

# Impact of digital performance in growing businesses (Case study Republic of Kosovo)

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## Abstract

**Purpose:** The aim of this Article is related to the impact that digital performance exerts on development of countries in transition. The data for this article were extracted from a wider survey conducted in the Republic of Kosovo.

**Methodology:** A large number of factors were analyzed in this paper, with a view of presenting the whole impact of digital performance and importance of business development in continuity. This survey includes businesses and employees. A special focus was made on management of digital transformation, value chains and a strategic aspect which result to be among major factors influencing the business performance. The paper includes a methodology of research, research questions and hypotheses, survey data report divided into two sections (viewpoint of company and employees), and a final chapter of the paper relates to the presentation of conclusions and recommendations of the study.

**Findings:** Results of this paper show that there is a positive correlation between digital performance and business growth, however a special impact is made by human resources in establishing and implementing functional strategies, based on market demands and technological development trends. Practical implications: The digital transformation is a MUST for all business types. The Covid 19 situation approve the importance of business digitalization and benefits of this investment.

**Originality:** The study is conducted with primary and secondary data and all the empirical analysis are original based on the authors' calculations through econometric models.

*Keywords: digital performance, growing business, managing digital transformation, value chain, strategic management, human resource*

## 1. Introduction

Effects of digital performance have in recent years attracted quite the attention in the world of business. Economic scholars have for years presented their reports on the relevance of digital performance and its application in various sectors of business. Regardless of positive views, businesses continue to express a high degree of skepticism in this regard. A series of factors may be listed as inhibitors of such transformation, including implementation costs, experience, knowledge of digital products, transition in the country, and investment risks. All these factors cause the entrepreneurs to hesitate in taking the largest step towards internationalization and business development, the transition from a conventional business to an innovative business.

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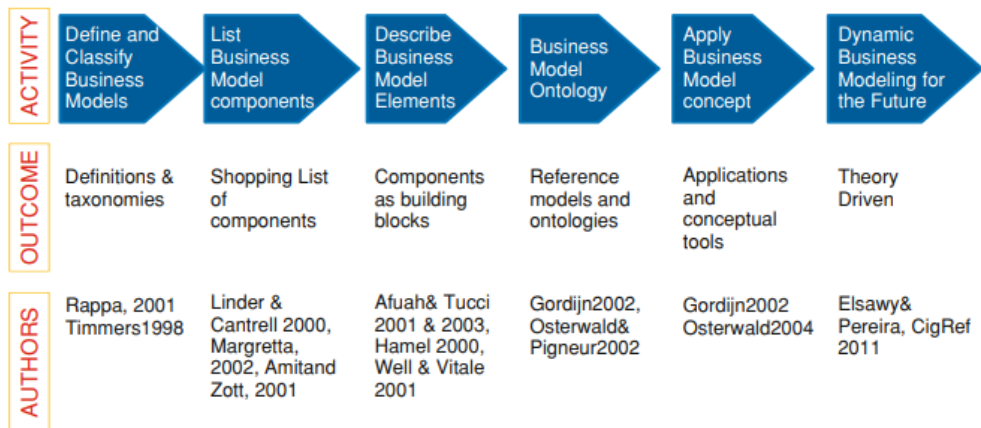
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A digital business model describes how each of the activities in your business enterprise will interact digitally with its customers and generate values. A great digital business model will often challenge the status quo in the enterprise (e.g. who can entice customers). Digital models provide valuable support to planning and visualization of the manufacturing system. (Dangelmaier, W., Fischer, M., Gausemeier, J., Grafe, M., Matysczok, C., Mueck, B., 2005)

Figure 1 - Progression of business model studies



Source: (El Sany, O.A. & Pereira, F., 2013)

In order to gain a basic understanding of the term “business model”, it is first necessary to connect it with more established terms of strategic management, such as “vision” and “strategy”. A vision describes a future state of a company that is to be achieved over the long term. The vision is usually formulated in one or two sentences and is intended to create an inspiring effect. A strategy describes how this vision can be realized and thus serves as a guideline for daily operations. When formulating a strategy, the company will derive several things, including strategic objectives that are in line with the vision. (Welge, M., Al-Laham, A., Eulerich, M., 2017) The business model is a concept that provides a simplified depiction of a company’s business activities. A business model is thus an abstract illustration of how a company fundamentally operates in order to achieve its defined strategic objectives. (International Association of Controllers, 2018).

Business model development may be part of new venture planning, but is often just as useful in sense making around a going concern, or when new opportunities and threats indicate a need for reinvention. (Johnson, Mark W., Clayton M. Christensen, and Henning Kagermann, 2008).

Notwithstanding numerous studies and their interesting findings, the value of this paper is important, since it analyzes business performance in various factors with direct impact on such performance. The fact of the study focusing only in the Republic of Kosovo is an indicator that this study was conducted in an economy of transition, its focus

is on the economies of transition, considering the barriers that may be present in such transitional periods, and discussing this issue in stages of economic development of these countries.

## **2. Research methodology**

The purpose of this study is to present how digital can increase business performance in transition countries, with focus in Republic of Kosovo.

This research was focused on cross-sectional data rather than time-series data. The full research was conducted in the Republic of Kosovo and it was separated in two parts. The first part of the study was conducted with enterprises that are in a final stage of implementing digital programs, and those that have already completed such a stage, and are already reaping the benefits of such programs in their enterprises. The second section of the paper is dedicated to employees that directly face with such change. These using such programs in their daily work, those who manage to bridge processes and reap the benefits in terms of developing the enterprise.

The questionnaire with enterprises has 16 questions, and the Likert with 5 agreement scales were used as a measure of respondents' agreement with various statements. The second questionnaire were conducted with employees and has 15 questions. The purpose of choosing the data from two sources was with intention to provide the real perception of using digital approach, from two different perspectives.

## **3. Research questions and hypothesis**

### **3.1 Questions**

The following research question is formed:

#### **How does a digital business model stimulate company performance?**

Through this survey question presented above, we tried to obtain opinions of businesses, out of their daily practice, on the relevance of application of digital programs and models in their company, and the influence of such digitalization on improved performance. Determination is not easy at all, since the nature of surveyed businesses is rather complex, and they differ on the basis of sectors of involvement. However, in a larger scale, benefits of digital performance affect the quality of decisions at department or business levels, and modification of internal processes, thereby resulting into a decrease of general costs.

### **3.2 Hypothesis**

Based on the results of this paper, we have developed the main thesis and auxiliary theses, in an effort to validate its importance.

H0: Digital performance does not impact the growth of business

H1: Digital performance impact in growing business

This hypothesis was developed with an effort to validate impact of digitalization in developing medium-size enterprises. Our focus was for the paper to present data which would be then presented to businesses, to inform them further about the relevance of digitalization and their own development, not only within the region. Since recent trends in doing business do not relate anymore to state borders, we believe this is an advantage to be used, for these businesses to penetrate with their products to the EU and wider, thereby using such advantages of digitalization.

It has been exhaustingly proven that human resources are very important for enterprise development. In each report published, interesting data are produced with a single focus, staff motivation and involvement of the employed in decision-making. Many items may exert an impact in this regard, including technical know-how of the staff in terms of processes and operations, duration and phases of processes, quality and productivity improvement, etc. All such information has a direct impact on decision-making processes, therefore, the recommendation is for the employees to be part of such decision-making.

H0: Employees are part of decision making processes

H1: Employees are not part of decision making processes

When considering the relevance of human resources, and their contribution into the enterprise digitalization, it is rather necessary that a special emphasis is put on such item. With the following hypothesis, we have tried to generate detailed information, thereby showcasing the relevance of human resources, and the impact employees may bring to the digitalization and operations of an enterprise. For the enterprises, a major issue is to have high performance and a favorable position in the market, both of which are achievable through investment in digitalization.

H0: Technology does not impact performance of employees

H1: Impact of technology on performance of employees

#### **4. Data collection**

In order to collect the necessary data, the survey with companies was structured into 3 parts. In part 1, we obtain general information about business, in part 2 has been tried to evaluate their digital performance, and in part 3 to obtain detailed information about human resources and their role in the digital performance. This survey entailed 100 enterprises currently operating in the Republic of Kosovo. The sample of 96 enterprises were suggested based on sample size calculator with confidence level of 95%, but we succeed

to cover 100 enterprises in this survey with random selection. The survey included a structured questionnaire, which was individually disseminated to all enterprises.

In our efforts to validate such information, we conducted another survey, in order to obtain information for human resources and their own perception of their firms and internal processes, with a specific focus on implementing digital services in all departments. The purpose of second survey was to have a practical information how the implementation of digital process/ services was performed and what were the main concerns from staff point of view regarding the impact of digital era in their performance. Considering the total number of employees in these businesses, 100 of them were choosing randomly.

All the business surveyed are located in Republic of Kosovo, in following regions

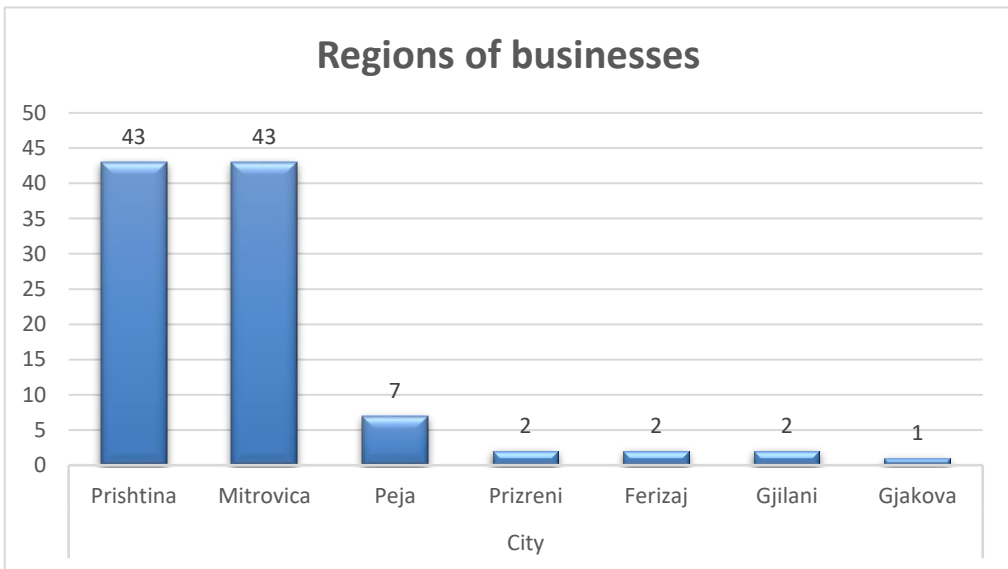


Figure 2 – Regions of businesses  
Authors' calculations

In Republic of Kosovo there are 22,278 medium business registered, but we choose randomly 100 medium businesses (which have 9 – 49 employees and total yearly turnover does not pass 15 million euro), and 100 employees of these businesses that are selected to respond in our prepared questionnaire survey. They are the ones who are the knowledgeable enough to answer the problems posed in the present study. The main reasons of our key focus on medium-sized enterprises are listed below. Small enterprises are excluded from the study due to limited funding for implementing such exploratory systems. Corporations are enterprises that are compelled to invest in this field, due to their own performance volumes and labor division, and therefore, the digitalization phase is already completed for them. Meanwhile, medium-sized enterprises hold a more favorable position in terms of digitalization and further expansion in the near future. Enterprises in this category have generally no major issue in funding, and what is even more important,

investments in this phase are easier and more favorable, due to the nature of organization of enterprises, and potential challenges they may face in digitalization implementation.

The study will use a descriptive design to support results from questionnaires, while methods of research will necessarily be quantitative and qualitative. Data were collected on the basis of concepts defined in the research model hypothesis tests. The study is descriptive because it adopted the use of questionnaires aimed at finding the impact of digital models in business performance. In an attempt to minimize as much as possible, the respondents' subjectivity, some of our questions was deal only with raw data regarding company activities. Data were processed with SPSS, while results were tested and analyzed with several statistical methods, including the regression, Anova, Standard deviation, etc.

## 5. Data analyzing

In the 90s, many companies invested heavily in digital computing technologies, attracted by the enormous potential of streamlining all aspects of business. As the digital economy increasingly melded with the traditional one, some organizations were able to transform, while others disappeared and new players took root by basing their business models on an extended value proposition and cooperation with customers. In the new ways of doing business that have developed, we can see the clear effects on companies of digital transformation, along with the specific role of information systems. (Delmond's, 2018).

Digital transformation has radically changed the traditional producer-distributor-customer relationship. This is particularly the case for the intermediary position of distributor, or wholesaler. At the same time, digital transformation has led to the evolution of networked mediation strategies, in which a group of players' form partnerships and alliances to co-create an offering and co-produce value. Companies now have to quickly acquire new skills and know-how in order to extend their control over the entire chain. (Delmond's, 2018).

Since our survey focused on 2 main pillars: perspective of companies and perspective of employees, with the SPSS software, we have analyzed their replies, and derived the following outputs.

## 6. Company viewpoint

Of the 100 companies selected for our survey, 61% have stated that they use digital programs in their finance departments, 22% more have stated that their sales/procurement departments also use digital programs, 13% others use digital programs in human resource departments, while only 4% use them in logistics departments. Of such records, we may say that businesses in the Republic of Kosovo are duly making efforts to be abreast with international trends in company digitalization, despite all challenges they face (as would any country in transition). There are several challenges inhibiting such

development in businesses in Kosovo. Key challenges include financial costs of implementation, poor expertise and experience in providing for such services, a limited number of companies and domestic experts developing digital programs, inappropriate legal infrastructure, frequent changes in fiscal rules, etc.

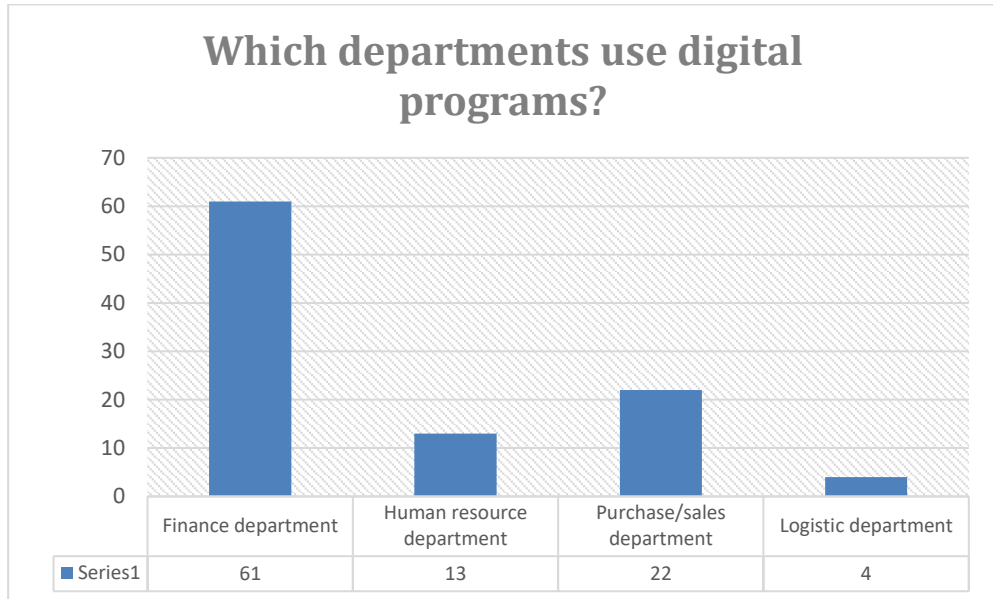


Figure 3 - Results of question "Which departments use digital programs?"  
Authors' calculations

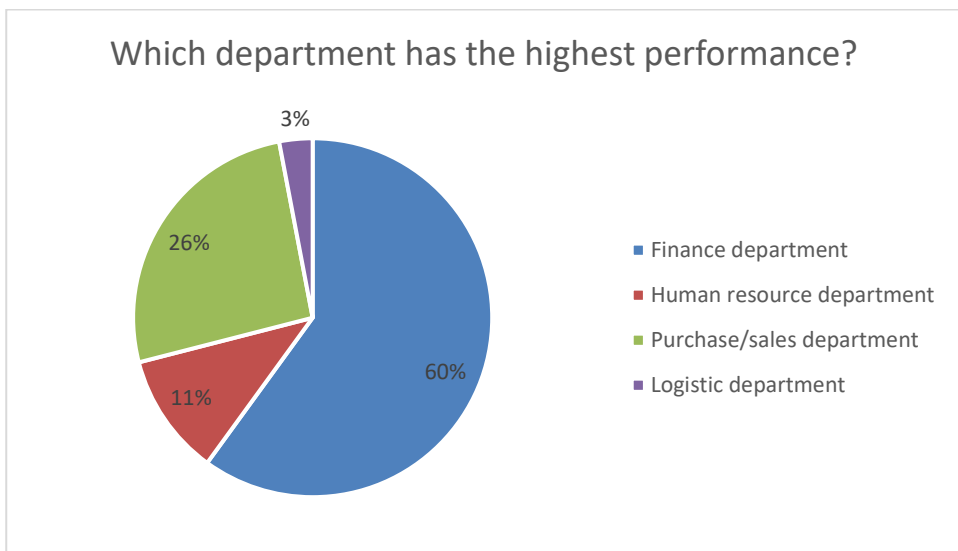
First is poor experience in providing such services until 2015. However, looking at trends and capacities of youth, this experience has turned into an advantage in the recent years, and now Kosovo is known for its programmers and application developments that are very skilled and innovative, and offer products that respond to market demands. In this case, the most sensitive part of the job of digitalizing business data was entrusted to local professional teams, and in this case, confidence has risen in this regard. However, the challenge of rendering decision on digitalization of departments took quite some time, even internationally, and faced with stalling in development.

A second challenge would be a lack of sustainable electricity supply, which has caused and continues to cause major problems in management of risks with digital devices. Based on statements of surveyed companies, 92% have had at least 2 problems with digital devices, mainly caused by electricity supply outages.

Our next question "Which department has the highest performance?" testifies to the links between digitalization and performance of departments. From the responses received to this question, one may see that the finance departments have better performance, a reply given by 60% of businesses, followed by sales/procurement

department with 26%, and human resources with around 11%, while logistics department with around 3%. Based on data presented above, one may say that performance of a department shall depend on investment in appropriate digital programs, which meet specific needs and requirements of the company. In this regard, we may claim that investment in digital programs does enhance operations of the company, and facilitates access to information.

It is specifically important to underline the fact that historical data, processed by adequate programs, help companies focus on the strategic direction, generate values and provide for changes in the managerial system. If results are analyzed in detail, we may see that the focus of businesses has been on investing in finance departments. Having in mind the relevance of this department, digital programs have been created, thereby helping to abbreviate times of operation, but also generating specific data as needed by the management. Upon analysis of such benefits, companies further expanded their networks, thereby increasing the utilization of digital programs, and modifying them for other departments within their companies.



*Figure 4 - Results of question "which department has the highest performance?"  
Authors' calculations*

Another element we have attempted to assess in this survey is the management-employee relations. In this section, we have assessed the management approach towards the employees, how they see the potentials of engaged workers, and what is their approach in their promotion and assignment of responsibilities. Based on the table presented below, we can see clearly that the management is interested to develop their staff through the hierarchy chain, including the accountability and responsibility levels. Over 90% of companies have stated that staff is key to decisions for future development. This is due to the fact that the operations part and information from below are accurate, and proposals



made by lower staffing levels are specific and applicable for the business. This is a positive development, since good practices of doing business are already being applied in businesses.



*Figure 5 - Results of question “How effective is the management in reviewing the need for development, developed by the staff?”*

*Authors’ calculations*

## 7. Employee viewpoint

From the viewpoint of employees, the situation seems to be almost identical. As one of the questions that seemed most interesting to present in this paper, we have the link generated by a cross tabulation between “Performance at work is assessed in our institution” and “Performance is influenced by the level of technology that the company uses”. The responses provide a confirmation of what we have claimed above, by an analysis of the questionnaires with businesses. It is important to underline the fact that performance, both from the viewpoint of businesses and employees, is equally appreciated, hence digitalization of departments helps increase performance. Also, performance is appraised by the company, but also by the employees, who with their practical expertise communicate with management levels to improve processes and improve overall performance. Since the group of companies surveyed generally includes companies that are rather solid in staffing terms, but also consolidated in terms of delegation of tasks, it is abundantly clear that due to the volume of work, performance of departments is rather dependent on application of technology. On the other hand, relevant assessments by the company on its needs and requirements, are generally appropriate. In this regard, one may claim that the communication between the management and staff is adequate and sustainable.

**Table 1** – Results of crosstabulation questions “Performance at work is assessed in our institution” with “Performance is influenced by the level of technology that the company uses”

Performance at work is assessed in our institution \* Performance is influenced by the level of technology that the company uses Crosstabulation

Count		Performance is influenced by the level of technology that the company uses					Total
		Strongly agree	Agree	Neutral thinking	Disagree	Strongly disagree	
Performance at work is assessed in our institution	Strongly agree	34	5	18	6	2	65
	Agree	2	2	2	0	3	9
	Neutral thinking	3	1	7	2	3	16
	Disagree	1	1	0	0	2	4
	Strongly disagree	3	0	3	0	0	6
Total		43	9	30	8	10	100

Authors' calculations

Having in mind the trends of company development and their growth strategies, we identify a fundamental requirement for the companies to invest in their staff development. To ensure a balance between the staff development requirements and company development demands, investment in training must be focused and stable. In this regard, any staff enhancement bears quite the large cost, and positive effects must be ensured for the company performance. Based on the results of our study, we see a positive correlation between staff development and improved skills of technology use by the staff. This gives the understanding that surveyed companies are both interested and have developed strategic plans for the utilization of existing resources and investment in areas of interest for the company, but also for the staff.

**Table 2** - Results of cross-tabulation questions “The company is focused on staff development” with “Trainings are focused and enabled for the use of technology”

The company is focused on staff development \* Trainings are focused and enabled for the use of technology Cross-tabulation

Count		Trainings are focused and enabled for the use of technology					Total
		Strongly agree	Agree	Neutral thinking	Disagree	Strongly disagree	

	Strongly agree	19	2	15	4	3	43
The company is focused on staff development	Agree	1	0	2	2	0	5
	Neutral	21	2	7	2	5	37
	I disagree	6	0	5	2	0	13
	Strongly disagree	0	0	2	0	0	2
Total		47	4	31	10	8	100

Authors' calculations

A final question in the survey, amongst the numerous issues addressed by this paper, is the one for the staff: “What do you consider a value chain in your company?”. Based on the results presented in the following table, we clearly see that the employees do trust the products their company produces, however the human resource management is considered by staff to be the value chain in their company. In this phase, based on the data presented by this paper, we ultimately understand that the motivation of human resources is closely linked with the job they do on daily basis. An integral part of such work is application of technological programs, which improve performance of their departments, but also appropriate communication between different hierarchic levels is considered to be a value that must be cherished.

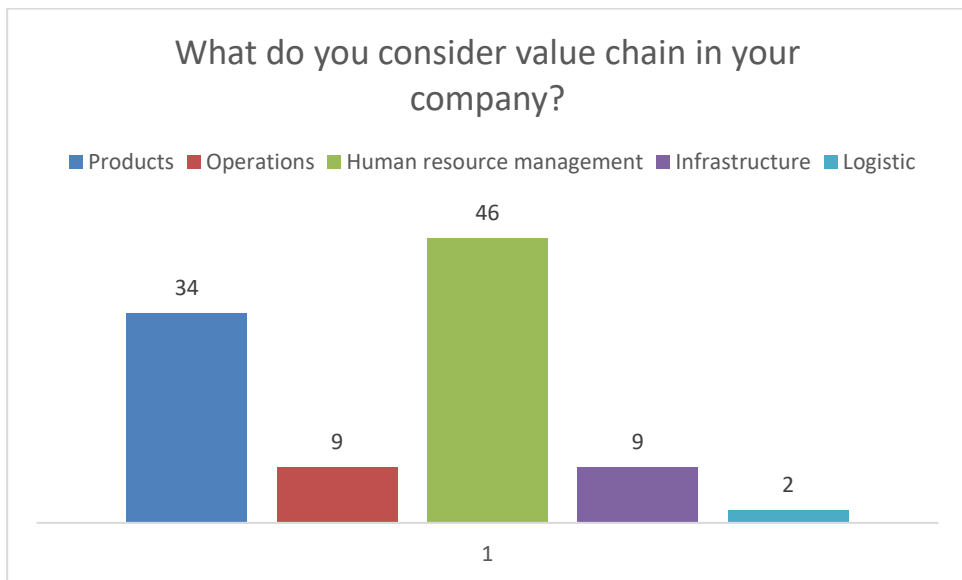


Figure 6 - Results of question “What do you consider value chain in your company?”  
Authors' calculations

Based on the findings above, we claim that regardless of the challenges faced by the companies, and especially in countries of transition, company goals are rather clear,

while their mission, vision and objectives are closely linked with human resources, and the latter are considered to be valuable assets of a company.

## 8. Hypothesis testing

In an effort to provide a contribution with this paper, we have established a key hypothesis, which is formulated as follows:

**H0:** Digital performance doesn't impact in growing business

**H1:** Digital performance impact in growing business

**Table 3** – Results of question “Is your company willing to invest in technological infrastructure?”

Bootstrap for One-Sample Test						
	Mean Difference	Bootstrap <sup>a</sup>				
		Bias	Std. Error	Sig. (2-tailed)	95% Confidence Interval	
					Lower	Upper
Is your company willing to invest in technological infrastructure?	1,286	.037b	.153b	.001b	1.143b	1.571b

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

b. Based on 913 samples

Authors' calculations

Based on literature, by using Bootstrap methods, we had intention to calculate standard errors and construct confidence intervals. The bootstrap function tends to estimate the sampling distribution of the mean, which will then be used to create a confidence interval. With bootstrap method we have tried to test the first hypothesis, and results are commented below.

The center of the distribution (mean) is 1.286 and the standard deviation error is 0.153, from this result has been found a small standard deviation, which means that do not have spread data, the data are very close to the mean. In both cases we have use the Likert scale as measure, and the result express the difference between mean. As has been found from the result, the significance level is 0.001 that is lower than 0.05, which means that the null hypothesis was rejected.

Technological development trends, and possibilities for the companies to benefit from such trends, are large. As has been underlined in this paper, digital performance has a major influence on business development. This is validated by the fact that an ever increasing turnover in medium-sized enterprises, and the expansion of the range of products, largely impacts the timelines of strategic decision-making. Businesses that have developed technological infrastructure have been able to benefit in two directions. The

first direction is that by applying technology, management obtains detailed and appropriate information to build strategic decisions, while on the other hand; operational staff minimizes reiterative processes and operations to a large degree, thereby utilizing benefits of such models. We may say that apart from its impact on business growth, digitalization also influences the performance of management and operations staff.

An accessory hypothesis for this paper is the following:

**H0: Employees are part of decision making processes**

H1: Employees are not part of decision making processes

Table 4 – Results of question “I am part of decision making process”

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I am part of decision making process	100	1	2	1.20	.402
Valid N (listwise)	100				

Authors’ calculations

The center of distribution (mean) is 1.20 and the standard deviation is 0.402, from this result has been found a small standard deviation, which means that we do not have spread data, or data are very close to the mean. As results show, the significance level is 0.072 that is lower than 0.05, which means that the null hypothesis was rejected.

Knowing the relevance of human resources, surveyed companies have invested largely, by making employees an active part of decision-making. This strategic decision of such companies has influenced many other directions, all contributing to a positive development in performance of staff and market positioning of companies. Elements that have contributed to the selection of this hypothesis include thoughts and recommendations of lower level staff members in companies, increased responsibilities in staff, appraisal of impacts of recommendations and their incorporation in daily processes in enterprises.

Table 5 – Results of question “I am part of decision making process” ANOVA results

ANOVA

I am part of decision making process

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1,371	4	.343	2,225	.072
Within Groups	14,629	95	.154		
Total	16,000	99			

## Authors' calculations

A second accessory hypothesis for this paper is the following:

H0: Technology does not impact performance of employees

**H1: Impact of technology on performance of employees**

**Table 6** – Result of question “How are the staff members willing to apply information systems to the relevant departments?Bootstrap for One-Sample Test

	Mean Difference	Bootstrap <sup>a</sup>				
		Bias	Std. Error	Sig.(2-tailed)	95% Confidence Interval	
					Lower	Upper
How are the staff members willing to apply information systems to the relevant departments?	1,857	.000b	.297b	.001b	1.286b	2.429b

*a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples*

*b. Based on 999 samples*

*Authors' calculations*

In order to order diversity in this paper, we have used also the ANOVA results, to test the second hypothesis. Taking in consideration the specific of the question, with ANOVA, based on the results we had information's that the observations are independent of each other. The ANOVA were use in purpose to divide the groups of respondents in two part based on their working position in the company. As results show we had the first group with 4 respondents which are non-executives and they are not part of decision-making process, and the second group is with the executive's members which all of them are part of decision-making.

The center of the distribution (mean) is 1.857 and the standard deviation error is 0.297, from this result can see a small standard deviation that means that do not have spread data, the data are very close of the mean. As results show the significance level is 0.001, which is lower than 0.05, this means that the null hypothesis is rejected.

Based on the findings presented above, we see that employees appreciate the application of technology in their workplace. They consider that technology allows them to improve performance and productivity in their work. This assumption was validated by a hypothesis established to address such matter. Also, in this study, we have understood that businesses that employ younger staff members have an easier access to application of technology, or changes in technological programs or devices. This is made possible due to the high degree of flexibility that the youth brings with itself. A relevant dose of rejection against frequent changes in programs and technological devices is seen in employees over the age of 45, due to additional engagement they have to invest to adapt to such changes, or due to duration of training they need to be subject to.

## 9. Conclusions and Recommendations

To be successful in global markets, every company must necessarily invest in innovation development. Investment in technology, entrepreneurship or cultural creativity is key to success. In Kosovo, investment is made in technology, but in many cases, without any clear vision. Meanwhile, more is invested in entrepreneurship and cultural creativity, and success is apparent. In this case, must underline the assistance and Smart investment made by the Innovation Center of Kosovo, who has made efforts to specialize teams in technology and information areas. International success is rather evident in this period. Also, in September 2017, the Government of Kosovo has created a Ministry of Innovation.

Technological innovations have improved operations of companies of all sizes, and have helped turn small local businesses into global businesses, by increasing salaries, and provide for more opportunities in their working hours, while the management would also be able to develop feasible strategic plans, and clustering would be easier if these companies aim to establish international relations with other companies. It has been confirmed that technological progress is the first strength that stimulates enterprise development and allows for development of unique products, thereby fostering productivity and increasing innovation in long terms.

The management systems must include the human resources policy, specially the recruiting, training and motivation of the employees that is considered nowadays as the most important factor in the re-source based view of the firm.

If one speaks of strategic management, despite the fact that literature is rather rich in data on its development, in practice, Kosovo companies, have individual business strategic plan that have been analyzed, developed and implemented.

The companies should focus constantly on human resources, because such people can largely improve the company performance and can develop new strategies and techniques to improve the whole model performance. Human Resource Management practices have been shown to be an important element that increases firm performance. Staff assessment needs to be practiced every month or every two months, because the employees seem to contribute better when such assessment period is looming. With new legal policies, staffs have contracts of up to 6 months with the company, there is no expediency and they have no job certainty. HR management will need to consider these elements and push employees to perform well, because frequent staffing changes aren't good for company reputation.

Training and specialization courses need to spread to all departments. HR department's need to create very specific strategies, with clear objectives, in order to create a range of benefits those employees can discuss this strategy before implementing it.

In Kosovo's point of view, having the youngest population in Europe might be a competitive advantage, in terms of the labor supply and availability of human capital, but in the policy perspective, it might cause challenges in channeling this kind of human capital. One of the biggest concerns is that skills and competencies possessed by workers are not the ones demanded by firms, suggesting the need for further changes in the education and training systems. The business community and academia should work more

closely to ensure compatibility of skills and knowledge acquired from formal education and the business needs (relation: theory vs. practice).

In this regard, it is recommended that government institutions also provide incentivizing mechanisms to stimulate innovation by use of technology. It is very important to have digitalization spread into public enterprises and institutions.

For the resource allocation to be made in a different dimension, which would be more profitable and sustainable financially. Enterprises are rather sensitive to the area of taxation, while state institutions have a more sensitive side in the area of implementing incentive policies.

Based on the findings of this research, we have present evidence of the current situation of doing business in Republic of Kosovo, and also the strategic focus of such business. As the results shows, companies are willing to invest in technology even the cost and time of implementation is very high, but they are focusing more to build trust with the employees and consumers, and this strategic focus lead to implement technology in all business units.

Investing in training of people, is an added value of this research. Taking in consideration that Republic of Kosovo is the newest state in Wester Balkan, and war challenges had negative impact during the decades, with this research we have shown that Kosovar entrepreneurship is dedicated to establish new era of business digitalization and to set new digital benchmarks in different sectors.

In the end, we can highlight the importance of digitalization on business performance and also the impact of it in building new standards in region, in terms of working conditions, new products, innovation and globalization.

The conclusions and recommendations which comes from this survey, admit the approach of preview researches such El Sawy *et al.* 2010 and Henfridsson *et al.* 2018.

## **10. Limitation of research**

While our study is a significant contributor in terms of theory and practice, on the other hand it should be acknowledged that there are also several limitations that should be considered.

Firstly, within our study it was used cross-sectional data to empirically investigate the proposed hypothetic models. This requires us to posit that our conclusions are related and valid at one point in time. Indeed, cross-sectional data are criticized for their inability to accept analytical insights.

Secondly, another limitation in data analysis is found in the age of employees, since the engagement of youth in labor processes involving use of technology is rather simpler and more compact when compared to training of older employees in technological processes and equipment.

In this regard, future research that replicates this study and tests the same conceptual model is advised. Additionally, futures longitudinal studies could cross-validate the current findings and provide additional support regarding the causality of the above hypothesis proposed.



Regarding the sample size, our study had 100 business and 100 employees; while guidelines on minimum sample size for representative results have not been determined, suggestions are that a sample size of at least 150 business and 200 employees is preferred.

Even though in our study, selection of most significant factors (digital models, innovation, HR, etc.) that affect the digital performance was referred from practical background; future efforts in searching for more significant factors affecting digital performance are advised. This comes as a result of the fact that performance, as a multidisciplinary concept, is determined by large and complex factors.

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