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### **Review on doctoral dissertation**

titled "The impact of CSR Understanding on the Effectiveness of Economic Decision Making of Small and Medium-Sized Enterprises in Kosovo"

**Written by Mrs. Yllka Hoxha under supervision of  
prof. Przemysław Kulawczuk, Ph.D.**

The subject of the review is a doctoral dissertation written by Mrs. Yllka Hoxha titled "*The impact of CSR Understanding on the Effectiveness of Economic Decision Making of Small and Medium-Sized Enterprises in Kosovo*". The reviewed PhD dissertation was prepared under supervision of prof. Przemysław Kulawczuk from Gdańsk University, Faculty of Economics.

The basis for the review is the letter from prof. Przemysław Borkowski, Head of Economics and Finances Discipline Board, on the appointment of the undersigned as doctoral dissertation reviewer of Mrs. Yllka Hoxha. The structure of the review consists of the following parts: assessment of the topic choice, purpose and research hypotheses, structure and content of the PhD dissertation (including research methodology), technical and stylistic remarks, and the final conclusion.

#### **Dissertation topic choice**

Although the subject of corporate social responsibility (CSR) is well recognized and described in the literature, it is very relevant and still topical. The concept of CSR is gaining more and more importance in the activity of enterprises without the regard to industry because a huge emphasis is put on establishing the relationship between a company and a customer. Nowadays, it is extremely important to build a socially responsible enterprise and take into account social interests and environmental protection, as well as relations with various groups of stakeholders. CSR is one of the most significant tool that allows to build such relationship from enterprise's standpoint. It has a huge impact on improvement of the way the enterprise

is functioning, makes effective decisions, its development and growth, the decrease of marketing costs and others. However, CSR and its impact on enterprises' decisions are difficult both to define and measure because of its interdisciplinary character. Moreover, the market of Kosovo is not highly recognized and described in the literature as a potential market for investment. Therefore, the findings of the research undertaken in the PhD dissertation can have an interesting implication for foreign enterprises that would be interested in doing business in that region. Taking all this into consideration, the topic choice seems even more accurate and significant.

### **Research objectives, research hypothesis**

The dissertation main objective, indicated by the Author on page 3 of the Introduction part of the dissertation, is *"(...) to investigate the influence of CSR understanding on the effectiveness of economic decision making in Kosovo SMEs"*.

I consider such a formulation of the main objective of the dissertation correct. All the more so as, on pages 3 and 4 Author presents the grounds for such a formulation of the main purpose which is related to the structure of the doctoral dissertation (following chapters).

The main research method used in the PhD dissertation was the experimental simulation method. In my opinion it is interesting, adequate (considering the main dissertation's objective) and original solution. Experimental methods are not widely used in the research procedure within dissertation's preparation. Therefore, I appreciate the fact that PhD Student - Yllka Hoxha - decided to use it. However, I felt a little bit confused when I have read in the next paragraph (p. 5) that: *"(...) The experimental simulations were tested among the last year students of management of the University of Pristina in Kosovo who were supposed to join managerial staff of Kosovo SMEs in the coming year. Integrating corporate social responsibility elements and courses at university study programs is very important."* While a reader look at the main dissertation's objective she/he certainly expects that the research subjects are managers from SMEs, not students who may be managers in the future.

The main objective planned to be realised and the preliminary subject literature studies carried out by the doctoral student are reflected in main hypothesis and sub-hypotheses accepted for verification (p. 6 of the Introduction):

**The main hypothesis:** "The improvement of skills and knowledge towards CSR increases the

effectiveness of economic decision-making of research respondents” is well formulated. It is slightly general but sub-hypotheses (from 1-5) provide additional details:

“**Hypothesis 1:** CSR trained respondents show higher effectiveness in decision making towards fairness dimension compared to non-CSR respondents.

**Hypothesis 2:** CSR trained respondents show higher effectiveness in decision making towards personal honesty dimension compared to non-CSR respondents.

**Hypothesis 3:** CSR trained respondents show higher effectiveness in decision making towards employee rights dimension compared to non-CSR respondents.

**Hypothesis 4:** CSR trained respondents show higher effectiveness in decision making towards ethical dimension compared to non-CSR trained respondents.

**Hypothesis 5:** CSR trained respondents show higher effectiveness in decision making towards criminal act reactions dimension compared to non-CSR respondents.”

I consider formulated hypotheses to be correct, but the link with the main hypothesis is moot (controversial). It is rarely met in the hypotheses that the research subject are not specifically named, f. e. SMEs` managers, but research respondents. My question that arose in this moment is following: were the students tested after they found a job in Kosovo SMEs or while they were studying ?

### **Structure and content of the dissertation**

The dissertation contains 237 pages. It consists of an acknowledgments, introduction, 8 substantive chapters, conclusions and recommendations, list of references, list of figures, list of tables, appendixes and list of abbreviations. The structure of the reviewed dissertation is proper, clear and logical. References includes 305 positions with the predominance of scientific papers, then monographs, OECD`s reports and others. The references are suitable to the topic, but my main remark is related to their dates of publication (especially when it comes to papers and monographs). References should be updated in many parts of the dissertation, e.g. Author has written on the second page of Introduction “(...) Nowadays, due to globalization, CSR topic has drawn researchers` interest to conduct studies also with the focus in developing countries (Jamali, 2010).” Taking into account that the doctoral dissertation was finished in 2020, a word “nowadays” is not appropriate for the reference from 2010 (10 years later). Generally

references should be updated when the dissertation or its parts are to be published in the future.

In the following paragraphs, subsequent parts of the dissertation were discussed with, to my mind, an indication of their strengths and weaknesses.

The dissertation's introduction comprises of all the prerequisite elements, that is the justification of the choice of the topic, the presentation of the research objectives and research hypotheses, research methods and research stages as well as the structure and content of the dissertation. Additionally, the Introduction parts contains "Significance/contribution of the research" paragraph. Despite it is significant part of the dissertation it shouldn't be placed in the Introduction. The best place for contribution is the part of Conclusions where the Author should emphasize what She managed to achieve and what Her contribution is.

Chapter number 1 (pp. 9-34) titled "*CSR concept development and its role in SMEs. Review of up to date conducted research*" includes the presentation of the theoretical foundations of the dissertation concerning the development of CSR (definitions` diversity, different perceptions of CSR, CSR's stakeholders, etc.), its role in the SMEs as well as present situation of CSR in Kosovo's SMEs. Beginning of the chapter introduces the development and diversity of interpretation the term of CSR in the world literature. The Author describes it in transparent and communicative way using majority of the main and important references in that scientific area. It is a pity that the Author hasn't formulated Her own CSR's definition on the background of appropriate literature review. An interesting issue is also a description of the CSR's implementation in SMEs (subchapter 1.1.4) which fits into the previous considerations. Original and suitable issues are also presented in 1.2. where CSR's possibilities of applications are presented (e.g. perceptions and attitudes in relation to stakeholders and gender). Chapter 1 is finished with the presentation of the CSR's development in Kosovo's SMEs, which I evaluate as a good way of linking the problem of CSR and SMEs in Kosovo.

Chapter number 2 (pp. 35- 70) titled "*The process of economic decision making in SMEs*" starts from rational theories and models of managerial decision making, then Author presents behavioral models and finishes with description of cultural aspects associated with decision making in Kosovo. This is a logical structure of the whole chapter, presents both theoretical and empirical (associated with the achievements of other authors) issues. Author of the reviewed dissertation included majority of the most famous scientists who conducted/s research in the

field of decision making, e. g from the theory of homo oeconomicus (e.g. Smith) to socio oeconomicus (e.g. Simon, Tversky). That second concept presents complex of human nature and human psyche which means that people do not always make decisions that are strictly economic and rational. One element that should be developed in this chapter relates to the term of effectiveness of decision making process (from the theoretical point of view), the differences between effectiveness and efficiency (it was mentioned about the effectiveness's interpretation for the empirical purposes on the p. 79). This is an important element in the dissertation because it is an outcome of CSR's influence on making decisions. Besides, I really appreciate including the cultural aspects in the decision making process because it is sometimes a "hidden" determinant forgotten by managers and companies entering new markets. Besides, gender is also a good choice as a determinant influencing on managerial decisions in the companies. Generally, the whole chapter 2 is adequate and suitable to the concept of the dissertation. It is also well written and contains important and necessary information. But, the elements which would increase the value of it are the Author's critical analysis and comments summarizing the considerations in particular sub-chapters. They would show the scientific maturity and erudition of doctoral dissertation's Author.

Chapter number 3 (pp. 71- 88) titled "*Research Methodology*" contains the description of empirical research methodology starting from research problem presentation and conceptual framework, research method, description of population and research sample, research hypotheses, and validation of research observations. Concerning this methodological chapter I have some remarks presented below:

- the justification for the choice of topic and the research gap is well prepared and presented logically and clearly (with the usage of suitable references);
- quasi experimental research design is an appropriate research method used according to the topic and the main objective of the study. What is more, it is a rarely met method used in the doctoral dissertation;
- I still have doubts related to the population and sample used in the research. On the page 74 of the manuscript the Author has written "The experimental simulations were tested among the last year students of management of the University of Pristina in Kosovo who were supposed to join managerial staff of Kosovo SMEs in the coming year." My doubts (as I presented above) relate to the apprehension that it is difficult to achieve the main goal of the dissertation ("The main aim of this

doctoral dissertation is to investigate the influence of CSR understanding on the effectiveness of economic decision making in Kosovo SMEs”) by conducting research among students (even if there are students of managerial studies who are going to work in SMEs next year). The dissertation goal includes a word “SME”, so we expect that the research will be conducted among managers from Kosovo SMEs. The Author’s explanation presented in the endnotes (p. 75) “In addition, the business students have been chosen, because after the graduation they would be the prospective managers of different SMEs and would make daily business decisions. Hence, the exercise and training of CSR with students are the same as would be with managers.” is not adequate and convincing. The topic and the main objective concerns enterprises, so the measurement should be conducted among their workers/managers. Even if the students are going to be managers in the future, we are not sure whether they make the same decisions today (as students) and in the future (as managers). In my opinion, such sample impacts the findings’ interpretation, where we shouldn’t say about the enterprises’ behaviour, but students.

- The hypotheses are well designed and what is more their background is associated with the adequate literature review. One my remark concerns the place of their presentation in the chapter 3. In my opinion, they should be presented after the research’s objective – the research procedure consists of following steps: identification of research gap, formulation of research questions, then research objective and then hypotheses. After that step one should present research method, sample, etc.

Chapters 4-8 present the empirical research findings divided into five thematic namely fairness, personal honesty, employee rights, ethical dilemmas and reactions towards criminal acts. They are areas of different business decisions which have to be made in the companies. These decisions are impacted by the activities of CSR. I evaluate such arrangement of chapters as a very good Author’s decision because it made the clarity of the doctoral dissertation better. Nevertheless, it should be also better emphasized (maybe in the Introduction part of the dissertation) what was the theoretical background of the division of CSR approach into these five thematic areas?

All these chapters (4-8) have similar structure related to the hypotheses testing and the division mentioned above (Chapter 4 – fairness; Chapter 5 – personal honesty aspects; Chapter 6 – employees' rights issues; Chapter 7 - ethical dilemmas; Chapter 8 – criminal acts reactions). The first parts of these chapters are associated with the theoretical background of particular issues which determine a kind of "leading thread" of each chapter. In my opinion there are very good and transparent structures of particular (4-8) chapters provided from general to specific issues. Besides, the Author proved Her erudition and sufficient literature review according to particular theoretical elements. One small limitation of these parts is associated with the timeliness and contemporary. The references used are appropriate, but sometimes quite old. The Author of the dissertation should show both older and the newest of Her literature knowledge. In this way one can show how views and opinions on a given topic have been developed.

The results of the empirical research are presented clearly and understandable, with the usage of descriptive statistics' measures. They are also documented and described well. In my opinion, they are suitable and adequate measures in relation to the main objective, hypotheses and research scales (according to particular questions) used in the research questionnaire. What is more, the Author of the dissertation used an independent t-test to measure the differences between the two group means and confirm the research hypotheses. The obtained research results included in particular chapters indicate that on average CSR trained group members show higher effectiveness of making particular business decisions compared to the non-CSR trained group. The statistical measures allowed to conclude that all research hypotheses were confirmed.

In a part of the reviewed dissertation titled "Conclusions and recommendations", the Author summarised the considerations carried out in previous chapters of the doctoral thesis, concluded her hypotheses, elaborated recommendations resulting from achieved results and presented future research areas. She presented summaries of the research and hypotheses' confirmation in the form of transparent tables, which look adequate and professional. The Author emphasized also that "(...) CSR training is a good tool to be utilized in business practice in order to increase the effectiveness of economic decision-making and as such managers of Kosovo SMEs (...)" (p. 188). It is nice that, during the presentation of the conclusions, She referred to the general situation in Kosovo e.g. related to the differences between women and men.

The Author of the dissertation underlined also the recommendations which follow from the results of empirical research. They were divided into four groups of stakeholders: recommendations for universities, recommendations for management of Kosovo companies and recommendations for public institutions and authorities that support SMEs. It is a really interesting paragraph with the high value of applicability (including "CSR business culture impact model: strategy problem analysis" and "CSR Business culture impact model: strategic objectives analysis and goals selection" presented in the Tables 9.1. and 9.2., p. 196-7).

Summing up, considering the structure of the dissertation, it should be stated that the first and second chapters are a theoretical foundation of the research (well elaborated on the grounds of adequate, but sometimes too old, sources). In the third chapter a methodology of the empirical research is described. Chapters 4-8 are a combination of current work and skills acquired during elaborating earlier parts of the dissertation. This part of the thesis is definitely its greatest asset and value. The Author acquired the ability to carry out both literature and empirical research as well as drawing conclusions, elaborating innovative solutions, which can be applied in practice. Furthermore, She elaborated accurate conclusions and solutions which were implemented and which showed further areas of necessary research.

PhD dissertation is finished with list of references, list of abbreviations used in the dissertation, list of figures, list of tables and appendixes.

### **Technical and stylistic remarks**

As a part of the formal notes it is important to mention that the PhD thesis has been prepared in a very neat manner: the language used is easy to understand, the Author uses terminology used in economics, the research depicted in a graphic way has been presented neatly and clearly, they complement the text of the dissertation very well. I have indicated three remarks related to the technical and stylistic issues:

- I would be very careful in regard to the Author's use of the word "nowadays". Nowadays means when? Does it mean time the Author writes a text? Or Does it mean time the reader reads it? Very confusing for the reader is when the Author uses a word nowadays and gives as references a paper published 16 years ago. I suggest adding to the word "nowadays", e.g. second decade of 20. century.
- There is a lack of pages numbers after using citations in many parts of the dissertation (e.g. p. 54, 55, etc.).



- The main parts of the dissertation like chapters and subchapters shouldn't be finished with Tables or Figures. They ought to be finished with text concluding and closing above considerations. There are such situations met in the reviewed dissertation (e.g. p. 130, 146, 149, 163, etc.).

I consider reviewed thesis to have a proper total size referring to doctoral thesis. A lot of remarks outlined above are polemic in nature and they do not influence a good assessment of the dissertation. The strong points of the dissertation that I have listed inside of the review influenced my final evaluation of Mrs. Yllka Hoxha's PhD thesis as positive.

### Conclusion

Concluding the review, on the base of the above listed deliberations about the reviewed dissertation I declare that Mrs. Yllka Hoxha ran dissertation entitled *„The impact of CSR Understanding on the Effectiveness of Economic Decision Making of Small and Medium-Sized Enterprises in Kosovo”*, which meets all requirements described Act on Academic Degree and Academic Title and can be used as the basis of further doctoral procedures (discipline of economics). In connection to the above mentioned, I recommend permitting the dissertation to public defense.

Poznań, 20 of August 2020



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