

CSR and Green Innovation in Emerging Economies: Evidence on Firm Performance from Albania

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Abstract:

In recent years, growing environmental issues and the shift toward sustainable economic models have pressured businesses to implement socially responsible and eco-friendly practices. In this context, Corporate Social Responsibility (CSR) and Green Technological Innovation (GTI) have become crucial strategic factors for sustainable growth and long-term competitiveness. However, limited empirical research exists on how these elements interact, especially in transition economies and developing nations like Albania.

This study explores the relationships among CSR, GTI, and business performance, focusing on companies operating in Albania. The main goal is to examine how CSR activities influence green innovation adoption and how these innovations impact competitiveness and perceived performance. A quantitative approach was used, collecting data through a structured questionnaire. Applying descriptive and inferential statistics, including regression analysis and Structural Equation Modeling (SEM), we tested both direct and indirect relationships among the key variables. Results show that CSR significantly encourages green technological innovations, which subsequently enhance firm performance and competitiveness. Moreover, GTI partially mediates the CSR-performance link, suggesting CSR's effects are largely channeled through innovation. This study's significance lies in providing empirical insights from a transition economy where sustainability strategies are still developing, contributing to academic and professional discussions. Its main contribution is emphasizing the importance of integrating CSR and innovation into core business practices and offering practical guidance for managers and policymakers seeking to promote sustainable and competitive markets.

Keywords:

Corporate social responsibility, green technological innovation, competitiveness, businesses.