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## **The Influence of Intellectual Capital on Product, Process and Administration Innovation in the SMEs Context**

### **Abstract**

There are insufficient studies in the literature that investigate the connection between human, structural and relational capital and organizational innovation in Australian SMEs. Various SMEs industries, in Australia were adapted from Business Longitudinal Database (BLD) from the Australian Bureau of Statistics (ABS). This cross-sectional study shows that relational and human capitals are positive and significant towards process innovation while relational capital is the only predictor for product innovation. The results also show that human, structural and relational capitals were the most significant predictor for administration innovation. The findings show that relational capital has the most significant relationship between the three components of intellectual capital towards innovation in Australia SMEs. SME managers acknowledged the importance in collaboration towards achieving innovation performance in their firms. In order for SMEs to have a competitive advantage, managers should focus on improving their networking and collaboration with external parties, so that the whole innovation (product, process and administration innovation) can be achieved

**Keywords: SMEs, Intellectual Capital, Innovation, Australia**