ABSTRACT

This research is carried out with the goal to find out the internal and external environmental factors upon 'the performance of brass handicraft industry in Cindoko, Regency of Bondowoso, either for the target groups or the non-target groups. This research uses 49 explorative factors or items in observing the aforesaid internal and external environmental factors.

Outputs of the analytical calculation on internal and external environmental factors in which the variables on production, marketing, entrepreneurial policies and work capital circulation must be excluded, since the value of their factor contents is insufficient; it is only 0.50.

There are 9 eigenvalues bigger than 1, therefore the internal and external environmental factors or items set up 9 components which, in the subsequent analysis, will become free variables, so that in multiple linear regression analysis there will be 9 free variables affecting the bound variables.

Based on the outputs of simultaneous examination, it is found out that only the factors of credit, technology, competitors, product mixing, and experts have given significant influence to the performance of brass handicraft industry in Cindogo, Regency of Bondowoso, either for the target groups or the non-target groups with the F value progression of 23,965 and level of significance of 0.000, whereas the factors of government, suppliers, customers, and level of wages do not have significant influence. This means that the first hypothesis is not proven.

Outputs of partial examination indicate that among the five factors with significant influences, only the technological factor has the dominant affect to the performance of brass handicraft industry in Cindogo, Regency of Bondowoso, either for the target groups or the non-target groups, with the level of contribution of 49.7%. Thus, the second hypothesis is not proven, either.

There is a positive difference in performance between the target groups and the non-target groups of the brass handicraft industry in Cindogo, Regency of Bondowoso. The target groups have better industrial performance than that of the non-target groups. This can be observed from the regression coefficient of 0.460 with the level of significance of 0.045.