

# Chapter 2

## Albania

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### HIGHLIGHTS

- Albania is a country on the Balkan peninsula with a long Adriatic and Ionian coastline, between Greece in the south and Montenegro and Kosovo to the north.
- The economy of Albania has remained limited, but positive growth during the recent global financial and economic crisis.
- The sectors with the best potential for growth are agriculture, ICT services, tourism, the mining industry, renewable energy, manufacturing, transport and logistics.
- Albanian GDP per capita reached 3.605 EUR in 2014.
- In terms of internationalisation, most of the surveyed companies in Albania are present only in the domestic market and they mostly export their products in the Adriatic Region, considerably less on the markets of the neighbouring countries in Western, Central or Eastern Europe.
- The levels of support from both local and regional authorities and from the European Union is low in Albania. The percentage of respondents that received support from the central government in Albania is slightly higher than the Adriatic Region average.
- Regarding the micro determinants of innovation, knowledge hiding in Albania is not a common occurrence, as it stands at the level of 1,84, which is lower than the average in the Adriatic Region (2,31).
- Cultural intelligence is ranked slightly higher in Albania (4,93) than in the Region average (4,54).

## 2.1 GENERAL OVERVIEW

Albania is a country on the Balkan peninsula in Southeastern Europe, with a long Adriatic and Ionian coastline, between Greece in the south and Montenegro and Kosovo to the north. After World War II, Albania became a Stalinist state and remained isolated until its transition to democracy after 1990. The 1992 elections ended 47 years of communist rule and established the multiparty democracy.

According to the 2011 Population and Housing Census, the resident population in Albania was 2,821,977. The population has declined by about 8% over the last ten years (INSTAT, 2011), mainly due to high rates of emigration. Many Albanians left the country in search of work; the remittance remains an important source of revenue. Along with other Western Balkan countries, Albania was recognised as a potential country for EU membership in 2003. A Stabilisation and Association Agreement (SAA) entered into force on 1 April 2009. The European Commission recommended that Albania should be granted EU candidate status in October 2013 and it reconfirmed the recommendation in the Progress Report published in June 2014.

Albania still needs to meet the key priorities for EU membership with a particular focus on administration and judiciary reform, fundamental rights, and the fight against corruption and organised crime. Moreover, a constructive and sustainable political dialogue remains essential to consolidate and continue reforms. Despite difficulties, the Albanian Government has built a strategic vision to transform the country's economy from a low productivity, informal and import dependent economy to a modern, innovative and highly productive one.

The economy of Albania has remained limited, but positive growth during the recent global financial and economic crisis. The sectors with the best potential for growth are agriculture, ICT services, tourism, the mining industry, renewable energy, manufacturing, transport and logistics (AIDA, 2015). The overall industrial and trade performance is characterized by a lack of economic competitiveness. Among main elements hampering competitiveness are the lack of a specialised and skilled labour force and a large informal economy. According to the Global Competitiveness Report 2014-2015, Albania is ranked in 97th position out of 144 countries, losing eight positions from 2012-2013. In terms of labour market efficiency, the country ranks 93rd, while in innovation it is 120th (World Economic Forum, 2014-2015). In terms of the general socio-economic development, as measured by the Human Development Index (HDI), the country figures in the 'high human development' category, ranking 95 out of 187 countries and territories in 2014; this was down 25 positions when compared to 2012 (UNDP, 2014).

The labour market in Albania is characterized by high unemployment, especially among the younger population, along with informality and the low participation of

girls and women. The unemployment rate in Albania (for the age-group 15-64 years old) is 17.9% (INSTAT, 2014). Youth unemployment (aged 15-29) remains a crucial issue, since the rate has continuously increased from 21.9% in 2011 to 32.5% in 2014 (INSTAT, 2015).

Women in Albania continue to be under-represented in employment and the gender wage-gap is still wide (Miluka, 2011). They are less present in almost every employment sector in the country (INSTAT, 2014b). Census 2011 data shows that the rate of unemployment among Roma and Egyptian minorities remains high due to low educational qualifications and discrimination.

Albania is finalizing the National Strategy for Development and Integration, among other priorities, presenting innovation as a driving force for increasing competitiveness. Industrial parks will provide one of the preconditions for a transition from the present-day economic model, characterized by the use of a low or semi-skilled labour force and the manufacture of products with low added value, to a more innovation-driven and knowledge based development model. To ensure a successful transition to innovative development, increasing support will be provided to Albanian enterprises that are seeking to modernize their technology by transferring and absorbing (in cooperation with academicians and researchers) innovations currently being applied in other countries or in other local enterprises. Innovation should become a key source of growth and added value even in traditional and relatively low-technology sectors, such as agriculture, food processing, industry, transport, construction and light industries.

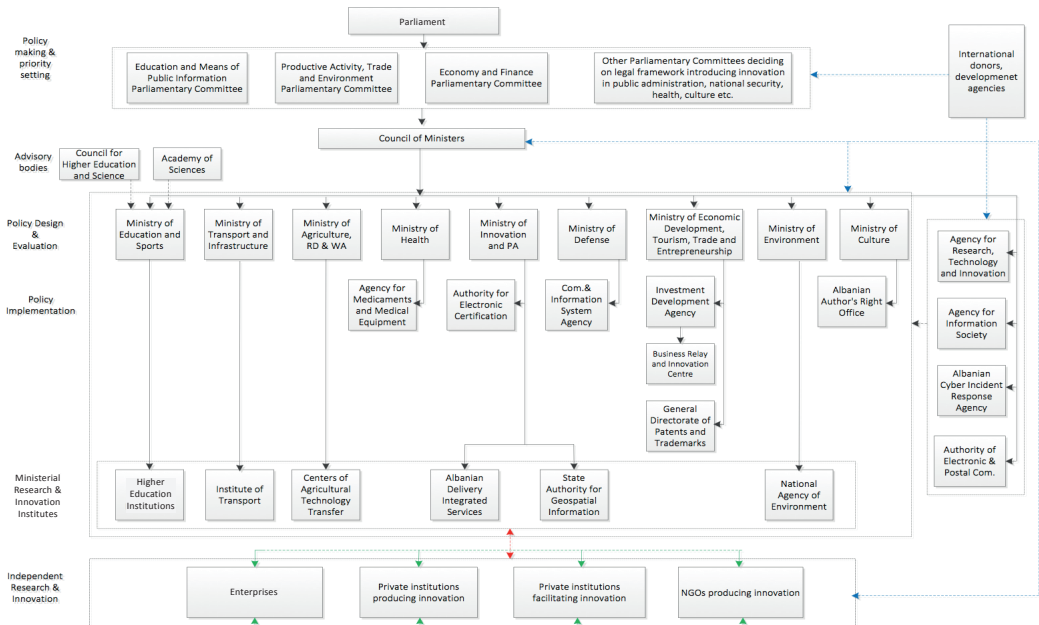
### 2.1.1 OVERVIEW OF THE ECONOMIC SITUATION IN THE COUNTRY

According to the World Bank's estimation, Albania classifies as an upper middle-income country, which has undertaken important steps toward establishing a credible market economy over the last twenty-five years. The country has generally been able to maintain positive growth rates and financial stability, despite the ongoing international economic crisis.

### 2.1.2 OVERVIEW OF THE RESEARCH AND INNOVATION ACTORS AND ACTIVITIES IN THE COUNTRY

Innovation system in Albania is composed of a series of actors operating on different levels and occupying different roles, as described below.

**Figure 2.1 - Institutions responsible for R&D and Innovation Policy making in Albania**



**Source: Elaborated by the Albanian PACINNO team**

### STRATEGIC POLICY MAKING AND PRIORITY SETTING ACTORS

As Albania is a Parliamentary Republic, there are at least three committees responsible for research and innovation laws:

- Education and Means of Public Information Parliamentary Committee;
- Productive Activity, Trade and Environment Parliamentary Committee;
- Economy and Finance Parliamentary Committee. Following the calendar of discussions, the laws presented at these committees are widely discussed with interested actors.

### ADVISORY BODIES

There are two main important institutions operating as advisory bodies that report to the Assembly:

- The National Council for Higher Education and Science (NCHES) has been established as an advisory body to the Council of Ministers (CoM) and the Ministry of Science and Sport (MSS).

- The Albanian Academy of Science (AAS) was substantially reduced in size after the reform in 2009.

#### POLICY DESIGN INSTITUTIONS

- The Council of Ministers (CoM) submits draft laws on national scientific activities to the Parliament.
- The Ministry of Innovation and Public Administration (MIPA) is responsible for designing and coordinating policies in the field of information technology and electronic communications, geo-space information infrastructure, postal services, audiovisual media and reformation and modernization of public administration.
- The Ministry of Education and Sports (MES) is the main government institution responsible for scientific research and development policies.
- Other ministries such as the Ministry of Economic Development, Tourism, Trade and Entrepreneurship (MEDTTE); the Ministry of Agriculture, Rural Development and Water Administration (MARDWA); the Ministry of Health (MH); the Ministry of Environment (ME); the Ministry of Transport and Infrastructure (MTI); the Ministry of Defence (MD) and the Ministry of Culture (MC) design policies based on evidence produced by the institutions depending on them, as described below.

#### POLICY IMPLEMENTATION

- Agency for Research, Technology and Innovation (ARTI);
- Authority for Electronic Certification (AEC);
- General Directorate of Patents and Trademarks (GDPT);
- Albanian Investment Development Agency (AIDA);
- Business Relay and Innovation Centre (BRIC);
- Agency for Information Society (AIS);
- Albanian Cyber Incident Response Agency (ALCIRT);
- Authority of Electronic and Postal Communications (AEPC);
- Agency for Medicaments and Medical Equipment (AMME).

#### RESEARCH AND INNOVATION INSTITUTES

Research and innovation institutes depend on ministries, as follows:

- The State-owned Higher Education Institutions (SHEI);
- The Ministerial Research Institutes/Agencies in charge of development and technology transfer.

## INDEPENDENT RESEARCH AND INNOVATION INSTITUTES

- Non-Government Research Entities;
- Private enterprises operating in the field of knowledge and technology transfer and IT.

### 2.1.3 RECENT CHANGES IN R&D AND INNOVATION SYSTEM IN THE COUNTRY

Recent developments in innovation policies have showed signs of stagnation. In recent years Albania has performed poorly, despite having clear objectives related to innovation and research, objectives previously set by the EU.

After an initial momentum that gave a jolt to the Albanian economy, including legislative work, investments that made ICT penetration possible among businesses and individuals, through adopting successful practices and friendly business policies across the country, has come to a stand still.

Re-organizing the Academy of Science, creating a National Strategy of Innovation and a new agency called the Agency for Research, Technology and Innovation (ARTI) have not made enough to offset the poor performance in technological foreign direct investment (FDI) and to shift businesses strategy from buying innovation into the market rather than developing it internally for sustainable growth. Albania even has a Ministry of Innovation, despite all of these small agencies and public institutions.

The main reason for this situation is the lack of smart and sustainable growth foundations, which is achievable through building safe business environments with an efficient legal framework, and what is most important, a good quality education system.

The main policy innovation milestones are not that recent. Nevertheless, the National Strategy for Development and Integration was approved in 2008, as was the National Strategy for Science, Technology and Innovation. One of the main innovation policy agencies, the Albanian Investment Development Agency (AIDA), was set up in 2010. The actor list of innovation policy also includes various agencies such as the Business Relay and Innovation Center (BRIC) created in 2011, the National Agency for Information Society (NAIS) and many others.

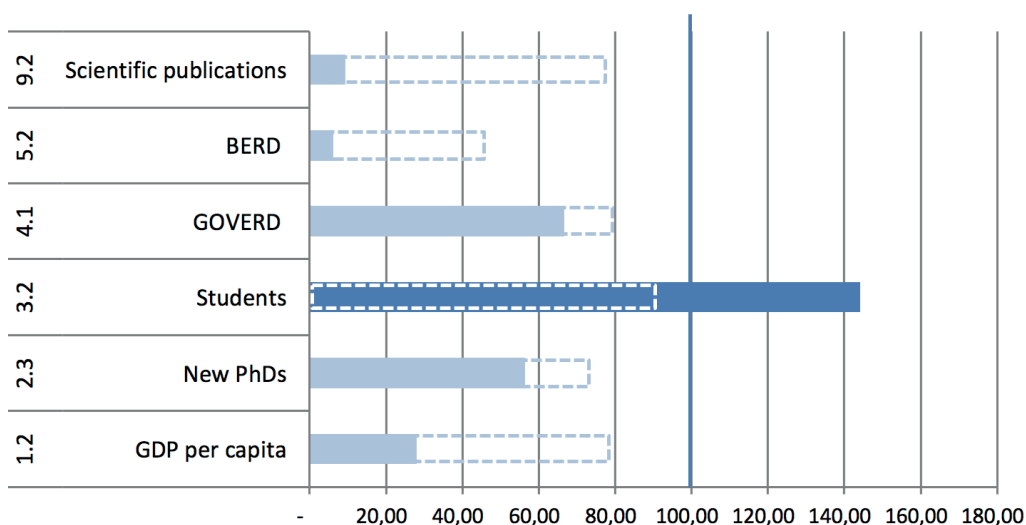
The most recent legislative developments, related with the topic, have been some changes to existing laws such as: the law on Electronic Communications in the Republic of Albania, E-signature law, E-commerce law, and other similar regulations.

During the last three years no major developments have been made regarding innovation policy, legislation or concrete measurable steps in terms of economic impact.

## 2.2 MACRO-LEVEL ANALYSIS OF INNOVATION ENABLERS AND INHIBITORS

In this section, the most relevant macro-indicators of innovation in the country are presented<sup>1</sup>. These indicators concern six categories of the national innovation system: the economic situation of the country, figures regarding human resources as well as the education system, the innovation investments made by both the public and private sectors, and the scientific output. The indicators are synthetically represented in Figure 2.2 and described after that. In the figure, 100 represents the EU average, while the dotted part of the histograms shows the Adriatic region average.

**Figure 2.2 – Albanian Innovation System, selected indicators**



**The economic data** include general economic figures of the country, such as GDP per capita, total exports, unemployment rate, current account deficit, etc. The Albanian GDP per capita places the country rather low, in comparison to the Adriatic Region average as well as the EU-28 average.

<sup>1</sup> A more detailed picture about the country's innovation profile can be found at: <http://www.adriaticinnovationmap.eu/country-profile/>.

**The human factor** plays a critical role in innovation, as the competitive advantage built on human resources is not easily imitable. Albania has considerably lower human resources indicators in comparison to the regional and EU-28 mean. As expected, considering the country's size, the total number of new PhD graduates in Albania is very low compared with the Region and EU-28 mean. As a percentage of the active population (15-64 years), the total number of new PhD graduates is still lower than regional and EU-28 level, but it differs by only one percentage point.

**Education** is quite important in this macro analysis because universities represent the environment where most research and innovation activity takes place. In relative terms, the participation in tertiary education has improved and the country's rates are higher than across the Adriatic Region and the EU-28. This was mainly the result of Albania's higher education liberalization policy, up until 2015. Lately, enrolment in tertiary education is limited since the system is being reformed towards higher quality.

**The public sector** is a part of the economy that consists of state-owned institutions, including nationalized industries and services provided by local authorities. Albanian expenditure in R&D is very low in Albania and this was indicated many times as one of the key reasons for the low performance in terms of sourcing innovation. In relative terms, as a percentage of GDP, EU-28 member states invest more on R&D than Albania and the Adriatic Region do, on average.

**Private** enterprises are the main source of innovation and an engine of economic growth and job creation, since commercial enterprises constantly incorporate new technologies in their businesses due to market pressures and an imperative to stay competitive. Data on business expenditure on R&D in the country show that Albanian private sector investment in R&D is more than 260 times lower than the average regional spending and represents only 0.08% of GDP.

**The scientific output** of a country is closely related to its innovation capacity. At the same time, it can be used as an indicator of a country's innovation performance. The number of SCImago scientific journal articles is, in relative terms, lower for Albania than the Regional mean, yet below the EU-28 average value.

## **2.3 MESO-LEVEL ANALYSIS OF INNOVATION ENABLERS AND INHIBITORS**

The survey of innovative companies in Albania was based on a sample covering all the country area. A total of 870 companies were randomly selected by a database provided by the National Institute of Statistics with innovative or potentially innovative organisations. Furthermore, 440 companies were randomly selected with sample characteristics based on NACE Rev2 of 50% production (C-manufacturing; D-electricity, gas, steam and air conditioning supply; E-water supply, sewerage, waste management and remediation activities; and F-construction) and 50% services (J-information and communication companies; K-financial and insurance activities; M-professional scientific and technical activities; N-administrative and support service activities; and P, Q-education and human activities). The sample was composed of 15% micro, 35% small and 50% medium size enterprises.

After the first contacts, only 85 companies of the sample agreed to collaborate and fill the questionnaire. Other companies from the initial database were contacted, with the goal of preserving the initial sampling based on size, sector and classification. Finally, 106 questionnaires were completed, mainly through face-to-face interviews. Only 20% of responses were gathered through online LimeSurvey, after a short introductory meeting. Direct contacts with company representatives were necessary to ensure a clear understanding of the research scope and some of the concepts used.

During the research process, no methodological difficulties were encountered. The researchers were directly involved in filling in the questionnaire. Although this was time consuming, it influenced the quality of the data and the fairly high percentage rate of completion.

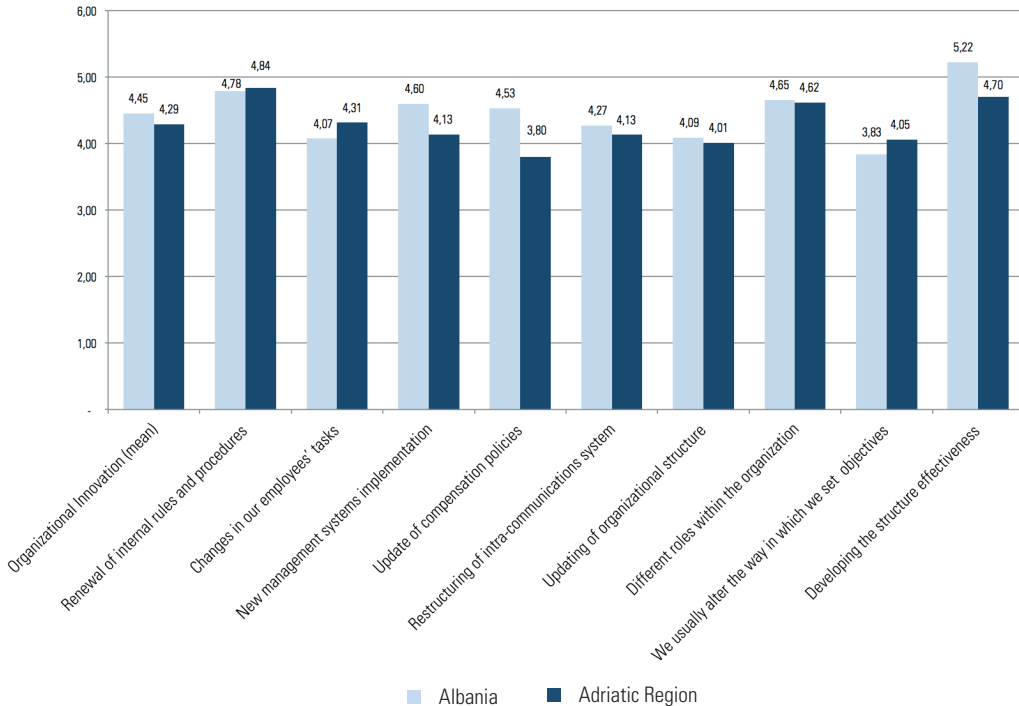
### **2.3.1 ORGANIZATIONAL INNOVATION**

Organizational innovation represents a new method in the firm's business practices, workplace organization or external relations that have not been previously used by the firm as a strategic decision.

The average grade with regards to the organizational innovation for Albanian companies is 4,45 and it slightly higher than the Regional mean (4,29). Renewal of internal rules and procedures and developing structural effectiveness hold the highest ranking in both, Albania and the Adriatic Region as a whole, where both reached approximately 5 points on the scale from 1 to 7. New management system implementation and the different roles within the organisation are also highly

ranked both in Albania and in the Adriatic Region. The biggest disparities in favour of Albania, compared to the Adriatic Region as a whole, are evident in the update of compensation policies. Furthermore, changes in the employees' tasks, restructuring of intra-communications systems and altering the ways in which the objectives are set, have the lowest ranking in both Albania and the Adriatic Region.

**Chart 2.1 – Organizational innovation  
(Albania in comparison to the Adriatic Region average)**



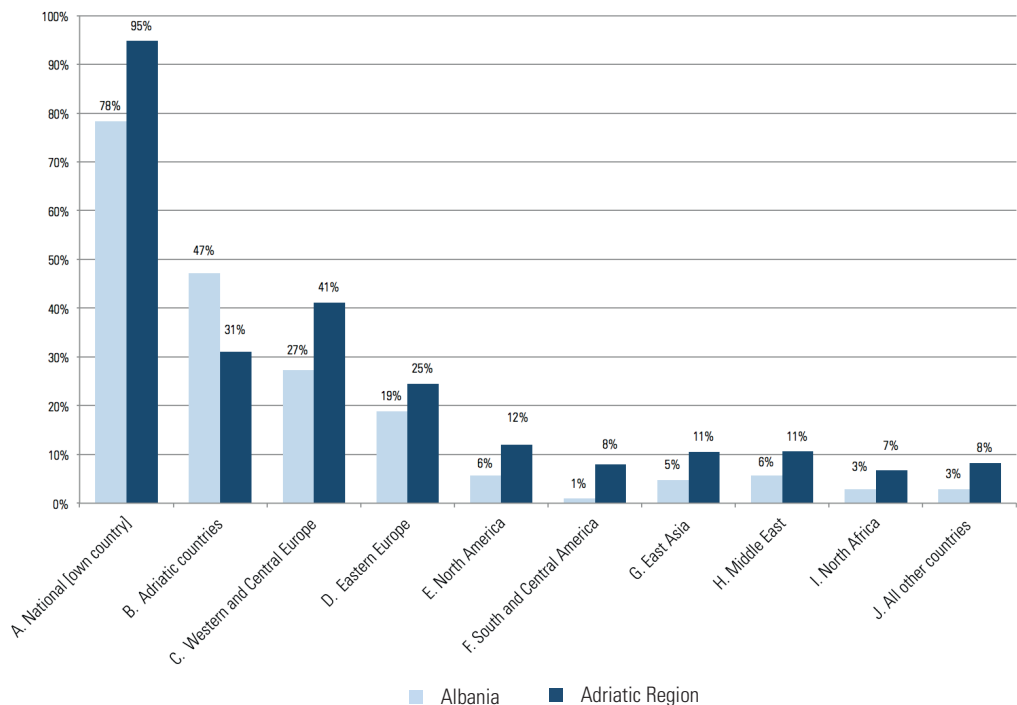
### 2.3.2 INTERNATIONALIZATION LEVEL AS INNOVATION ENABLER

Most of the surveyed companies in Albania are present only in the domestic market and export their products mostly in the Adriatic Region; they conduct considerably less business in the markets of the neighbouring countries in the Western, Central Europe and Eastern Europe. In Albania, in the period from 2011-2013, for most of the companies included in the study (77,36% of the sample), the local market is the dominant market for goods and services, followed by other European

countries, Adriatic Region countries (47.17%), Western and Central Europe (27.36%) and Eastern Europe (18.87%).

As demonstrated in Chart 2.2 , in both cases, the least represented markets are those in South and Central America, North Africa, the Middle East, East Asia and North America. The national markets are the most represented areas in both Albania and the Adriatic Region as a whole; whereby in Albania, 78% of respondents were present on the domestic market, while for the Adriatic Region as a whole this rate amounts to 95%. The next most prevalent markets where companies sold their goods and services were in both cases those of the Adriatic Region countries, for 47% of companies operating in Albania and 31% in the Adriatic Region. In total, Adriatic countries have more intensive trade collaborations with Western, Central and Eastern Europe when compared with Albania, which remains a relatively more isolated country.

**Chart 2.2 - Geographic markets where enterprises sold goods and/or services during 2011, 2012 and 2013 (Albania in comparison to the Adriatic Region average)**

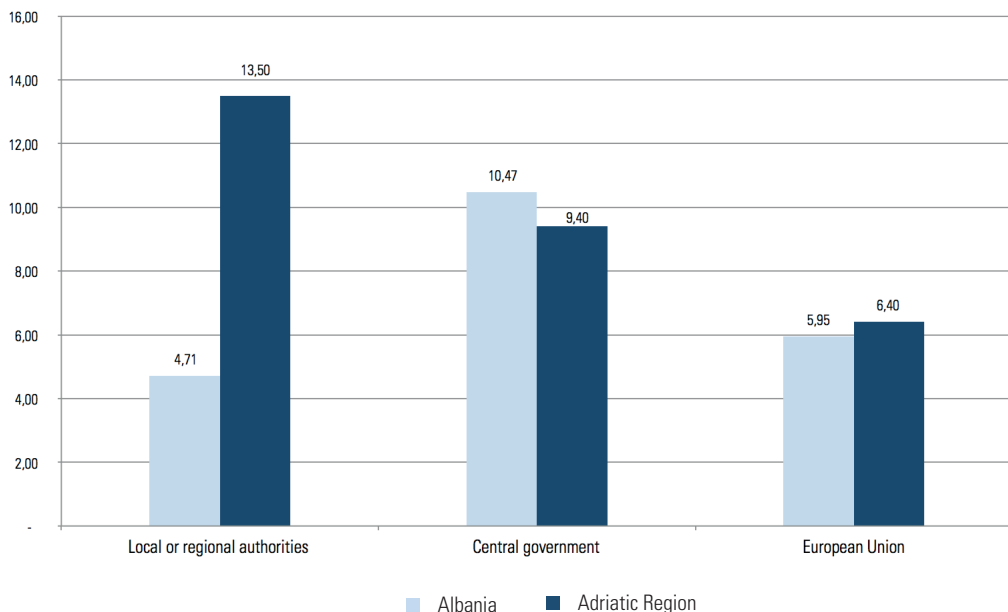


### 2.3.3 INNOVATION INCENTIVES AS INNOVATION ENABLERS

Public financial support of innovation activities remains low in the country. Central government is reported as the main public funding source for research and development by 10,5% of respondents. Local or regional authorities are stronger supporters in financing innovation in the Adriatic Region, in comparison with Albania where research and innovation is considered a national strategy. There are low levels of EU funding of innovation in Albania (5,95%), which might be explained by Albania's delayed EU candidate status (June 2013) and the lack of capacities of Albanian companies to apply for EU funds under the stabilisation and association agreement.

As we can see in Chart 2.3 , the level of received support from local or regional authorities, as well as the EU, is low in Albania. Support received from the central government in Albania is slightly higher than the Adriatic Region average, although the overall public financial support in both cases (Albania and the Adriatic Region) is rather poor.

**Chart 2.3 - Public financial support (%) for the innovation activities in enterprises during 2011, 2012 and 2013 coming from the government (Albania in comparison to the Adriatic Region average)**



## 2.4 MICRO FOUNDATIONS OF INNOVATION

In Albania, three innovative, small-medium sized companies participated in the study. In total, 99 employees of the three companies were involved and completed the questionnaires. The first company was an internet service provider operating in Albania offering also digital cable television and telephone to its customers. It is the first service provider that has implemented digital technology in Albania and is innovative in providing services of high digital quality, based on the latest technologies such as cable, optical fibre, ADSL, ADSL 2+, wireless, phone cards, etc. The second company was stable, with more than 15 years of experience in the retail chain of high-tech and innovative products in Albania and the Balkan Region. The third company, operating in the furniture industry for over ten years, was well known for its innovative products designed mostly for the European market, but not exclusively.

The gender structure in three Albanian companies is almost balanced, with a representative of 52% male versus 48% female. The average employee age in the three Albanian companies is 30,6, which represents the lowest average employee age on the level of the Adriatic Region. The percentage of employees holding a Bachelor's Degree (54,5%) represents the majority of the employees in the three Albanian companies involved in this survey, followed by the employees with completed Master's Degree (34,3%) and, finally, 10,1% of the employees that hold the high school diploma.

The following graph presents the average descriptive results for Albania in comparison with the Adriatic Region. Furthermore, we are referring to the results of multi-level analysis at the Adriatic level.

The data show that **knowledge hiding** in Albania is not a common occurrence, as it stands at the level of 1,84, which is lower than the average of the Adriatic Region (2,31). Interestingly, the econometric data analysis on the Adriatic Region level showed a slightly positive correlation between knowledge hiding and individual innovativeness, which is contradictory to the previous empirical studies that claim that knowledge hiding negatively affects innovativeness.

**Employee silence** construct is connected to the fact that the employees do not share their ideas openly and it stands at the level of 2,07 in Albania, which is slightly lower when compared to the Adriatic Region (2,71).

The construct of **cultural intelligence** is on the Region level correlated with the individual-level innovativeness, which means that the more culturally conscious the employees are and the more knowledgeable they are about different languages, cultural values, etc., the more innovative they are likely to be. This determinant represents a value of 4.93 in Albania, which is slightly higher than the average (4,54) in the Adriatic Region.

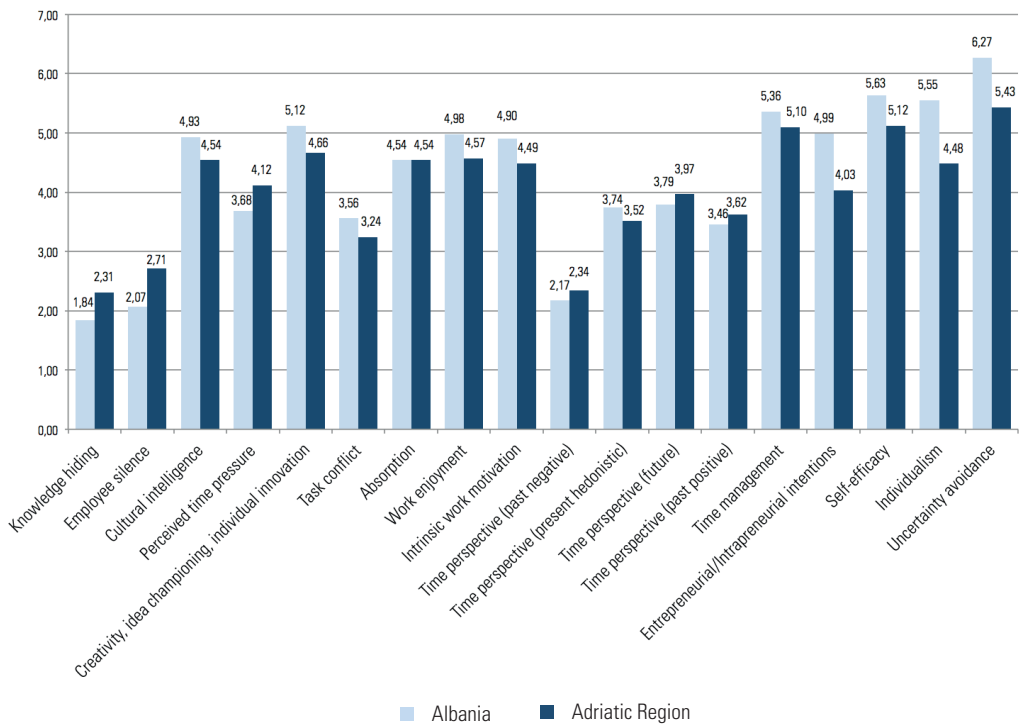
**The perceived time pressure** determinant does not show any significant statistical correlation with the level of innovativeness in the surveyed companies of the Adriatic Region. On the basis of the survey carried out in Albania, this determinant is 3,68, while the Adriatic Region average is 4,12.

**Creativity, idea championing** and **individual innovation** are ranked at the highest level in Albania (5,12) compared to other countries of the Adriatic Region, with the average value of 4,66.

**Task conflict**, as a measurement of disagreement between group members is presented at the level of 3,56 in Albania, while the average representation in the Adriatic Region stands at 3,24.

**Absorption/flow at work, work enjoyment** and **intrinsic work motivation** are ranked rather high in Albania (absorption= 4,54, work enjoyment=4,98, intrinsic work motivation=4,90), which is equal or slightly higher than the Adriatic Region average. However, the research has shown no significant correlation of these constructs and individual-level innovativeness on the Adriatic Region level.

**Chart 2.4 - Micro-determinants of innovation in Albania and the Adriatic Region**



When it comes to the **time perspectives**, the research data produced at the level of Adriatic Region show that only past positive and present hedonistic perspectives are significantly related to innovativeness. Past negative and future time perspectives do not show significant influence at the Regional level. Interestingly, research has shown that in the countries of the Adriatic Region, past positive time perspectives, such as feeling pleasure when thinking about the past and nostalgia, are strongly negatively related with innovativeness. This suggests that the more dominant the past positive time perspectives in the employee, the less innovative the employee is. **Past positive** time perspectives is negatively correlated with innovativeness at the Regional level, and it is almost equally ranked in both Albania (3,46), and the Adriatic Region (3,62), while **present hedonistic** time perspective is marginally positive correlated to innovativeness, and it is ranked higher in the case of Albania (3,74) compared to the average of the Adriatic Region (3,52). **Past negative** and **future time perspectives** did not show any significant correlation with innovativeness in the Region. Since in both cases, past negative time perspectives in Albania is ranked rather low, it may be interpreted as a positive result, while future time perspective is mid-ranked in Albania as well as the Adriatic Region.

Referring to **time management**, the survey carried out in the Adriatic Region shows some supporting evidence, while other variables turn out to be non-significant. First of all, it is confirmed that time management is positively and significantly correlated with the individual level innovativeness. It also represents one of the largest determinants of individual-level innovation (coefficient-wise). This determinant is ranked significantly high in Albania (5,36), which is slightly higher than the Adriatic Region average (5,1).

According to our research, **entrepreneurial and intrapreneurial intentions** are shown to be significantly related with employees' innovativeness at the level of the Adriatic Region, which implies that entrepreneurial skills may be of potential benefit for the company as it stimulates the innovation processes. This determinant in Albania stands at the level of 4,99, which is higher than the Adriatic Region average (4,03).

**Self-efficacy**, which has been identified as an inhibitor of innovativeness in this research on the Adriatic Region countries, is ranked rather high (5,63). This could point to the conclusion that employees in Albanian companies are more optimistic regarding their abilities to perform new tasks.

With regard to **uncertainty avoidance** in this research, as a construct for the measurement of national culture, it does not significantly correlate with the level of innovativeness in the surveyed companies of the Adriatic Region. However, this determinant is highly ranked in both Albania (6,27) and the Adriatic Region (5,43), which implies some specific cultural characteristics of risk aversion in the Adriatic Region.

**Individualism**, as another construct that measures national culture, represents a rank of 5,55 in Albania and 4,48 in the Adriatic Region. The same as in case of uncertainty avoidance, the econometric analysis showed that this determinant does not play a significant role in explaining the individual-level innovativeness in the Adriatic Region.

## 2.5 CONCLUSIONS

Over the last 25 years, Albania has established a multiparty democracy and shifted from a centrally planned economic system. In recent years during the post-economic crisis, the country has maintained a limited but positive growth and Albania has moderately succeeded in developing a functioning market economy. The government's strategic objective of becoming an EU member state led to a series of policies and reforms to be undertaken in public administration, fundamental rights, and the fight against corruption and organised crime, which come as prerequisites of a well-functioning state. Overarching reforms to increase the country's competitiveness and boost its capacity to cope with European markets are still missing. Analysis performed for the aim of this study reveals that most of the surveyed companies in Albania are present only on the domestic market, and export their products mostly in Adriatic Region, considerably less on the markets of other neighbouring countries in the Western, Central and Eastern Europe. In the Albanian National Strategy for Development and Integration, innovation is considered as a driving force for increasing competitiveness. The multilevel analysis of determinants of innovation on national and regional (Adriatic area) levels, shed light on the country's current situation and its prospects for further competitive advantage. Research and development and innovation policy analysis reveals a series of initiatives in the legal framework, policy formulation and institutional set-ups. The creation of the Ministry of Innovation, reformation of the Agency for Research, Technology and Innovation, and the issuing of Cross Cutting Strategy "Digital Agenda of Albania 2015-2020", are considered as positive steps, but there are still no clear signs of their economic impact. One of the key reasons for the low performance in terms of sourcing innovation is low investment in this sphere. Public institutions responsible for R&D and innovation, especially central government, which is reported as the main funding source for R&D, function with a limited budget (in relative terms as a percentage of GDP) that is lower on average than any of the EU-28 countries and Adriatic Region. The private sector investment in R&D is more than 260 times lower than the average regional spending and has a low level and capacity of exploiting EU funding sources of innovation.

Decreases in the properly skilled human capital force, low productivity and informality are preventing Albanian economic competitiveness. The extensive research performed to fully accomplish a diagnosis on a macro level, based on secondary macro data and policy analysis, reveals that Albania has considerably lower human resources indicators, in comparison to the Regional and EU-28 mean. While the meso level analysis conducted through a survey of innovative companies, reveals some optimistic dimensions of the private sector in terms of innovation enablers. Albanian companies report a higher level of organizational innovation compared with the Region overall. Companies operating in Albania seem open to introducing new management systems and different roles and, in comparison with the Region, invest more in the updating of compensation policies, which is expected to lead to a lower employee turnover rate and higher company performance in the long run. The micro level analysis performed to explore important determinants of individual innovativeness within the company, discloses that absorption/flow at work, work enjoyment, intrinsic work motivation, cultural intelligence, creativity, idea championing and individual innovation are ranked rather high in Albania and equal or slightly higher than the Adriatic Region average. Time perspective analysis shows the low ranking of past negative time perspectives, meaning a more forward-looking view and a positive result linked to innovation. These evidences prove the existence of enablers of innovation on meso and micro levels. Further investigation and research of the Albanian context regarding sources and foundations of organizational innovation, might divulge useful managerial recommendations and could lead to the design of an evidence based innovation policy cycle.

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