

Obstacles to Innovation for SMEs: Evidence from Germany

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Abstract : Achieving effective innovation is a complex task and during this process firms (especially SMEs) often face obstacles. However, research into obstacles to innovation focusing on SMEs is very scarce. In this study, we propose a theoretical framework for describing these obstacles to innovation and investigate their influence on the innovative performance of SMEs. Data were collected in 2013 through face-to-face interviews with executives of 49 technology SMEs from Germany. The semi-structured interviews were designed on the basis of scales for measuring innovativeness, financial/competitive performance and obstacles to innovation, next to purely open questions. We find that the internal obstacles lack the know-how, capacity overloading, unclear roles and tasks, as well as the external obstacle governmental bureaucracy negatively influence the innovative performance of SMEs. However, in contrast to prior findings this study shows that cooperation ties of firms might also negatively influence the innovative performance.

Keywords : innovation, innovation process, obstacles, SME

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