

Effect of Innovation and Its Determinants on the Performance of Small and Medium-Sized Enterprises

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Abstract : Nowadays we realize more and more than the value of a company is not only a function of its means of production but depends essentially on the managerial aptitude and orientation to implement the material and human means for generating profitability. Indeed, a productive R&D activity, a good strategy, and innovation are originally supplementary benefits that increase the value of the business. Is this 'value-added' closely linked to innovation? The purpose of our research is to Meta-analyze the results of 56 empirical studies in order to explain the overall effect of innovation on performance of small and medium-sized enterprises. In order to justify the differences in the results, we look for the moderating factors that may affect the innovation-performance relationship. We find a positive and significant relationship between innovation and performance in small and medium-sized enterprises. The results also note a positive relationship between entrepreneurial orientation, research and development (R&D), and performance in SMEs. In addition, innovation has a strong impact on performance measured both with accounting and market index. The originality of the article is based on a rigorous synthesis, based on several statistical tools, of an important subject of research in finance.

Keywords : innovation, performance, entrepreneurial orientation, meta-analysis, moderator variables

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