

## THE ROLE OF TECHNOLOGICAL, TECHNICAL AND ADMINISTRATIVE INNOVATION IN THE PERFORMANCE OF THE SME'S IN ALBANIA

**Adela Sheshi**  
Agriculture University of Tirana  
ALBANIA

**Prof. Dr. Donika Kercini**  
Agriculture University of Tirana  
ALBANIA

### ABSTRACT

The main purpose of this study is to investigate the relationship between innovation and performance of small and medium enterprises in Albania. Promoting the free spirit of enterprise and opening new businesses are very crucial for Albanian economy. Since SME's tend to be innovative, they may help in finding solution to different problems that this country is facing nowadays, such as: economic growth and innovation, higher standards in education system, more efficient in managing production and trade of products. Theories suggests that innovation has an important impact on business performance and the relationship depend on capital market, labour market, industry structure, property and copy rights, openness to trade, education system, government policies, national culture and other variables. This study was designed as descriptive and its data gathering method is questionnaire. The questionnaires were addressed to 100 (one-hundred) shareholders of the companies in various industries that are operating in Albania. These findings of the study will allow us to develop a model of business performance of SMEs and to test the hypotheses proposed. The results show that innovation has positive effect on business performance in Albania. The study will have a positive impact because will bring important contributions such as: determining the role of each attribute of innovation (technical, technological and administrative) towards business performance of SMEs in Albania.

**Keywords:** Innovation, technical innovation, administrative innovation, and business performance.