

ABSTRACT

Business competition is entering the global phase, at both the domestic and international market levels which are becoming very tight. This condition is also experienced by micro and small industries in Indonesia, which are important players in the economy. The aim of this research is to look at the effect of strategic planning on industrial performance in an effort to increase competitive advantage.

The sample used in this study was the owner of the Batik Tulis Micro and Small Industry in Rembang Regency with a total of 162 respondents using purposive sampling technique. There are three sampling criteria, namely based on length of business, number of employees and business location so that 120 respondents are obtained. Technical data analysis using Structural Partial Square (SEM-PLS) with the help of the SmartPLS program.

The results showed that leadership factors, environmental factors and organizational culture factors had a significant positive effect on strategic planning. Then strategic planning also has a significant positive influence on industrial performance. Industry performance has a significant positive effect on competitive advantage. So the conclusion from the results of this study the overall hypothesis is accepted as a significant positive

Keywords: *leadership factors, environmental factors, organizational culture factors, strategic planning, industry performance, competitive advantage*

