Influential Relationship between Innovation Competence and Performance for Sustainability of Small and Medium-Sized Enterprises by Industrial Category

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ABSTRACT

This study's objectives are as follows: First, the causal relationship between SMEs' success variables on competence and performance. Second, the effect of success variables on performance through the mediating effect of competency of SMEs. Third, the effect of SMEs' competency on performance. Fourth, the effect on six industries' performance, including electrics/electronics, machinery/parts, IT/SW, chemicals/textiles/materials, life/food, crafts/others. The reason for selecting six industrial classifications is that, since 2001, the Korea Startup Promotion Agency has been operating a business support policy by designating six industrial classifications of small and medium-sized startups. The survey covered 330 CEOs of SMEs in six industries. The basic statistics were analyzed with SPSS 22; the measurement and structural models were evaluated using Smart Partial Least Square (PLS)3.2.9. Increasing the performance of SMEs worldwide is an important issue. With the development, popularization, and crowdfunding of ICT, the barrier to entry has been lowered, making it the foundation for SMEs worldwide. This study's differences are summarized as follows: 1) The independent variable was selected as four sub-factors. Management performance, a dependent variable, was selected as three sub-factors: technical performance, financial performance, and non-financial performance. 2) A sub-factor of competency was studied by selecting technology innovation competency and technology marketing competency. 3) The causal relations impact on performance according to the industry was compared and verified.

Keywords: SME, competency, performance, sustainability, technology innovation