

## **ABSTRACT**

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### **THE IMPACT OF INNOVATION CAPABILITY ON BUSINESS PERFORMANCE AT CV. MITRA MOTOR SEJATI MEDAN**

(xiv+68 pages; 5 figures; 32 tables; 9 appendixes)

The objectives of this study are to evaluate the innovation capability at CV Mitra Motor Sejati Medan, to assess the business performance of CV Mitra Motor Sejati Medan and to identify the relation between innovation capability and business performance at CV Mitra Motor Sejati Medan.

The research designs used in this research are descriptive method and correlational method. In this case the population is employees of CV Mitra Motor Sejati Medan, whose size is 259 employees, while sample size in this research is 157 employees obtained by using Slovin formula. Technique of data analysis is by using Linear Regression Analysis, Coefficient Determination and Z test.

From Z test, it can be seen that alternative hypothesis is accepted because  $Z_{count} > Z_{table}$  ( $11.12 > 1.96$ ). Innovation capabilities can give positive impact on business performance.

The coefficient of correlation value is 0.890. There is strong dan positive relationship between innovation capabilities and business performance at CV Mitra Motor Sejati Medan. The coefficient of determination is 79.2%. The business performance in CV Mitra Motor Sejati can be explained by innovation capabilities by 79.2%.

Based on analysis results in this research, the writer can give conclusion that there is impact of innovation capabilities on business performance at CV Mitra Motor Sejati Medan.

**Keywords:** Innovation Capabilities, Business Performance, Entrepreneurship

References: 20