

THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY AND WORKING CAPITAL MANAGEMENT ON SMES PERFORMANCE DURING A PANDEMIC

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Abstract. The main purpose of the study is to examine the impact of corporate social responsibility (CSR) and working capital management practices on the performance of small and medium-sized firms (SMEs) in Kosovo during the lock-in period. In addition, the aim of the study is to investigate how employee behavior affects the relationship between corporate social responsibility, working capital management and the performance of small and medium-sized enterprises. A quantitative research method is used to obtain the necessary data. Respondents are employees of small and medium-sized businesses currently working in Kosovo, and surveys are mailed and in person. The PLS-SEM method was used to examine whether there is a statistically significant relationship between corporate social responsibility, working capital management practices, and SMEs performance. The relationship between corporate social responsibility, working capital management and financial success was investigated using a quantitative research method. The study found a significant correlation between corporate social responsibility (CSR), working capital management practices and the success of small and medium-sized enterprises (SMEs) in Kosovo. The data also showed that employee behavior plays a mediating role in the relationship between corporate social responsibility (CSR), working capital management practices and the performance of small and medium enterprises in Kosovo, according to the results. Significant gaps in the work have been identified as a result of inconsistent application of financial criteria by businesses that define sustainability. In addition, the study contributes to the preservation of enterprise valuation standards by providing guidance for small business owners and operators.

Key words: corporate social responsibilities, working capital management practices, the performance of SMEs, employee behavior.

JEL Classification: B40, B41, B49, O15, M50

1. Introduction

In the process of doing business, entrepreneurs need to struggle both with their personal difficulties and with the social approach they developed during COVID-19. This method, which promotes the development of sustainable organizations, has a positive impact on the performance of Kosovo's SMEs. As a result, the growth of the organization can be large, which allows the study of the main indicators of SMEs (Bojica, Ruiz Jiménez, Ruiz Nava, & Fuentes-Fuentes, 2018). In many industries, corporate social responsibility plays an important role in improving organizational performance. However,

the effectiveness of SMEs has probably reached the role of CSR in many countries, including Malaysia. This role has been positively reflected in the results of voluntary negotiations in some industries (Haslam, 2018). Therefore, regulatory requirements also focus on addressing some of the compliance elements prevalent in the governance structure.

The company's structure includes corporate social responsibility. This provides a number of business benefits, including improved performance for most businesses during COVID-19. The COVID-19 virus affects both public safety and health as well as the conduct of business (Hao, Shah, Nawazb, Barkat, &

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Souhail, 2020). Due to the competitive nature of the industry, Indonesia tends to pay a lot of attention to corporate social responsibility. This, in turn, influences consumers' brand choices and reactions (Han, Yu, Lee, & Baek, 2020). SMEs have gained enormous popularity in recent years due to increased attention from the rest of the world. In 2019, SMEs grew by about 5.8%, up from 6.2 % in the previous year. SME GDP was divided into two categories: registered and unregistered enterprises. As a result, certain non-SME growth in 2019 was 4.3%, significantly higher than the 3.4% growth in 2018. In addition, SMEs contributed a significant portion of GDP in 2018 and 2019. This shows significant growth of 38.9%, up 0.06% from the 38.3% seen in 2018. This chart shows price growth from 522.1 billion in 2018 to 552.3 billion in 2019. The performance of SMEs has improved significantly as a result of the expected effects of corporate social responsibility. As a result, new opportunities for improving efficiency can be created by including some elements of working capital management. When performance improves significantly, this tends to be the case for most Kosovo SMEs. When analyzing a company's success, this highlights the crucial link between corporate governance and working capital management (Kayani, De Silva, & Gan, 2019).

While this is beneficial to SMEs, it also promotes a governance system that allows them to operate more efficiently. Although many of the financial decisions made during COVID-19, which are mostly made by governing bodies, reflect rapid expansion. On the other hand, the efficiency of several key characteristics leads to improved performance of Kosovo SMEs. The lenient nature of working capital management has led to higher growth among start-ups in many countries (Bořoc & Anton, 2017). Employee behavior is becoming increasingly important in determining SMEs' performance after adopting some of the selected criteria. This issue, which has an impact on SMEs' performance, could potentially also affect working capital management and corporate social responsibility. It also claims to have a moderating effect on the success of businesses that compete with the spiritual principles embodied in their employees' charitable efforts (Ahmed, Arshad, Mahmood, & Akhtar, 2019). There is a broad sense of wisdom, community and significance here, all of which have the potential for significant growth in various sectors of the economy.

Businesses changed their methods of operation as a result of the complete lockdown imposed during the days of the coronavirus. In the modern era, working capital management practices are the most important predictor of an organization's existence. The organization of an entrepreneur's current assets and liabilities demonstrates working capital management practices. The success of these strategies has led to

shorter real-money conversion cycles. These practices not only increase profits, but also serve as a standard for investors to evaluate. Working capital is essential to the day-to-day operations of every company, regardless of size. The performance of most organizations is affected by their investments, capital structure, and dividends. Working capital management, on the other hand, ensures that a company's short-term financing needs are met. To determine working capital, current liabilities are subtracted from current assets. Accounts receivable, cash, deferred invoices, inventories, and accounts payable are the main topics. If companies do not recognize the importance of certain management practices, they may face insolvency. A significant amount of working capital resources can be used to reduce cash risk by leasing or renting real estate. The components of working capital, on the other hand, cannot be calculated by the same method. However, estimating working capital requirements is difficult because they vary by company, cash flow cycle and stock availability. Working capital rules and practices help businesses reduce risk and improve efficiency. Many researchers and policymakers associate entrepreneurship with SMEs. By harnessing the potential of SMEs, unemployment can be reduced. This, along with new ways of working, is seen as an important source of sustained economic growth. Scholars cover a wide range of financial, environmental, and managerial problems faced by SMEs. Most scholars blame ineffective firm management and working capital for these problems. Working capital management is critical to a company's long-term financial viability. It also determines a company's profitability. It also emphasizes the company's ability to handle any uneven financial crisis. The importance of maintaining a sufficient working capital position cannot be overstated. Asset evolution is as important to a company as blood is to the survival of an organism. The king and queen of financial management for any business is cash and cash flow. A company's working capital is determined by its short-term assets and liabilities. Running day-to-day business and prioritizing employee payroll over cash generation is crucial. Working capital is considered good if the company can pay its short-term liabilities with current assets. Working capital is negative when a company's current resources are insufficient to pay off temporary liabilities. As a result, failure to plan for increased working capital needs can lead to serious revenue difficulties. The purpose of the study is to determine the working capital management practices of small and medium-sized enterprises (SMEs) in the days of coronavirus, in consideration of the project need.

SME services grew about 7.4% in 2017 and are expected to grow an additional 8.1% in 2018. SMEs in the retail, wholesale and other trade subsectors, which grew 7.6% in 2018, are projected to gain

momentum. In addition, commercial services grew 7.7% in 2018 and groceries grew 4.3% with a notable 5.9% increase. When the different indicators in the other SME-related subsectors were summed up, the growth rates were lower at 4.9 percent and 3.2 percent, respectively. Construction-related SMEs grew by 4.0 percent, and mining-related SMEs grew by 4.7 percent. The performance of SMEs cannot be ignored by paying attention to employee behavior. Participants will be able to overcome many obstacles in the competitive landscape during COVID-19 through this evolution of the behavioral approach. While ethical employee behavior is very important, the structure of the organization must also consider the implications of organizational justice and ethical leadership (Al Halbusi, Williams, Mansoor, Hassan, & Hamid, 2020).

This business ethic includes many contrasting components that relate to the activities of the organization. As a result, engagement is always necessary to drive significant organizational growth. Certain depths and scales of performance measures that require employee engagement and pay for results are limited (T. Wang, Thornhill, & Zhao, 2018). This helps SMEs in a variety of ways, including accelerating expansion. While employee behavior is important, the corporation's methods are also important. This involvement refers to the approach that some practitioners take with regard to executive involvement in SMEs' operations and business plans (Rehman & Anwar, 2019). Accurate assessment of SMEs is made possible by simplifying management approaches and corporate structures.

When a company is socially responsible (CSR), it helps its competitive advantage, reputation and customer satisfaction. Working capital management (WCM) and corporate social responsibility (CSR) are important parts of improving business performance. Working capital management is an important part of a company's day-to-day operations (hence the term "WCM"). Businesses around the world are finding it increasingly difficult to cut costs and avoid risks in working capital management as the global economy and financial markets continue to deteriorate. Organizations can keep their cash flow and performance high because of the good CSR and WCM practices they use. According to Shin and Soenen, both CSR and WCM can have a large impact on a company's profits and cash flow, which can be very bad for a company (1998). The first meta-analysis of the relationship between CSR and SME performance seeks to explain anecdotal findings, synthesize disparate empirical studies, and consider contextual and methodological factors that may be responsible for the differences between studies. Through this study, it becomes clear that the author's suggestions for future research and management implications are good ideas.

2. Literature review

2.1 The role of corporate social responsibility (CSR) on SMEs performance

One of the main factors that have a significant impact on the organizational structure is corporate social responsibility (CSR) (Basheer, Muneer, Nawaz, & Ahmad, 2020). Two sources say that CSR is "an ongoing commitment by a business to act ethically and improve the quality of life of its employees, the community in which it lives, and the world at large." (2019) People who study environmental science and business administration say that people should think of environmental and social action not as optional add-ons, but as a necessary part of their lives. Khan et al., 2020, says that. Both small and large businesses are very interested in social and environmental activities and how they can make a company more popular and profitable (Ilyas et al., 2020; Min et al., 2017). It is becoming increasingly common for senior executives, business owners and company founders to spend a lot of money and time on environmental and CSR initiatives (Benlemlih & Cai, 2020). The CSR enabler shows opportunities that have led to significant improvements in SME performance. Corporate Social Responsibility (CSR) is widely used in a number of industries around the world, where it is linked to customer loyalty and excellent performance under COVID-19. As a result, the extensive relationship of corporate social responsibility to consumer perceptions of multinational corporations is influential (Crespo & Inacio, 2019). Positive measures, such as incorporating customer identification into firms' operations, can enhance this effect. This contributes to maintaining partnerships and increasing sales and services. Although there are many competitors thriving in a competitive marketplace, business association helps in the customer identification process, especially during COVID-19. This measure provides an approach to the education system based on the responsibility that can be created in businesses and institutions (M.-X. Wang, 2018). These reforms and reorganizations can have a positive impact on company performance. As a rule, small and medium-sized enterprises can achieve significant growth by making special commitments to corporate social responsibility. Several relevant CSR elements favorably emphasized Malaysia's significant approach to SMEs' productivity during COVID-19, according to a study of the relationship between company productivity and distinctive features of corporate social responsibility. This also applies to the countless evaluations conducted in various SMEs around the world that lead to significant improvements in their performance. The lenient approach to improving company competitiveness and corporate social responsibility can be measured in several ways (Lu et al., 2020). Entrepreneurial spirit, shareholder engagement,

social and environmental effects all influence small business success, according to this explanation. As a result, it explains the long-term characteristics that have a positive impact on consumer efficiency and small business profitability. Corporate social responsibility encompasses many aspects that help characterize institutions capable of achieving significant impact. These aspects are reinforced by the relative nature of financial capability and the demanding desires of consumers under COVID-19. As a result, economic, social and environmental issues contribute to a positive image of corporate social responsibility. Overall, the picture illustrates the superior performance of SMEs as a result of their market agility and supply chain flexibility (Benzidia & Makaoui, 2020). As SMEs seek to improve their efficiency and competitiveness, it is important to pay attention to how customers respond to their products and services, as well as how businesses perform. It has been proven that small and medium-sized businesses (SMEs) benefit from company orientation. In both the marketplace and entrepreneurship, COVID-19 has shown significant improvement in performance. For a variety of reasons, strategic direction contributes to small business success (Park & Seo, 2018). Corporate social responsibility is effective because it gives SMEs direction and the ability to learn, allowing them to improve their own performance.

H1: Corporate social responsibility has a significant and favorable impact on the performance of Kosovo SMEs.

2.2 The role of working capital management (WCM) on SMEs performance

Although working capital has traditionally been associated with financial solutions, the growth of CSR among small and medium-sized enterprises (SMEs) has helped to maintain advantages. Financial and non-financial resources are needed to protect the environment, help the poor, and improve the well-being of society. If you have entrepreneurial money, you can improve your company's reputation in the community and in the marketplace (Anwar et al., 2020; Tirumalsety & Gurtoo, 2021). According to Benlemlih and Cai (2020), organizations should make the most of their money (both internally and externally). The value and productivity of their assets will increase, so it will work in this way. Firms wishing to participate in CSR activities must have sufficient working capital. Financial incentives and state financial support can be used to encourage corporate social responsibility activities and the early introduction of green technologies in newly created enterprises (Owen et al., 2018; Spanos, 2018). Enterprises with sufficient working capital can contribute more to global development and realize their social goals.

During COVID-19, working capital management is likely to play a significant role in most corporate sectors. As a result, profitability and efficiency will improve. With limited financial resources in an emerging economy, capital expenditures have a significant impact (Mielcarz, Osiichuk, & Behr, 2018). Restrictions on working capital management significantly affect SMEs in a variety of ways. The profitability of small businesses can be negatively affected by certain restrictions on investment, which can be compensated for by appropriate working capital management. It is difficult for SMEs to plan for the future because of their dependence on external financing. Using secondary forces to make decisions improves organizational performance. The dominance of trade credit in COVID-19 can be abolished by the reversal of the business cycle. Due to the termination of specific investment programs, it is transferred through SMEs' counterparties. The elimination of financial constraints improves working capital management (Zhang, 2017). In both private and international SMEs, increasing working capital is a good way to improve performance. Although inventory management is a function of organizations, it helps manage working capital by creating management structures that are related to working capital constraints, especially in COVID-19 (Bendavid, Herer, & Yücesan, 2017). Working capital management, which replaces externalities, can significantly mitigate these constraints. These effects encompass all credit and supplier issues that interfere with SMEs' performance. External effects on SMEs' performance are the result of specific working capital management variables. During the zenith of COVID-19 in Malaysia, socioeconomic structure is heavily influenced by factor influences on organizational productivity. This can encompass a range of influences, both short-term and long-term, as well as indicators that are prominent in organizations. Within business, there are many criteria that are directly related to SME success and have a significant impact (Cicea, Popa, Marinescu, & Catalina Ștefan, 2019). The efficiency of SMEs is addressed by introducing a macroeconomic perspective. When viewed from an external perspective, the impact of working capital on SME efficiency is widely recognized. As a result, the predominance of various factors has a great impact on entrepreneurial orientations COVID-19. This section examines the characteristics of SME performance in developing countries. There is a significant correlation between small business success, entrepreneurial trends, and government support programs (Nakku, Agbola, Miles, & Mahmood, 2020). Financial and non-financial perspectives made a preliminary observation about the risks, competitiveness, and innovativeness of small and medium-sized enterprises (SMEs).

H2: Working capital management strategies have a significant and favorable impact on the performance of SMEs in Kosovo SMEs.

2.3 The role of Employee Behavior (EB) on SMEs performance

Employee behavior refers to the moral responsibility of employees for their employers. The sole contribution of employees determines their impact on SMEs' performance. According to SMEs in Malaysia, employee behavior enhances COVID-19 performance by creating a supportive and ethical environment. While moral responsibility is critical to employee ethical behavior and organizational support, increasing institutional variation reveals the need for structural modeling to account for the regulated relevance of employee behavior in SMEs (Jino & Dyaram, 2019; Kao & Cheng, 2017). Employee behavior contributes to both the dominance of social entrepreneurship and SMEs' performance in COVID-19. This is thought to be due to a lack of sociological analysis. With a broader view of societal perspectives on employee behavior, it plays an important role in social entrepreneurship. Among the various work community programs, social entrepreneurship has a constructive understanding of worker behavior (Shumba, 2017). This is an illustration of social entrepreneurship, which is crucial to managing employee behavior. According to corporate social responsibility experts, employee behavior has a moderating effect. The position illustrates its potential impact on corporate social responsibility, which is linked to the success of small and medium-sized businesses, by examining different criteria for employee behavior. While employee behavior has a moderating effect on a number of other variables, organizational effectiveness has a significant impact on employee behavior. While corporate social responsibility is crucial across industries, the growing influence of employee behavior on it is also operational (Mohammed, Xiao, & Hilton, 2019).

H3: Employee behavior has a significant moderating effect on the link between corporate social responsibility and the performance of SMEs in Kosovo.

H4: Employee behavior moderates the relationship between working capital management practices and SMEs' performance in Kosovo.

3. Methods

The purpose of the ongoing study was to examine the impact of CSR practices and working capital management on the performance of SMEs, as well as on the performance of SMEs during the Kosovo shutdown. The purpose of the survey was to learn about the practices used by SMEs during coronavirus. A quantitative research method was used to collect data from respondents. Respondents are SME employees currently working in Kosovo, and surveys are mailed and personal visit. Of the 450 surveys sent out by mail and personal visit, only 390 were returned. In addition, the PLS-SEM method was used to determine the meaningful relationship between corporate social responsibility, working capital management practices, and SMEs' performance. It was determined that smart-PLS would be best suited for this study, since the main goal is to extend the complexity of the structure as well as to test hypotheses (Hair Jr, Babin, & Krey, 2017). In this study, researchers looked at four variables in corporate social responsibility (CSR) and six items in working capital management practices (WCMP) as determinants (Afrifa, 2015). In addition, this study used employee behavior as the moderator variable with six items, and the performance of small and medium firms as the dependent variable with six items (Ogunyomi & Bruning, 2016).

4. Data Analysis and Findings

Three predictors were chosen in this study: ten-item social entrepreneurship (SE), four-item corporate social responsibility (CSR), and six-item working

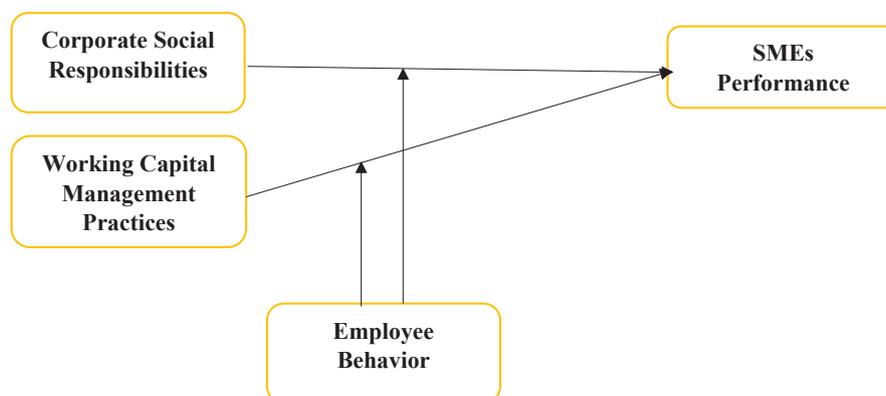


Figure 1. Theoretical Research Model

capital management practices (WCMP). In addition, this study uses employee behavior (EB) as the six-item moderating variable while small and medium-sized enterprises (SMEs) performance is used as the six-item dependent variable. They are highlighted in Figure 1.

4.1 Convergent validity (Parameter 1) to test the correlation between CSR and WCM in SMEs performance

In order to validate the measurement model, convergent validity was first examined in this study. Concept validity requires a high level of convergent validity. Convergent validity of a measurement is determined by how well it relates to similar variables and scales. Constructs need to correlate not only with other variables, but also with those that are unique to each other. As a result of this study, validity was established.

The composite reliability (CR) and Alpha values are more than 0.70, indicating convergent validity, which is concerned with the relationships between items and outcomes. Furthermore, the loadings and AVE values are both above 0.50. These results show that the items exhibit convergent validity and a high degree of correlation. The values in Table 1 have been emphasized.

4.2 Discriminant validity (Parameter 2) to test the correlation between CSR and WCM in SMEs' performance.

Discriminant validity is another important component of construct validity that must be

considered. Discriminant validity is established when measures of constructs that should not be meaningfully related to each other are not found to be meaningfully related to each other, thus demonstrating that they are meaningfully unrelated. Contrary to popular belief, in practice, discriminant validity coefficients are much lower than convergent validity coefficients.

In this study, discriminant validity was examined to assess the estimation of the measurement model. To begin with, cross-loadings with Fronell-Larker criterion were conducted. Discriminant validity, which examines the relationship between factors and outcomes, showed that values indicating a relationship to a variable were greater than values indicating a relationship to other variables. These data showed that the discriminant validity was reliable, and the relationship between the variables was not significant. Tables 2 and 3 are proof of this.

4.3 Evaluation of the structural model (Parameter 3) to test the correlation between CSR and WCMP in SMEs activities

Finally, the structural model was evaluated, revealing the relationships of the variables. According to the findings, CSR and working capital management practices have a positive correlation with the success of SMEs in Kosovo, which confirms H1 and H2. In addition, the data show that when H3 and H4 are adopted, employee behavior has a favorable moderating effect on the relationship of CSR, working capital

Table 1

Convergent validity

Constructs	Items	Loadings	Alpha	CR	AVE
Corporate Social Responsibilities	CSR1	0.953	0.964	0.972	0.874
	CSR2	0.935			
	CSR3	0.944			
	CSR4	0.954			
SMEs Performance	SMEP1	0.572	0.907	0.924	0.579
	SMEP2	0.787			
	SMEP3	0.771			
	SMEP4	0.639			
	SMEP5	0.799			
	SMEP6	0.810			
Working Capital Management Practices	WCMP1	0.861	0.926	0.940	0.664
	WCMP2	0.846			
	WCMP3	0.826			
	WCMP4	0.862			
	WCMP5	0.867			
	WCMP6	0.859			
Employee Behavior	EB1	0.607	0.938	0.940	0.614
	EB2	0.828			
	EB3	0.665			
	EB4	0.827			
	EB5	0.825			
	EB6	0.813			

Table 2

Fronell-Larcker criterion

	CSR	EB	SE	SMEP	WCMP
CSR	0.935				
EB	0.572	0.784			
SMEP	0.472	0.311	0.515	0.761	
WCMP	0.422	0.288	0.440	0.423	0.815

Table 3

Cross-loadings

	CSR	EB	SE	SMEP	WCMP
CSR1	0.953	0.514	0.451	0.457	0.370
CSR2	0.935	0.516	0.454	0.415	0.432
CSR3	0.944	0.532	0.453	0.443	0.415
CSR4	0.954	0.508	0.454	0.460	0.371
SMEP1	0.361	0.319	0.287	0.572	0.196
SMEP2	0.392	0.262	0.460	0.787	0.347
SMEP3	0.432	0.236	0.461	0.771	0.369
SMEP4	0.349	0.222	0.255	0.639	0.236
SMEP5	0.410	0.260	0.437	0.799	0.344
SMEP6	0.303	0.207	0.379	0.810	0.315
WCMP1	0.352	0.227	0.373	0.352	0.861
WCMP2	0.337	0.251	0.356	0.335	0.846
WCMP3	0.376	0.266	0.362	0.303	0.826
WCMP4	0.364	0.287	0.379	0.322	0.862
WCMP5	0.377	0.234	0.400	0.374	0.867
WCMP6	0.388	0.242	0.396	0.417	0.859

Table 4

Path analysis

Relationships	Beta	S.D.	T Statistics	P Values	L.L.	U.L.
CSR -> SMEP	0.220	0.082	2.685	0.004	0.059	0.344
CSR*EB -> SMEP	0.124	0.071	1.733	0.043	0.002	0.219
WCMP -> SMEP	0.234	0.065	3.610	0.000	0.116	0.344
WCMS*EB -> SMEP	0.123	0.067	1.836	0.035	-0.005	0.218

management practices, and SMEs' performance in Kosovo. Table 4 shows these correlations.

5. Discussions

The results of this study show that CSR improves the performance of SMEs in Kosovo, which is consistent with the findings of Jain, Vyas, and Roy (2017), who found that successful implementation of CSR best practices can improve organizational performance. In addition, the data showed that effective working capital management strategies contributed to the performance of SMEs. Pais and Gama (2015) investigated the impact of working capital management practices on business profitability. Hoxha, Hoti, and Ahmeti (2016) also investigated the profitability of manufacturing companies by looking at how they manage their working capital. Since profitability percentages were undeniably linked to the cash conversion cycle, the benefits of networking were taken advantage of. The results of the study showed that effective capital

management practices can significantly improve certain components of the cash conversion cycle. Baker, Kumar, and Singh (2019) examined firm sustainability in terms of credit history maintained by credit rating agencies. According to the results, both SMEs maintained 100% of their reserves. However, there were differences in how they used computers to manage receivables, creditors, currency, and transactions.

According to Afrifa (2016), storing documents on a computer reduced the cost of doing business for SMEs and improved management decision-making. Approaches to working capital management were investigated using the cash conversion cycle. Managers can improve business profitability by minimizing the number of days inventories and receivables remain on the books. The analysis in the paper showed that SMEs maintained a fully cash-based accounting system. Significant differences existed among SMEs with respect to cash budgeting, sales on credit, purchases on credit, and credit policies. Abimbola and Kolawole

(2017) examined at several SMEs that had excess cash and decided to invest it in attractive products to increase income. Failures in many businesses can be attributed to lack of cash. Most small businesses are not financially planning. The vast majority of entrepreneurs sell and buy on credit. Trading on credit provides a safe haven during financial crises. The study found that construction and manufacturing businesses have significantly different inventory review and insurance policies. In addition, they pointed out that most SMEs do not have insurance. Without insurance, the inventory cannot be protected against fire or theft.

Furthermore, the results show that employee behavior has a positive moderating effect on the relationship between CSR and SMEs' performance, which is consistent with the findings of Manzoor et al. (2019), who found that when CSR is effectively implemented in an organization, employee behavior has a positive effect on company performance. Finally, the results show that employee behavior has a positive moderating effect on the relationship between working capital management practices and SMEs' performance, which is consistent with Singhania and Mehta's (2017) findings that effective working capital management has a positive effect on firm performance.

6. Conclusions

Currently, the success or failure of an enterprise is determined by its working capital management practices as well as the effectiveness of corporate social responsibility (CSR) and working capital management. These factors contribute not only to the validity of financial performance, but also to the profitability of the company. Because it explains how CSR and WCMP affect the behavior and performance of employees in small and medium-sized enterprises (SMEs), as well as how they affect the company as a whole, this study is important. It is important to note that this study looked at the mediating roles of CSR and WCMP as well as how well these mediators were able to show the relationship between corporate success and CSR and WCMP. Contrary to what people thought, the study showed that strategic CSR should be seen as the core of small business operations in order to keep it profitable and sustainable in the long run. Thus, corporate social responsibility efforts are designed to give the company a competitive edge that will lead to increased long-term profitability. It has been found that campaigns that emphasize a company's ideals, responsibility, sustainability and goodwill are more effective than those that focus only on selling goods or services to the general public (Haski-Leventhal, 2018). According to it, CSR and WCMP can help small businesses achieve more. It also states that these initiatives can change employee behavior and motivation. Companies that

do good things for the world as a result enhance their reputation and increase the likelihood that people will buy their product, which in turn helps the company to be more successful. The study found that Kosovo SMEs have effective CSR and working capital management practices, which contribute to the country's high performance. In addition, SMEs' employee behavior has a positive impact on their performance when it comes to effective CSR practices and working capital management. The main goal of the project was to study how SMEs managed their working capital in the era of the coronavirus. The data showed that SMEs account for their finances using a variety of methods. SMEs are less likely to keep accounting through computers. Inventory review and insurance plans are popular among SMEs. According to the findings of this study, policymakers should prioritize CSR-related rules as well as working capital management practices and employee behavior in order to improve SMEs' performance. Furthermore, this study includes directions for future researchers interested in conducting additional research on this topic. This study contributes to the body of knowledge on SMEs' performance in terms of corporate social responsibility, working capital management, and employee behavior.

The current study has numerous limitations that should be considered in future research. Although employee behavior was included in this study as a moderating variable, its mediating effect on the model was ignored, and it has been suggested that future research should include this component. Moreover, the current study focused solely on three variables, such as CSR and working capital management practices, and neglected to consider additional aspects that affect SMEs success. It is recommended that future studies use characteristics other than those included in this study to predict the effectiveness of SMEs. Besides, the current study focused exclusively on Kosovo SMEs and ignored other industries and countries, which means that future studies should include a wider range of sectors and countries. Finally, this study did not conduct a cross-country analysis, and it is recommended that future studies should do so. Other studies have found that CSR and WCMP affect the behavior and performance of small business workers in different ways, but none have identified a mechanism by which this occurs. While most previous research has focused on the impact of CSR on firm performance with intermediaries such as firm identification, access to finance, and business model innovation, Valdez-Juárez et al. (2018); differentiation and outside investment, Lee and Jung (2016); or without an intermediary in some cases, Okolie and Igbini (2020); or controversial findings, Moslemany and Etab (2017), which found no significant relationship between CSR and firm performance.

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