ABSTRACT

This research aims to determine and analyze the influence of Knowledge Management on Innovation, to know and analyze the influence of Knowledge Management on Corporate Performance and to determine and analyze the effect of Innovation on Company Performance. Variables examined in this research is the variable Knowledge Management (X1), Innovation Variable (X2) and Corporate Performance variable (Y). Variable Knowledge Management has four indicator reflective namely Knowledge Acquisition, Knowledge Conversion, Knowledge Application and Knowledge Protection. Variable innovation has five reflective indicator that Relative Advantage, Compatibility, Complexity, Triability and Observability. Then Corporate Performance has four variables have reflective indicators are Cost, Sales, Profitability and Market Share. The analytical tool used in this research is the analysis of PLS-SEM. The population in this research are all SMEs that are members of the Indonesian Young Entrepreneurs Association (HIPMI) in Surabaya. While the sample are 100 respondents who used the sampling technique is a method of non-probability sampling.

Based on the analysis that has been made known that knowledge management has a positive influence on the company’s performance, knowledge management has a positive effect on company performance, and innovation also have a positive influence on business performance.

Keywords: knowledge management, innovation and corporate performance.