

Do Companies Receiving P2 Subsidy Really Perform Better?

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Aim of the research was to determine the effects of subsidy P2 (subsidy from the Slovenian Enterprise Fund for Starting Innovative Projects) on the business success of the company and the number of jobs. The authors conducted the study based on a comparative analysis of secondary data. The sample included 280 companies, of which 130 were subsidized firms and 150 of them did not receive subsidies. The performance of companies was determined based on the financial indicator of value-added per employee and the number of jobs, concerning the amount of subsidy received. They examined the data for one year before receiving the subsidy and three years after receiving the subsidy. The results showed that the amount of the subsidy awarded was not positively related to the growth of company performance measured by value-added per employee, nor was the amount of the subsidy awarded positively related to job growth. It obviously raises the question if the P2 subsidy instrument is viable? We can also discuss other options if business performance is affected not only by financial resources but also by people's knowledge, advanced technology, research and development, corporate strategy and more.

Keywords: subsidy instrument, P2 incentive, value added per employee, business performance