finding the right partner		.780		
Suitable information on export markets		.693		
Lack of export marketing skills and know-how		.691		
Business contacts in target markets		.678		
Skills, technical capacity, and quality standards				
Lack of export-oriented training and business development			**.737**	
Technical standards and requirements (ISO, CMM, CMMIâ€¦)			**.654**	
Availability of skilled workforce to conduct export			**.611**	
International branding, visa requirements and lack of government support				
Branding of the local IT industry abroad				.800
Visa requirements				.726
Lack of support by government institutions (e.g., export financing schemes)				.639

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 14 iterations.

The first factor, "Formal and informal institutions" includes both formal and informal barriers to export, such as corruption, cost of exporting, ICT infrastructure, Legal framework, and lack of big e-payments and e-commerce platforms (PayPal, Amazon). These barriers had the highest loadings suggesting the importance of addressing the export barriers. The corruption and legal framework seem to be a problem for ICT companies to build complex business relationships with their business partners, mainly from the EU, USA and developed economies. It should be noted that ICT companies are not interested in competing for local public tenders and grants. Currently, only a few ICT companies compete. Although this can be attributed to the increased demand from export markets, the evidence suggests that the low-interest companies in public tenders can primarily be attributed to the highly bureaucratic application procedures (Krasniqi, 2022), which may illustrate a specific form of institutional escapism discussed in the literature review section. International payment platforms are another problem. The second factor, "Market information and networking" has four items: Finding the right partner, Suitable information on export markets, Lack of export marketing skills and know-how, and Business contacts in target markets to build the relationship with the business partners. Literature from transition contexts suggests that networking is a critical success factor in internationalisation (Kryeziu et al. 2021).

The third factor, "Skills, technical capacity, and quality of standards" has three items: Lack of export-oriented training and business development, Technical standards and requirements (ISO, CMM, CMMIâ€¦), and Availability of skilled workforce to conduct export. The issue of quality standards certification is becoming critical to enable companies to export and growth in the international market. To succeed, ICT companies must develop a capacity for knowledge absorption and adaption in the new global market (Martinčević & Kozina, 2020). The role of the resource capacity of the firm in terms of quality standards facilitates penetration into export markets (Masakure et al. 2009).

Finally, the fourth factor, "International branding, visa requirement and lack of government support", has three items: Branding of the local IT industry abroad, Visa requirements and lack of support by government institutions (e.g., export financing schemes). This creates a need for managers to learn skills associated with marketing, such as those pertaining to developing new and better products and building international brands that is not easy from the perspective of businesses coming from transition countries (see Ellis et al., 2011). These findings suggest that branding the ICT companies in international markets, primarily in the EU and USA, is essential and costly; therefore, the government should design specific schemes to support internationalisation.

6. CONCLUSIONS, IMPLICATIONS, AND POLICY RECOMMENDATIONS

The central theme of the study is the managerial perception of export barriers in the ICT sector. The study finds that the ICT sector is promising for the country's economic growth and, as such, needs a more proactive government role to support its growth in achieving its full export growth potential. The study offers several policy implications and recommendations for government, donor organisations, business associations and ICT companies, forming the basis for policy set-up to strengthen the ICT sector in Kosovo. Drawing on a survey of ICT companies, the study used factor analysis which clustered barriers to export into four groups: (1) formal and informal institutions; (2) market information and networking; (3) skills, technical capacities, and quality standards; and (4) international branding, visa requirement and lack of government support. The study offers the following conclusions and related recommendations to increase support and boost the growth of the ICT sector.

The ICT sector has increased exponentially in recent years, and its performance is promising. Especially in the last two years during the Covid-19 pandemic, the demand has tripled or quadrupled. However, the ICT sector faces several barriers related to institutional set-up, financing, information sources, and a lack of skilled labour.

The lack of a skilled workforce acts as a barrier. In designing future support programs such as training and workforce development, particular attention should be paid to developing specific profiles for the ICT sector's needs. Many ICT companies have in-house academia and prepare the new personnel through on-job training. Therefore, the Kosovo government, including the active role of business associations, need to find some form of human capital development that subsidises personnel training costs to increase market competitiveness. 'Access to an adequate workforce' has become a problem regarding quality and availability of workers, regardless of their level of skills. Young graduates need at least one year of work experience and preparation to improve their skills to become productive workers. Higher education institutions and universities do not provide enough graduates with satisfactory educational preparation for the labour market in ICT. Government and STIKK should work together to provide alternatives to public universities, including suggestions for introducing new courses or material updates. To this end, the Kosovo government should reconsider the introduction of large-scale reform to include a wide range of curricula related to ICT bundling skills, such as coding and programming languages and creativity modules at all levels of education. Encouraging women and girls to study ICT and make ICT a career choice is another important step. Recently, the percentage of women-owned businesses in ICT has reached more than 25 %, suggesting an excellent resource to be utilised for the sector's growth.

High levels of brain drain characterise the sector; however, this phenomenon happens for other reasons than salary. ICT workers move to different countries because they have professional goals, such as becoming partners, getting a better education, or simply because of a better general standard of living. The government and business associations such as STIKK should lead in lobbying, advocating the issues surrounding ICT professionals, and considering introducing brain gain incentives for this sector. These incentives might include creating an eco-system that allows professional fulfilment and fosters an appealing working environment induced by investment in the infrastructure of the ICT sector. In addition, specific projects to strengthen the linkages and networking with the Kosovan diaspora could facilitate the creation of new business contacts and penetration into foreign markets (see Williams and Krasniqi, 2018; Willimas et al., 2022).

Findings suggest a lack of government support for the ICT sector, and there is a need to design financing schemes to scale up and grow this sector. An exception is Kosovo Credit Guarantee Fund, which the ICT companies highly appreciated as it presented a window for credit without high collateral requirements. The Law on accelerators and Business Angles, which could alleviate the problem of financing ICT companies, is not in place. The lack of this Law means that no law regulates or incentivises the work and operation of venture capitalists, business angels, investment houses or other support for crucial start-ups during incubation and early stages. Owing to the importance of these financing forms, the government should give immediate attention to formulating and passing this Law and design incentive schemes to motivate more established businesses and entrepreneurs to get involved in support of start-ups in ICT and broader. In addition, the support of companies for patenting: is another support tool to help ICT companies increase export or enter international markets. The intellectual property and patenting legislation needs more attention and comprehensive enforcement. In addition, a cost-sharing mechanism for patents should be established to facilitate the original developers to patent their software.

The government can increase digitalisation and foster the digitalisation of the private sector. For example, the government should impose requirements to foster and scale-up digital transformation at the country level. For example, for every grant in agriculture or other sectors, the government should impose that a small percentage of the grant amount (e.g. 5-10%) go for digitalisation and ICT advancement using a voucher system. This policy incentive could make other sectors more productive and more technologically sophisticated.

The government should support companies to overcome the Covid-19 pandemic and use the opportunities created by the pandemic. Covid-19 Pandemic was a turning point, especially for the domestic market (Krasniqi et al. 2021). Many companies realise the necessity and benefits of adopting digital solutions; however, the current offer cannot match this increased demand. This also explains that there are not enough ICT companies in Kosovo to serve the needs of local companies for ICT services because they are more focused on international markets where prices are higher. Because the larger and more established companies are working as subcontractors to global companies, the underserved demand for services in Kosovo could be used to boost start-ups in this sector. Finally, the government should strengthen institutional and legal formwork and law enforcement more. Building a competitive environment should be at the front fort of any policy agenda.

REFERENCES

Aaby, N. E., & Slater, S. F. (1989). Management influences on export performance: a review of the empirical literature 1978-1988. International marketing review. 6 (4). https://doi.org/10.1108/EUM0000000001516

Aidis, R., Estrin, S., & Mickiewicz, T. M. (2012). Size matters: Entrepreneurial entry and government. Small Business Economics, 39(1), 119-139. https://doi.org/10.1007/s11187-010-9299-y

Albaum, G., Strandskov, J. and Duerr, E. (2002), International Marketing and Export Management, Pearson Education, Harlow.

Baker, T., & Welter, F. (2020). Contextualising entrepreneurship theory (p. 188). https://doi.org/10.4324/9781351110631

Bilkey, W. J. (1978). An attempted integration of the literature on the export behavior of firms. Journal of international Business studies, 9(1), 33-46. https://doi.org/10.1057/palgrave.jibs.8490649

Boisot, M., & Meyer, M. W. (2008). Which way through the open door? Reflections on the internationalisation of Chinese firms. Management and Organization Review, 4(3), 349-365. https://doi.org/10.1111/j.1740-8784.2008.00116.x

Child, J., Karmowska, J., & Shenkar, O. (2022). The role of context in SME internationalisation-A review. Journal of World Business, 57(1), 101267. https://doi.org/10.1016/j.jwb.2021.101267

CIVITTA International. (2021). Mapping of digital innovation hubs, and identification of needs within Western Balkans and of prospective regional cooperation actions. Sarajevo: Regional Cooperation Council. Retrieved from https://www.rcc.int/download/docs

/Mapping%20of%20digital%20innovation%20hubs_final.pdf/b2d3533b3dd44bb5630121ad364 0999b.pdf

Da Silva, P. A., & da Rocha, A. (2001). Perception of export barriers to Mercosur by Brazilian firms. International Marketing Review, 18(6), 589-611. https://doi.org/10.1108/EUM0000000006296

Deng, P., & Zhang, S. (2018). Institutional quality and internationalisation of emerging market firms: Focusing on Chinese SMEs. Journal of Business Research, 92, 279-289. https://doi.org/10.1016/j.jbusres.2018.07.014

ECIKS. (2020). Supporting Kosovo Growth: The role of the ICT sector. ECIKS Management Consulting. Retrieved from https://eciks.com/supporting-kosovo-growth-the-role-of-the-ict-sector/

Ellis, P. D., Davies, H., & Wong, A. H. K. (2011). Export intensity and marketing in transition economies: Evidence from China. Industrial Marketing Management, 40(4), 593-602. https://doi.org/10.1016/j.indmarman.2010.10.003

European Commission. (2019b). Instrument for Pre-Accession Assistance (IPA II) 2014-2020: Kosovo E.U. for Innovation. European Commission. Retrieved from https://ec.europa.eu/neighbourhood-enlargement/system/files/2019-12/03._ad_eu_for_innovation.pdf

European Union. (2016). The General Data Protection Regulation (GDPR). EUR-Lex. Retrieved from https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02016R0679-20160504&from=EN.

IFME. (2020). Comprehensive analysis of the ICT sector in Kosovo: Changes in the ICT eco-system since the approval of the ITT Strategy. Institute for Free Market Economy (IFME) / Kosovo Chamber of Commerce. Retrieved from https://ietl-oek.com/wp-content/uploads/2020/03/Report-Comprehensive-Analysis-of-ICT-Sector-in-Kosovo.pdf

Karelakis, C., Mattas, K., & Chryssochoidis, G. (2008). Greek wine firms: Determinants of export performance. Agribusiness: An International Journal, 24(2), 275-297. https://doi.org/10.1002/agr.20159

Katsikeas, C. S., Piercy, N. F., & Ioannidis, C. (1996). Determinants of export performance in a European context. European journal of Marketing, 30(6), 6-35. https://doi.org/10.1108/03090569610121656

Krasniqi, B. (2022). Gjendja e aktuale dhe potenciali i sektorit të shërbimeve të teknologjisë së informacionit dhe komunikimit (TIK-ut) në Kosovë. Raport kërkimor, Prishtinë: Minstria e Inovacionit, Ndërmarrësisë, dhe Tregtisë,

Krasniqi, B. A., & Desai, S. (2016). Institutional drivers of high-growth firms: country-level evidence from 26 transition economies. Small Business Economics, 47(4), 1075-1094. https://doi.org/10.1007/s11187-016-9736-7

Krasniqi, B. A., & Desai, S. (2017). Institutions and export performance in 26 transition economies. In Entrepreneurship in transition economies (pp. 57-73). Springer, Cham. https://doi.org/10.1007/978-3-319-57342-7_4

Krasniqi, B. A., & Tullumi, M. (2013). What perceived success factors are important for smalll business owners in a transition economy?. International Journal of Business and Management Studies, 5(2), 21-32.

Krasniqi, B. A., Kryeziu, L., Bağiş, M., Kurutkan, M. N., & Idrizi, S. (2021). COVID-19 and SMEs in Kosovo: Assessing effect and policy preferences. Journal of Developmental Entrepreneurship, 26(01), 2150005. https://doi.org/10.1142/S1084946721500059

Kryeziu, L., Bağiş, M., Kurutkan, M. N., Krasniqi, B. A., & Haziri, A. (2022). COVID-19 impact and firm reactions towards crisis: Evidence from a transition economy.'

Kryeziu, L., Coşkun, R., & Krasniqi, B. (2021). Social networks and family firm internationalisation: cases from a transition economy. Review of International Business and Strategy. https://doi.org/10.1108/RIBS-03-2021-0052

LiPuma, J. A., Newbert, S. L., & Doh, J. P. (2013). The effect of institutional quality on firm export performance in emerging economies: a contingency model of firm age and size. Small Business Economics, 40(4), 817-841. https://doi.org/10.1007/s11187-011-9395-7

Martinčević, I., & Kozina, G. (2020). The Relationship Between Technological Dynamics Of New Technologies And Absorptive Capacity Of Export Companies Of The Republic Of Croatia. Ekonomska misao i praksa, 29(2), 425-448. https://doi.org/10.17818/EMIP/2020/2.6

Masakure, O., Henson, S., & Cranfield, J. (2009). Standards and export performance in developing countries: Evidence from Pakistan. The Journal of International Trade & Economic Development, 18(3), 395-419. https://doi.org/10.1080/09638190902986538

Meyer, K. E. (2014). What the fox says, how the fox works: Deep contextualisation as a source of new research agendas and theoretical insights. Management and Organization Review, 10(3), 373-380. https://doi.org/10.1111/more.12066; https://doi.org/10.1017/S1740877600004307

North, D. C. (1990). Institutions, institutional change and economic performance. Cambridge university press. https://doi.org/10.1017/CBO9780511808678

Rabino, S. (1980). An examination of barriers to exporting encountered by small manufacturing companies. Management International Review, 67-73.

Richardson, C. (2011). Perception of export barriers in a high-tech sector in a less developed country: the case of ICT SMEs in Malaysia. The South East Asian Journal of Management. 5 (2)291-106. https://doi.org/10.21002/seam.v5i2.1007

Samiee, S., & Walters, P. G. (1990). Influence of firm size on export planning and performance. Journal of Business Research, 20(3), 235-248. https://doi.org/10.1016/0148-2963(90)90015-6

Shoham, A., & Albaum, G. S. (1995). Reducing the impact of barriers to exporting: A managerial perspective. Journal of International Marketing, 3(4), 85-105. https://doi.org/10.1177/1069031X9500300405; https://doi.org/10.1177/1069031X9500300410

Simnica, M., & Jashari, S. (2017). Analytical Report on Trade in Services - ICT Sector. Ministry of Trade and Industry - Department of Trade. Retrieved from https://www.academia.edu/38260105/Analytical_Report_on_Trade_in_Services_ICT_Sector_pdf.

STIKK. (2014). Unleashing the export potenial of Kosovo ICT companies. STIKK - Kosovo ICT Association. Retrieved from https://stikk.org/wp-content/uploads/2018/11/Policy-Documents_2014_-_Unleashing_the_Export_Potential_EN.pdf .

STIKK. (2021). Kosovo IT Barometer 2020. STIKK - Kosovo ICT Association. Retrieved from https://stikk.org/wp-content/uploads/2021/06/IT-Barometri-2020.pdf .

Teagarden, M. B., Von Glinow, M. A., & Mellahi, K. (2018). Contextualising international business research: Enhancing rigor and relevance. Journal of World Business, 53(3), 303-306. https://doi.org/10.1016/j.jwb.2017.09.001

Williams, N., & Krasniqi, B. A. (2018). Coming out of conflict: How migrant entrepreneurs utilise human and social capital. Journal of International Entrepreneurship, 16(2), 301-323. https://doi.org/10.1007/s10843-017-0221-4

Williams, N., Plakoyiannaki, E., & Krasniqi, B. A. (2022). When forced migrants go home: The journey of returnee entrepreneurs in the post-conflict economies of Bosnia & Herzegovina and Kosovo. Entrepreneurship Theory and Practice, 10422587221082678. https://doi.org/10.1177/10422587221082678

Yamakawa, Y., Peng, M. W., & Deeds, D. L. (2008). What drives new ventures to internationalise from emerging to developed economies?. Entrepreneurship theory and practice, 32(1), 59-82. https://doi.org/10.1111/j.1540-6520.2007.00216.x

Zou, S., & Stan, S. (1998). The determinants of export performance: a review of the empirical literature between 1987 and 1997. International marketing review. 15(5), 333-356. https://doi.org/10.1108/02651339810236290

Dr. sc. Zef Dedaj

Generalni direktor
Kosovska agencija za investicije i podršku preduzećima (KIESA)
Ministarstvo industrije, poduzetništva i trgovine, Kosovo
E-mail: dedajz@gmail.com
Orcid: https://orcid.org/0000-0002-8421-4414

Dr. sc. Besnik A. Krasniqi

Redoviti profesor
Sveučilište u Prištini
Kosovska akademija znanosti i umjetnosti, Priština, Kosovo
E-mail: besnik.krasniqi@uni-pr.edu
Orcid: https://orcid.org/0000-0003-2440-3974

MENADŽERSKE PERCEPCIJE IZVOZNIH BARIJERA: UVID DOBIVEN ANKETOM PROVEDENOM U ICT TVRTKAMA NA KOSOVU

Sažetak

U ovom istraživanju ispituju se menadžerske percepcije izvoznih barijera kosovskih ICT tvrtki i predlažu strategije. U tu svrhu u istraživanju je provedena anketa među vlasnicima ili menadžerima ICT tvrtki na Kosovu. Analizirani su podaci prikupljeni online upitnikom na platformi Qualtrics. Rezultati ankete otkrivaju četiri značajne izvozne barijere: vanjske institucionalne barijere, kao što je vizni režim za građane Kosova za posjet tvrtkama u EU i pristup međunarodnim tržištima, pitanja financiranja za povećanje i rast i za prepreke u ljudskim resursima, te poteškoće u dobivanju sveobuhvatnih informacija o ciljanim tržištima i pronalaženje pravog partnera. Nalazi faktorske analize grupiraju izvozne barijere u četiri skupine: (1) formalne i neformalne institucije; (2) informacije o tržištu i umrežavanje; (3) vještine, tehnički kapaciteti i standardi kvalitete i (4) međunarodno brendiranje, vizni režim i nedostatak državne potpore. Nalazi će pomoći jačanju potencijala rasta ICT sektora, rješavanju njihovih potreba i podizanju političke svijesti o važnosti ICT sektora za stvaranje radnih mjesta i gospodarski rast. Ovo istraživanje pruža praktične implikacije i prijedloge strategija za vladu, poslovna udruženja i ICT tvrtke.

Ključne riječi: Menadžerske percepcije, izvozne barijere, institucionalne barijere, ICT, Kosovo, Analiza glavnih faktora.

JEL klasifikacija: F14, F23, M16, O15.