

RINGKASAN

Anisul Habibah Studi Administrasi Bisnis Universitas Yudharta Pasuruan. 12 Agustus 2023. Pengaruh *Total Quality Management* Dan *Innovation Capability* Terhadap Kinerja Umkm (Studi Pada Usaha Mikro Kecil Menengah (UMKM) Kerajinan Tangan Kecamatan Sukorejo). Ketua: Dr. Khoirul Huda, S.H, M.Hum, Anggota: Drs. Eko Agus Alfianto, M. AB.

Meningkatnya persaingan di antara pelaku usaha dengan perubahan perilaku konsumen, kemajuan teknologi, dan kondisi sosial ekonomi telah memunculkan peluang dan tantangan baru dalam berbisnis. Selain itu, aliansi bisnis antar Usaha Mikro Kecil Menengah (UMKM) semakin tegang dan mendorong Usaha Mikro Kecil Menengah (UMKM) untuk bekerja memaksimalkan sumber daya yang dimilikinya agar dapat bersaing dengan pelaku usaha lainnya. Tujuan penelitian ini adalah untuk mengetahui dan mengukur Pengaruh *Total Quality Management* Dan *Innovation Capability* Terhadap Kinerja Umkm (Studi Pada Usaha Mikro Kecil Menengah (UMKM) Kerajinan Tangan Kecamatan Sukorejo). Pemilihan sampel penelitian dengan menggunakan purposive sampling sebanyak 40 UMKM. Untuk uji statistik dan pengolahan data dilakukan dengan menggunakan Partial Least Square (WarpPLS 7.0). Hasil penelitian menunjukkan (1) *Total Quality Management* berpengaruh signifikan kuat dan positif terhadap *Innovation Capability*, (2) *Total Quality Management* berpengaruh signifikan dan positif terhadap kinerja UMKM, dan (3) *Innovation Capability* berpengaruh signifikan dan positif terhadap kinerja UMKM.

Kata kunci : *Total Quality Management*, *Innovation Capability* dan Kinerja Umkm

SUMMARY

Anisul Habibah *Studying Business Administration at Yudharta University, Pasuruan. August 12, 2023. The Influence of Total Quality Management and Innovation Capability on the Performance of MSMEs (Studies on Handicraft Micro, Small and Medium Enterprises (MSMEs) in Sukorejo District).* Chairman: Dr. Khoirul Huda, S.H, M.Hum, Members: Drs. Eko Agus Alfianto, M. AB.

Increased competition among business actors with changes in consumer behavior, technological advances, and socio-economic conditions have created new opportunities and challenges in doing business. In addition, business alliances between Micro, Small and Medium Enterprises (MSMEs) are increasingly tense and encourage Micro, Small and Medium Enterprises (MSMEs) to work to maximize their resources so that they can compete with other business actors. The purpose of this research is to determine and measure the effect of Total Quality Management and Innovation Capability on Umkm Performance (Study on Handicraft Micro, Small and Medium Enterprises (MSMEs) in Sukorejo District). Selection of research samples using purposive sampling of 40 SMEs. Statistical tests and data processing were carried out using Partial Least Square (WarpPLS 7.0). The results showed (1) Total Quality Management had a significant and positive effect on Innovation Capability, (2) Total Quality Management had a significant and positive effect on MSME performance, and (3) Innovation Capability had a significant and positive effect on MSME performance.

Keywords: *Total Quality Management, Innovation Capability and Umkm Performance*