

1 The Effects of Innovation Activities in SME's in the Republic of Croatia

Ljiljana Božić* and
Sonja Radas**

Abstract

The ultimate goal of innovation activities is improvement of business results. Although a number of studies dealt with innovation in SMEs, few investigated results of innovation development. As these results depend on the innovating firm, our goal in this paper is to explore firm specific factors that have impact on innovation results. These factors include not only classic features like firm ownership, proportion of highly educated employees, and market where firm operates, but also firm's market orientation and firm's readiness to implement strategic and management changes. This paper seeks to contribute to the extant literature by exploring how the firm specific factors impact innovation results.

Keywords: innovation results, innovation, SME

JEL classification: O31

* Ljiljana Božić, Assistant, The Institute of Economics, Zagreb.

** Sonja Radas, Research Fellow, Institute of Economics, Zagreb.