

## **The Impact of Innovative and Technological Abilities of Small and Medium-sized Enterprises on their Financial Performance**

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### **Abstract**

Although SMEs (small and medium-sized enterprises) make substantial contributions to the employment and GDP of countries, they encounter many issues regarding their financial performance that is their main concern for their survival in the long-term. However, their technological and innovative capabilities of Resource-Based View (RBV) can improve their innovation performance, and this fact might enable them to improve their financial performance. Thus, this paper analyzes how patent and trademark ownership, R&D alliances, R&D investments, and R&D subsidies influence the financial performance of SMEs. To hit this research target, this research employs a random sampling method and then sends an online survey to the randomly selected survey participants. The executives of 479 SMEs have fulfilled the survey. Moreover, this paper applies Ordinal Logistic Regression model to make research analyzes. Although this paper assumes positive impacts of patent and trademark ownership, R&D alliances, R&D investments and R&D subsidies on financial performance, it confirms the negative impacts of these variables on financial performance of SMEs. This paper explains the results by mentioning some country-level, firm-level, and executive-level characteristics. Moreover, this paper proposes some policy implications in line with the result of this paper.

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