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STRATEGIC APPROACH FOR INCREASING INNOVATION CAPACITY OF THE SMES

Abstract: Small and medium-sized enterprises (SMEs) are crucial for any national economy through their vital contribution to sustainable growth, economic development and employment. The digital revolution, globalization, and the latest impact and pressure caused by the Covid-19 pandemic have posed even greater barriers and challenges for these enterprises.

In order for small and medium-sized enterprises to respond to the new challenges, to participate in the market and gain a competitive position, they need to be different, and this can only be accomplished through an innovative way of working. To foster innovation, strategic changes are needed in the operation of the SMEs, with a focus on the people involved, the ways and methods used in the organizational environment, and the desired innovation results. Connecting to the external environment (networking) and/or using an open innovation system are also fundamental to the success of the enterprise innovation process.

Innovative capacity of the businesses is a function of the organization’s culture, resources and networks. The main purpose of this paper is to identify certain strategic factors that contribute to creating an innovative organizational environment and fostering innovation, i.e. increasing the innovation capacity of SMEs in Pelagonia region in North Macedonia.

Keywords: innovation, strategy, innovation environment, SMEs, innovation capacity

1. INTRODUCTION

Changes in the environment impose change on the approach of operation and the manner of behavior of the enterprises. In order to achieve long-term results and to come up with new ideas it is necessary to observe the activities, processes, events, etc. from different aspects, but also to take new steps in the current work (Angeloska-Dichovska & Boskoska, 2018).

Small and medium-sized enterprises have a significant part of the country's economy. SME's must practice innovation, particularly an open approach to innovations in their business activities, in order to survive on the market and gain a competitive advantage. The existence of an innovative and competitive SME sector allows creation of new jobs, growth of exports, innovation and entrepreneurship skills, which contributes to increasing economic development in any economy. Innovation in small and medium-sized enterprises is obstructed by a lack of financial resources, poor prospects for recruiting specialized workers, and small portfolios of innovations. SMEs must rely on their innovation networks to find the necessary resources for innovations (Angeloska-Dichovska & Boskoska, 2018).

The SME’s sector is an important factor for the development and growth of the Macedonian, as well as for the improvement of the country's living standards.. In fact, SMEs account for 75% of job generation and 65% of value added in the Macedonian economy, indicating that they are the backbone of our economy. These businesses, particularly micro-enterprises, are the most vulnerable and severely affected by the recent corona crisis (Fiti, 2020).

A report of International Labour Organization (2020), titled as “The impact of the COVID-19 pandemic on enterprises in North Macedonia“, indicates that the Covid-19 crisis has severely affected 82% of the surveyed enterprises, which reported substantial financial losses and temporary suspension of their business operations, while 11% announced that their businesses are completely closed. Many small and medium-sized businesses experienced more than 50% reduction in their revenues (42% of the small-sized and 28% of the medium-sized companies). Furthermore, 46% of medium-sized and 32% of small-sized companies recorded a revenue decline of 20-50% compared to the period before the crisis. Hence, the digital revolution, globalization, and the latest impact and pressure caused by the Covid-19 pandemic have posed even greater barriers and challenges for these enterprises. The changeable and unstable environment urges enterprises not only to constantly adjust, but also to accept a strategic approach in their work.

Successful enterprises in innovation develop a fully integrated innovation strategy with its mission and objectives and by making organizational culture and organizational systems compatible with the strategy. Strategic innovation is a future-oriented concept that contains a creative discovery. The strategic consideration of innovation involves the use of appropriate strategic management techniques to increase the impact of innovation activities on growth and performance of the company (Dogan, 2017).

The defined innovation strategy is one of the preconditions for success in innovation. Innovation strategy must be related with organizational mission, vision and business goals. This strategy not only helps to develop value-creating innovations, it also motivates employees to be creative and find innovative solutions to some organizational issues.

Linkage between vision, innovation and strategy is important for effective innovation management. Strategy determines the configuration of resources, products, process and systems in order for the firms to adapt to the uncertainty existing environment. It requires firms to make decisions about which work and functions should be made in which market. A successful innovation needs a strategic approach. Without a strategy approach for innovation capacity, innovation success is not possible (Lawson & Samson, 2001). Innovation and creativity as its prerequisite are high priorities on the strategic agenda for those who lead, manage and work in organizations. In the face of the innovative challenge it is necessary to take a systemic approach - focusing on the people involved, the methods they apply, the environment in which they work, and the desired innovative results (Isaksen, Aerts & Isaksen, 2009).

Innovative organizations are better able to mobilize people's knowledge, skills and experiences and successfully create new products, services and ways to get things done faster, better and cheaper. Although creativity is a precursor to innovation, both are key issues for organizational survival and growth (Isaksen, Aerts & Isaksen, 2009).

Individual and organizational characteristics in interaction with other factors can encourage or hinder innovation. In fact, the three key aspects of considering innovation are the following (Besan & Tid, 2012):

- People and their creative characteristics (managers and employees) such as: openness to new experiences, tolerance for ambiguity, curiosity, risk-taking, flexibility, originality, set of knowledge and so on.
- The process of creative thinking - these processes cover different stages, tools and techniques that can help with the development of creative working methods.
- Work environment - the culture and climate in the organization are especially important for the development and use of new and different approaches, practices and concepts of work.

Small and medium-sized businesses should consider incorporating innovation into their operations on a strategic and systemic level. Starting from the limited resources of small and medium enterprises, their challenge should be networking, the establishment of external links and the application of open innovation systems, which give great benefits for these enterprises. In order to increase the awareness of the employees about this type of work and faster acceptance of it, it is necessary their education, that is, training for increasing creativity and innovation in thinking and working (Angeloska-Dichovska & Boskoska, 2018).

This paper covers theoretical and empirical elaboration. Namely, in addition of this introduction (first) part which emphasizes the importance of the strategic approach for SME innovation development, the second part elaborates on the key elements of innovation capacity and their relationship to SME development, and the third part presents the results and analyzes of empirical research of the strategic approach in innovation of SMEs in the Pelagonia region of the Republic of North Macedonia.

2. INOVATION CAPACITY AND SMEs

One of the major resource components that provide leadership in the competitive battle is the enterprise's innovation potential. The sum of its capacities to achieve certain goals and address challenges related to understanding new information and putting it into practice, resulting in new products, technology, and processes represents the enterprise's innovation potential. An enterprise's innovation potential refers to the opportunity, preparedness, and capacity to generate and apply innovations with available resources to achieve various types of effects (Kulmaganbetova, Dubina, Rakhmetulina, Tlessova, & Tulegenova, 2020). Szeto (2000) defined innovation capacity as a continuous improvement of the overall capability and resources of firms to generate innovation for developing new products to meet market needs. The capacity can be incrementally or radically increased through the participation of activities that triggers the supply of innovation resources and conversion of the resources as the knowledge base of the firm in an interactive environment.

Various constructs of innovation capacity are mentioned in the literature by using different dimensions of innovation capacity in a SME context: owner/manager characteristics, network integration, user/customer integration, institutional support, innovation strategy and planning, culture and structure, innovation process management, learning process, innovation- dedicated resources and processes reevaluation (Pierre & Fernandez, 2018)

In order to ensure success, innovations may need substantial expenditures in skills and capabilities that may also require the collaboration of their employees with individuals outside of their company. Several key factors that can enhance innovative capacity of SMEs, are categorized as following (Schroeder, 2013; Edwards, Delbridge & Munday, 2001, Neely & Hii, 2012):

- Network and collaboration
- The organization (innovation) culture of the company
- Financial and human resources

For a company's success in adopting innovations, it is necessary to analyze the environment, apply information support systems in decision-making, develop innovation projects, build team structure and increase the participation of individuals.

Incorporating innovation as a key component in enterprises requires a longer period of time, as it is a systemic rooting. Skarynski & Gibson (2009) cite the example of strategic approach in innovation of the company Whirlpool, which had to make enormous efforts over several years, including significant changes in leadership and development responsibilities, cultural values, resource allocation, knowledge management, systems of awards and recognitions, traditional hierarchies, measurement and reporting systems, and many other management practices and policies. Their company has appointed vice presidents for innovation, innovation teams have been formed, staff training programs for innovation skills have been introduced, innovation mentors have been appointed, innovation days have been organized to publish new ideas from innovation teams, use sophisticated IT infrastructure called "innovation e-space" and similar tools and mechanisms are designed to create innovation and business success.

In terms of innovation capacities, innovation motivations, innovation activities, and innovation outcomes, SMEs represent a wide and diverse set of companies. As a result, small and medium businesses can be segmented into three main categories (OECD, 2000): technology developers, leading technology users and technological followers.

Technology developers are mainly small and new businesses. They are focused on innovation, have the required capacities, and base their growth and profitability on the development of new better products and services.

There are two primary subgroups of leading technology users: those that have sufficient R&D capacity to carry out R&D projects on their own and those who cannot. Technology developers and leading technology users represent less than 20% of all SMEs and they are active innovators.

Technological followers, that represents between 80-85% of all SMES, can also be categorized into two subgroups: potential innovators and non-innovative SMEs. The potential innovators are companies that are not particularly innovative, they are well-positioned in the market, most typically engaged in traditional activities where technological changes are not too rapid or dramatic, and actively follow and adopt the most significant innovations. The potential innovators have released at least one new product, on average; employ some number of highly educated individuals; prioritize customer satisfaction; appreciate the value of market research and are prepared to collaborate with other businesses; subsidies are rarely given to them and they rarely own patents.

Non-innovative SMEs are companies that have no resources, opportunities, or a desire to introduce any kind of innovation. These companies often use outdated manufacturing processes, seldom collaborate with other businesses, do little research and development, and rarely introduce new products on the market.

The classification of SMEs based on their innovation potential is significant since companies from different innovation groups have distinct innovation requirements. The innovation policy measures and instruments must be adapted to each specific group of SMEs, respecting their objectives, opportunities, and needs for assistance in innovation activities. The measures and tools of innovation policy must be tailored to each individual group of SMEs, taking into account their goals, possibilities, and needs for assistance in their innovative activities.

1.1. Networks and collaboration

Business networks and contacts offer a lot of potential in terms of allowing SMEs to gain access to restricted and important resources. The network ability integrates many relationship-related management characteristics, which may aid an organization's ability to innovate. Coordination, interpersonal skills, partner knowledge, and internal communication are the four characteristics of network competence. These factors improve knowledge management and decision-making activities across partners (Sarwar, Khan, Yang, Khan, Haseeb, & Sarwar, 2021).

The innovation and networking approach (external links) represents the view that SMEs can gain access to resources that are not otherwise available to them by employing external links or networks.. Small enterprises are often at a disadvantage compared to large ones due to their lack of access to various resources, including information, knowledge and expertise. One solution to these problems is networks that are created through formal and informal relationships. Small enterprises have numerous networking benefits, such as: innovation opportunities, lower transaction costs, cost sharing, greater efficiency in production, economies of scale, greater access to information, and more (Oslen, Lee & Hodgkinson, 2006).

Numerous benefits arise from membership in innovation networks, access to diverse and complementary knowledge, access to new markets, the acquisition of complementary skills and tools, the emergence of new ideas and creative combinations, the adoption of shared knowledge, the distribution of risk, and so on. Among the most important approaches that provide open collective innovation include: innovation competitions, innovation markets, innovation communities, innovation tools (confiscation, design, software for their own ideas, etc.), innovation technology and more (Besan & Tid, 2012).

Even more than larger firms, SMEs need to access external sources of information, knowledge know-how and technologies, in order to build their own innovative capability and to reach their markets. OECD empirical studies (OECD, 2004) confirmed that cooperating firms are more innovative than those who do not cooperate regardless of their size. But they also have shown that the inclination to engage in knowledge-based networks decreases according the size of the enterprise. This is also a reflection and part of the explanation of the fact that the innovation of many SMEs is limited.

Networking initiatives are essential to the ability to innovate, for they act as a vehicle for importing external knowledge. This vehicle is crucial for many sources of innovation do not reside exclusively within an individual firm. Often the bulk of these networking initiatives are informal. Innovative firms rely on both informal and formal networks for their innovations (Neely & Hii, 2012).

1.2. The organizational (innovation) culture of the company

Tang, Park, Agarwa & Liu (2020) define innovation culture as the extent to which companies are open to learning and developing knowledge in order to identify and close gaps between what the consumer demands and what the company already offers. SMEs are known for having a flexible organizational culture that fosters innovation. They are characterized by a low level of resistance to change, a low level of risk aversion, and tolerance to uncertainty. Organizational culture plays a key role in the development of a firm's capacity to innovate. It influences the "way things are done" within the firm and the relationships among the firm's employees (Neely & Hii, 2012).

Innovation organization means more than structure, in fact, it is an integrated set of components that work together to create and strengthen an environment that allows innovation to thrive (Tidd, Bessant & Pavitt, 2005).

The research through the literature on key factors for the development of an innovative environment in enterprises (innovative organization) is shown in Table no.1

Table 1: Key factors for the development of an innovative environment in enterprises

Tidd, Bessant & Pavitt , 2005	Trott, 2008	Skarynski & Gibson, 2009
Sharing vision and leadership	Leadership	Management and organization
Appropriate structure	Managing people	People and skills
Key individuals	Knowledge management	Processes and tools
Effective teamwork	Creativity management	Culture and values
Continuous development of the individual	Technology management	
Extensive communication	Research and development management	
High involvement in innovation		
External focus		
Creative climate		
Organization of learning		

Source: Tidd, Bessant & Pavitt, 2005; Trott , 2008; Skarynski & Gibson, 2009

Based on the data in the table, key factors that are important for rooting and creating systemic innovation in the company are:

- Leadership and shared vision - it is necessary to align and understand the vision and goals in the organization of both management and employees. Leadership, ie full commitment and engagement of the management team is a prerequisite for building an innovation base.
- Managing people and their education - should raise awareness in the company that creativity is owned by all employees, and that it should be nurtured and maintained. This requires continuous education and training for employees and managers focused on creativity and innovation, organizing a market of ideas, providing mentoring and support. It is necessary to establish a structure and organization that will know how to mobilize and examine the imagination of each employee.
- Creative environment - a motivational system and a positive approach to creating ideas, openness, cooperation, discussion, exchange of ideas, etc. are necessary.
- Open communication and teamwork - establishing connections, networking, and selecting, building and maintaining appropriate innovation teams is an integral part of an innovative organization.
- Creating an open innovation system - successful and innovative organizations know that they need to be opened and good ideas come not only from within but also from outside and therefore open and create a system and platforms for open innovation.

- Technology, tools and knowledge management - need to discover intuitive strategies, re-engage resources, use knowledge, store data, transfer knowledge, measure results in innovation process, use information technology and fig.
- Research and development management, especially in medium and large enterprises, imposes the need to build research and development teams and invest in it.

The organizational climate is very important for the development of innovative ideas in companies. Climate is defined as repetitive patterns of behavior, attitudes and feelings that characterize life in the organization. Many factors influence the innovation climate (Besan & Tid, 2012): trust and openness, challenge at work, support and ideas, conflict and debate, flexibility and risk taking, autonomy e.t.c. All of the above factors are necessary to create an innovative climate, but the key role in enabling it is played by the management team.

1.3. Financial and human resources

Resources are the set of assets and skills, which are utilized to create or support the competitive advantage of firms. The endowment of resources, in terms of financial and human capital, is crucial for innovation. Competing firms differ in terms of their resource endowment and hence differences emerge in terms of competitive advantage and innovation performance (Neely & Hii, 2012).

Financial strengths and innovative employees are significant resources for small business innovation success and sustainable market advantage. In order to ensure the SMEs innovative capacity, it is important for business to have sufficient financial resources, which is also a necessity for technological innovation.

Financial capital such as the dimensions of access to financial institutions, sources of funding, investment and financial management determine innovation strategies such as the dimensions of the discovery and improvement of production methods / technologies, the creation of new products, product development and improvement, new market discoveries and market expansion (Sombolayuk, Yusup & Sudirman, 2018).

Mc.Gurik, Lenihan & Hart (2015) emphasized that innovative human resources are an important factor that managers need to consider when establishing policy programs in assisting innovation. Humans as human capital is reflected in the form of human resource competencies such as level of education, knowledge, experience, ideas, creativity, skills, and work productivity. Unlike other forms of capital that are only treated as tools, this human capital can invest itself through various forms of investment in human resources, including formal education, informal education and work experience and skills (Sombolayuk, Yusup & Sudirman, 2018).

3. RESEARCH AND DISSCUSION

3.1. Methodology

The purpose of this paper is to identify certain strategic factors that contribute to creating an innovative organizational environment and fostering innovation, i.e. increasing the innovation capacity of SMEs in the Pelagonia region of the Republic of North Macedonia. Target group for this research are small and medium sized enterprises (SMEs) located in the Pelagonia region of the Republic of North Macedonia.

The research was conducted through an anonymous questionnaire with mostly closed-ended questions. The goal of this survey was to compile management representatives' perspectives of strategic factors that contribute to developing SMEs' innovation capacity, as well as to investigate the firms' intentions toward a strategic approach to increasing innovation capacity. The research was conducted entirely done in the period between 15.03.2022 and 11.04.2022, following the recommendation of social distancing. A survey link was sent to more than 350 SMEs located in the Pelagonia region. Responses were received from 72 SMEs.

The main research hypothesis is following: SMEs of the Pelagonia region follow strategic approach for increasing innovation capacity.

3.2. Population and sample structure

According to the State Statistical Office in the Republic of North Macedonia, in the Pelagonia region in 2021 there are 7300 active business entities in total. Out of them, 6651 or 91.11% employed between 1 and 9 employees, 517 or 7.08% have between 10 and 49 employees and 132 or 1.81% have between 50 and 249 employees (table 2).

Table 2: Number of business entities in the Pelagonia region

Number of employees	1-9	10-49	50-249

Number of business entities	6651	517	132
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Source: Authors

The research questionnaire was completed by 72 respondents in total. Although it is not the representative sample of the total population targeted with the research, the responds provide sufficient information about research question. The research included 26 business entities with 1-9 employees, 31 business entities with 10-49 employees and 15 business entities with 50-249employees (table 3).

Table 3: Number of employees and business entities

Number of employees	Number of business entities
1 - 9	26
10 - 49	31
50 - 249	15
Grand Total	72

Source: Authors

Regarding the maturity of the business entities, 45 of the business entities were established more than 10 years ago, 17 were established between 5 and 10 years ago and, 10 business entities were established between 1 and 5 years ago (table 4).

Table 4: Maturity of the business entities

Maturity	Number of business entities
1 – 5 years	10
5 – 10 years	17
more than 10 years	45
Grand Total	72

Source: Authors

According to the primary activity of the business entity, 24 of the responders belong to the manufacturing, 28 to the services, and 20 of the respondents are commerce oriented sector (table 5).

Table 5: Primary activities of the business entities

Primary activity	Number of business entities
Manufacturing	24
Commerce	20
Services	28
Grand Total	72

Source: Authors

3.3. Results and discussion of the research

The results of the research will be presented in two parts. In the first part will be presented specific analysis acquired from the answers in the research questionnaire, and in the second part will be presented the results from the statistical hypothesis testing.

3.3.1. Descriptive statistic of the results from the survey research

From the cross-analysis of certain indicators it can be concluded that there is no business entity from the respondents that has a special department, team or person in charge of innovation and development without incorporated elements of innovation (for product, service, processes, marketing) on long run. Additionally, despite the fact that 60 business entities or 83.33% answered that in the long-term goals of the business they have incorporated elements of innovation (for product, service, processes, marketing, etc.), even 40 or 66.67% of them do not have a separate department, team or person in charge of innovation and development (table 6). On the one hand, this indicates that business entities have expressed their intention to encourage innovation, but, on the other hand, they have not engaged sufficient resources (department, team, person, etc.) to encourage innovation and development.

Table 6: Cross analysis - Incorporated elements of innovation and existing of department, team or person in charge of innovation and development

Do your long-term goals incorporate elements of innovation (for product, service, process, marketing, etc.)?	Is there a separate department, team or person in charge of innovation and development in your business entity?		Grand Total
	Yes	No	
Yes	20	40	60
No	0	12	12
Grand Total	20	52	72

Source: Authors

Out of 72 business entities, 53 or 73.61% do not have protected intellectual property rights, but 31 or almost 60% of them have elements of innovation in their strategic orientation (table 7). However, up to 44% of the business entities that have elements of innovation in their strategic orientations (mission, vision) do not have a budget for research and development in their budgets. This fact is confirmed by the responses to the perception which two key factors limit innovation activities. Namely, as many as 77% answered that one of the factors influencing the limitation of innovation activities is the lack of financial resources.

Table 7: Cross analysis - Incorporated elements of innovation and kind of protected intellectual property rights

Do your business entity has incorporated elements of innovation in its strategic orientations (mission, vision)?	Kind of protected intellectual property rights			Grand Total
	Industrial design	Trademark	None	
Yes	4	13	31	48
No	0	2	22	24
Grand Total	4	15	53	72

Source: Authors

3.3.2. Statistical hypothesis testing

In order to do evaluation on the dependences between single measurement indicators, statistical χ^2 test of independence was conducted.

Separate hypothesis 1

H_0 : there is no difference whether in the strategic orientation (mission, vision) the business entities have incorporated elements of innovation from the number of employees in the business entity.

H_1 : there is a difference whether in the strategic orientation (mission, vision) the business entities have incorporated elements of innovation from the number of employees in the business entity.

Table 8: Hypothesis 1

Number of employees	whether in the strategic orientation (mission, vision) the business entity has incorporated elements of innovation			Results from χ^2 test
	yes	no	total	
1 - 9 employees	12	14	26	$\chi^2 = 12.439 > 5.991$ $df = 2$ $p < 0.00199$ $\alpha = 0.05$ $C = 0.3838$
10 - 49 employees	21	10	31	
50 - 249 employees	15	0	15	
Grand Total	48	24	72	

Source: Authors

From χ^2 test of independence we can conclude that on the level of significance $\alpha = 5\%$, we should reject the null hypothesis. However, the contingency coefficient of 0.3838 shows that such correlation between the indicators is not very high (table 8).

Separate hypothesis 2

H₀: there is no difference whether in the strategic orientation (mission, vision) the business entity has incorporated elements of innovation from the maturity of the business entity.

H₁: there is a difference whether in the strategic orientation (mission, vision) the business entity has incorporated elements of innovation from the maturity of the business entity

Table 9: Hypothesis 2

Maturity of the business entity	whether the business entity has incorporated elements of innovation into its strategic orientation (mission, vision)		Total	Results from χ^2 test
	yes	no		
1 – 5 years	5	5	10	$\chi^2 = 1.4676 < 5.991$ $df = 2$ $p > 0.48006$ $\alpha = 0.05$
5 – 10 years	12	5	17	
more than 10 years	31	14	45	
Total	48	24	72	

Source: Authors

From χ^2 test of independence we can conclude that on the level of significance $\alpha = 5\%$, we should not reject the null hypothesis. In other words, whether in the strategic orientation (mission, vision) the business entity has elements of innovation does not depend on the maturity of the business entity (table 9).

Separate hypothesis 3

H₀: there is no difference in the perception whether the business entity has creative employees from the level of employees with higher education.

H₁: there is a difference in the perception whether the business entity has creative employees from the level of employees with higher education.

Table 10: Hypothesis 3

Level of employees with higher education	Does the business entity have creative employees			Results from χ^2 test
	yes	no	Total	
10% - 30%	11	10	21	$\chi^2 = 0.6298 < 7.8147$ $df = 3$ $p > 0.8896$ $\alpha = 0.05$
30% - 50%	11	12	23	
more than 50%	7	8	15	
less than 10%	5	8	13	
Total	34	38	72	

Source: Authors

From the χ^2 test of independence we can conclude that on the level of significance $\alpha = 5\%$, the null hypothesis for dependence should not be rejected. In other words, whether or not the business entity has creative employees is not statistically dependent on the level of employees with higher education (table 10).

CONCLUSION

In today's dynamic and competitive environment, the strategic approach becomes an inevitable process. Namely, the innovation strategy is a necessary condition for the development of innovations.

Innovation capacity is based on the following elements: networking and collaboration (networking, membership in relevant business groups, open approach to collaboration etc.); innovative organizational environment (leadership, creative employees, open communication, teamwork, motivation system, technology, tools and knowledge management, research and development etc.), as well as financial and human capital. All previous elements require coordination and strategic direction and planning.

The analysis confirms that if SMEs intend to develop innovation in the long run (have incorporated elements of innovation in the mission, vision, goals), it is necessary to engage more resources both financially and human (department, team, person). The strategic direction of action is necessary to be in line with the financial resources of the company. The results confirmed that many companies incorporate innovation elements in their element and do not allocate funds for research and development and a small number of SMEs that have protection rights to intellectual property.

The strategic orientation of SMEs is not entirely dependent on the number of employees or the maturity of the enterprises, i.e. the length of their operation.

Employee creativity is not related to their education. Hence, it is important to emphasize that developing the innovation capacity of companies requires systemic steps, i.e. encouraging the creativity and training of all employees and managers, regardless of the level of education they possess.

In order for small and medium enterprises to remain competitive in the market and to survive in a dynamic and changeable environment, it is necessary to accept an innovative and open approach, to focus on the creativity of employees and to innovate systematically to take root in the company.

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