



Corporate Social Responsibility and Sustainable Development in Albania: An Employee-Centric Analysis

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ABSTRACT

This study examines employees' perceptions of corporate engagement in social responsibility and sustainable development within the Albanian context. We conducted a quantitative survey, distributing an online questionnaire to various corporate employees, resulting in 27 responses. Our sample encompasses a diverse range of companies across multiple sectors (production, services, trade, and construction) operating in various cities across Albania, including both Albanian-owned and foreign corporations. Through a mixed-methods approach, this study investigates the impact of four key pillars on corporate alignment with Sustainable Economic Development Goals and Practices: (1) Reduction of Carbon Emissions and Supply Chain Management, (2) Inclusion and Community Engagement, (3) Social Investments and Stakeholders, and (4) Transparency, Reporting, and Compliance with Human Rights. Our analysis reveals that, according to the employee's points of view, the reduction of carbon emissions and supply chain management, inclusion and community engagement, and social investments and stakeholders have a positive impact on corporate engagement in social responsibility and sustainable development. These findings corroborated by both ordinal regression and ordinal logistic regression models advocate for comprehensive measures designed to promote corporate alignment with sustainable economic development in Albania.

1. INTRODUCTION

Corporate engagement in social responsibility (CSR) and sustainable development (SD) is a multifaceted concept encompassing a company's commitment to operating in an ethical, environmentally conscious, and socially beneficial manner. It goes beyond simply generating profits and considers the impact of business activities on various stakeholders, including employees, customers, communities, and the environment. CSR initiatives typically involve philanthropy, such as donations and community support, as well as fostering ethical labor practices, including fair wages, diversity, and worker safety. Investments in community development, particularly in education, healthcare, and economic growth, further exemplify CSR's contributions to building goodwill and enhancing corporate reputation [1-3].

Sustainability in corporate development and supply chain management involves integrating environmental, social, and economic

considerations into business practices and decision-making. It's about creating long-term value by minimizing negative impacts and maximizing positive contributions to the planet and its people. Many companies are innovating through eco-friendly product development and circular business models, such as recycling and reuse initiatives [4].

International frameworks, such as the United Nations Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) standards, are instrumental in shaping sustainability initiatives ([5,6]. Certifications like ISO 14001 (environmental management) and B Corp status provide established benchmarks for evaluating performance [7].

Notable companies, including Unilever, Patagonia, and Microsoft, exemplify the successful integration of CSR and SD into their core business strategies. By addressing stakeholder expectations and proactively tackling regulatory, environmental, and social challenges, these organizations are

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future-proofing their operations and contributing to a more sustainable and inclusive global economy.

A cornerstone of inclusive and sustainable growth in the European Union is leaving no one behind, prioritizing "locally inclusive" development. Progress demands an equitable transition that benefits all stakeholders; sustainable local development cannot come at the expense of specific groups, communities, sectors, or regions [8].

Public perception is also a critical driver of CSR, with a study showing that 45% of Albanian citizens consider product safety and quality to be essential areas of corporate responsibility [9]. In parallel, Albania's alignment with the SDGs emphasizes progress in areas such as health, clean energy, economic growth, and infrastructure. However, gaps remain in areas like marine ecosystem conservation, underscoring the need for broader efforts.

Another research found that employee perception of their employer's social responsibility and sustainability varied significantly, with a wide range observed across different Western Balkan countries including Albania [10]. This research delves into the alignment of corporations operating in Albania with social responsibility and sustainable development goals, specifically from the perspective of employees. It highlights the existing gaps and provides actionable recommendations to guide corporations in Albania towards achieving these goals, thereby accelerating their progress and facilitating future research in this domain.

2. MATERIALS AND METHODS

2.1. Research Design

This study investigated corporate engagement in social responsibility and sustainable development through an online questionnaire. The questionnaire comprised two primary sections. The first section collected demographic information about the respondents, including age, country of residence, job title, educational background, and company affiliation. The second section, the core of the questionnaire, assessed corporate engagement across five key pillars of social responsibility and sustainable development. Each pillar was operationalized through eight specific elements. These pillars are:

- A. Carbon Emissions Reduction and Supply Chain Management;
- B. Inclusion and Community Engagement;
- C. Social Investments and Stakeholder Relations;
- D. Transparency, Reporting, and Human Rights

Compliance; and

E. Alignment with Sustainable Economic

2.2. Development Goals and Practices

Employing a mixed-methods approach, the study integrated quantitative and qualitative data. Quantitative data, derived from numerical responses to the questionnaire, were supplemented by qualitative insights gathered from the research population. This integrated approach facilitated a hypothesis-driven analysis to explore the relationships among the pillars.

The central hypothesis of this study examined the influence of four specific pillars – Carbon Emissions Reduction and Supply Chain Management (A), Inclusion and Community Engagement (B), Social Investments and Stakeholder Relations (C), and Transparency, Reporting, and Human Rights Compliance (D) – on corporate alignment with Sustainable Economic Development Goals and Practices (E). The research hypothesis is formally stated as:

$$H_0: E = \beta_0 + \beta_1A + \beta_2B + \beta_3C + \beta_4D + \mu t. \quad (1)$$

2.3. Research Data

This research involved contacting 27 corporate employees. The respondents represented a diverse age range: 3.7% were aged 18–25, 29.66% were 26–34, 48.14% were 35–44, 11.1% were 45–54, 7.4% were 55–64, and none were over 65.

The evaluated corporations spanned several sectors, including production, services, trade, and construction. These corporations operate in multiple Albanian cities, such as Tirana, Elbasan, Fier, Vlore, Lushnja, Shkoder, and Korca. Furthermore, the companies have diverse origins, with headquarters in Albania and other countries including Turkey, the Netherlands, the Cayman Islands, Slovenia, Switzerland, Austria, Cyprus, Serbia, Hungary, France, Italy, the USA, South Korea, and Lebanon.

2.4. Research Method

This section describes the methodology used to analyze employee opinions on corporate alignment with Sustainable Economic Development Goals and Practices, gathered through an online questionnaire. The questionnaire, distributed via email, employed a Likert scale. The Likert scale ranged from 1 (one) to 5 (five), where: 1 = Strongly Disagree (SD), 2 = Disagree (D), 3 = Undecided (U), 4 = Agree (A), and 5 = Strongly Agree (SA).

Due to the non-normal distribution of the Likert data, both ordinal regression and ordinal logistic regression were employed to test the

impact of factors such as carbon emissions, inclusion, social investments, and transparency on overall alignment. The analysis utilized SPSS 20 and the hypothesis tested was $H_0: E = \beta_0 + \beta_1A + \beta_2B + \beta_3C + \beta_4D + \mu_t$ (1).

This approach is used to understand the relationship between the independent and dependent variables. Ordinal logistic regression, which relies on the proportional odds assumption, was used to estimate the odds of a higher category. The dual approach ensured a robust analysis.

The data collected for each pillar element (A/B/C/D and E, from 1 to 8) are evaluated using average ratings, with decimal values rounded to the nearest whole number. This transformation is recommended, as it simplifies interpretation, particularly for users who may find it challenging to interpret Likert scale values, such as those on a 5-point scale.

3. RESULTS

The respondents evaluate the pillars B, C, D, and E with an average rating of 4 (indicating

agreement with corporate approaches to these issues). While the pillar A and the element C3 is evaluated with a rating of 3 (undecided).

The analysis investigates the relationship between corporate practices and alignment with Sustainable Economic Development Goals (SEDG) and practices (E). Specifically, we examine the impact of four key dimensions: Reduction of Carbon Emissions and Supply Chain Management (A), Inclusion and Community Engagement (B), Social Investments and Stakeholder Relations (C), and Transparency, Reporting, and Human Rights Compliance (D) on the dependent variable E from the employees point of view. The following ordinal regression model is employed:

$$H_0: E = \beta_0 + \beta_1A + \beta_2B + \beta_3C + \beta_4D + \mu_t \quad (1)$$

Statistical analysis using the Shapiro-Wilk (1968) test revealed that the Likert scale data for variables A, B, C, D, and E do not exhibit a normal distribution ($p < 0.05$). This non-normality informed the selection of ordinal regression for the analysis, and the results are presented at a 95% confidence level (refer to Table 1).

Table 1. Ordinal regression variables tests of normality data

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
A	.180	27	.025	.854	27	.001
B	.308	27	.000	.851	27	.001
C	.258	27	.000	.872	27	.003
D	.282	27	.000	.874	27	.004
E	.306	27	.000	.836	27	.001

The parallel lines test yielded a statistically significant result ($p < 0.001$), confirming that the location parameters (slope coefficients) are

consistent across response categories for variable E (see Table 2). This supports the assumption of proportional odds in the ordinal regression model.

Table 2. Test of parallel lines

Model	2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis General	20.367 0	20.367	0	0.06

A Generalized Linear Model (ordinal logistic regression) was used to determine the impact of four factors (A, B, C, D) on corporate alignment with Sustainable Economic Development Goals (E)

at a 95% confidence level (Table 3). The model fit the data well (Chi-square significance = 0.000). All four factors significantly impacted the outcome (A, B, D all 0.000, C is 0.000).

Table 3. Omnibus Test

Likelihood Ratio	Chi-Square	df	Sig.
	50.077	4	0.000

Table 4's ordinal logistic regression results confirm that each study pillar (A, B and C) significantly influences corporate alignment with

Sustainable Economic Development Goals and Practices (E), achieving statistical significance at a 95% confidence level.

Table 4. Generalized linear model parameters estimation

Parameters	B	Dev. Stand	95% Wald Conf. Interval		Hypothesis test			
			Low	Upper	Wald Chi ²	df	Sig.	Exp(B)
A	-2.406	0.98	-4.332	-0.480	5.993	1	0.014	0.090
B	3.073	1.42	0.272	5.873	4.623	1	0.032	21.598
C	4.616	1.73	1.215	8.018	7.077	1	0.008	101.135
D	1.169	1.17	-1.143	3.481	0.982	1	0.322	3.218
Scale	1							

4. DISCUSSIONS

This study explores employee perceptions regarding social responsibility and sustainable development practices within Albanian corporations. The findings identify several key drivers that facilitate corporate alignment with sustainable economic development, including: (A) carbon emissions reduction and supply chain management; (B) inclusion and community engagement; and (C) social investments supported by stakeholders.

Employee perspectives on carbon emissions reduction and supply chain management corroborate previous research findings [5], indicating consistency in perceptions across contexts. Similarly, the emphasis on inclusion and community engagement aligns with prior studies [2,3], underscoring its recognized importance in sustainable practices. Additionally, the significance attributed to social investments with stakeholder support is supported by existing literature [9], highlighting its relevance in the Albanian corporate landscape.

The perceived cohesion among these factors suggests a holistic approach to sustainability that employees consider integral to successful corporate operations in Albania. This integrated perspective may serve as a foundation for developing more effective sustainability strategies tailored to the local context.

5. Conclusion

The ordinal regression analysis used in this research reveals statistically significant relationships between these factors and corporate alignment (E):

For each unit improvement in carbon emissions reduction and supply chain management (A), the predicted log odds of achieving a higher level of corporate alignment (E) increase by 0.98.

Increased inclusion and community engagement (B) is associated with a 1.42 increase in the predicted log odds of achieving a higher level of corporate alignment (E).

Enhancements in social investments and stakeholder support (C) lead to a 1.73 increase in the predicted log odds of achieving a higher level of corporate alignment (E).

To enhance corporate alignment with sustainable economic development from employees perception perspective, a collaborative approach involving government, industry, and stakeholders is crucial. The findings suggest targeted strategies:

The impact of carbon emissions reduction and improved supply chain management (odds ratio of 0.09) emphasizes the importance of government-led initiatives such as renewable energy incentives, carbon credit programs, and green logistics frameworks.

The influence of inclusion and community engagement (odds ratio of 21.59) necessitates collaborative programs that empower marginalized groups and promote participatory decision-making processes.

The significance of social investments and stakeholder support (odds ratio of 101.13) underscores the need for partnerships among corporations, non-profits, and financial institutions to facilitate impactful investments in community development and sustainability projects.

By implementing these comprehensive measures, a supportive environment can be created to encourage corporate alignment with sustainable economic development practices. In this context, the future research may be expanded through:

Causal Analysis to determine the direct impact of different variables on corporate alignment. Threshold Analysis to identify critical

levels of each variable where significant changes in examine how variables interact with each other and external factors (like industry) to influence corporate alignment. Longitudinal and Comparative Analysis to study changes over time and comparing different companies, industries, or countries. And Theory Development in integrating findings into existing theories and creating new theoretical frameworks to explain the observed relationships.

Conflict of Interest

No conflict of interest is declared by the authors. In addition, no financial support was received.

Author Contributions

Study Design, AT; Data Collection, IS, IB; Statistical Analysis, AT, IS; Data Interpretation, AT, IS. Manuscript Preparation, AT, IS, IB; Literature Search, AT, IS, IB. All authors have read and agreed to the published version of the manuscript.

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