

## CORPORATE GOVERNANCE AND PERFORMANCE OF SME SECTOR IN KOSOVO

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**Abstract:** *OECD (2015) suggested that its corporate governance principles should be considered for implementation also by Small and Medium companies. A good corporate governance system it's established to ensure proper balance in terms of long-term interests of different stakeholders (primarily: owners, employees and management) through improvements of company's performance and improving its competitive position in the market.*

*This paper provides a short overview on the theoretical discussions that is related to the interdependence between corporate governance and company performance, than presents the results of empirical studies in different countries and also results of a survey of around 100 SMEs in Kosovo.*

*The analysis of data in this paper, in the case of Kosovo, has proved that the greater the company, the effects of corporate governance on the performance of enterprises are even greater. Also, the effects of corporate governance are greater in performance in those cases where companies operate on the larger market. Regarding the determinants, the theoretical expectations are confirmed that the size of the company, the level of investment, export activities and company life expectancy are statistically significant determinants of the adoption of corporate governance practices.*

**Key words:** *Performance, governance, company, boards, executive management.*

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