

FROM PRACTICES TO PERFORMANCE: EXPLORING THE ROLE OF QUALITY CULTURE IN MAKASSAR'S HALAL SMALL AND MEDIUM ENTERPRISES

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Abstract.

The objective of this research is to explore and analyze the impact of quality management practices and quality culture on operational performance, as well as to understand how quality management practices influence operational performance through quality culture in Small and Medium Enterprises (SMEs) in Makassar City. This research is urgent due to the increasing competition and demand for higher standards in the Halal industry, which necessitates a deeper understanding of these factors to enhance business performance. The data analysis methods employed include descriptive statistical analysis and Structural Equation Modeling (SEM). Descriptive statistical calculations were performed using AMOS 25.0 and SPSS version 22.0. The findings of the study indicate a positive correlation between quality management practices, quality culture, and operational performance in Halal SMEs in Makassar City. However, no significant relationship was found between quality management practices and operational performance. The research also illustrates how quality culture impacts the operational performance of Halal industry practitioners in Makassar City. This study offers unique and significant benefits for managers, particularly in the Halal business sector in Makassar City. By providing new insights into the understanding of quality management practices, quality culture, and operational performance, the study highlights the crucial mediating role of quality culture in shaping operational performance. Therefore, quality culture can be considered a key factor influencing the quality of operational performance.

Keyword: Quality Management Practices; Quality Culture; Operational Performance; Small and Medium Enterprises (SMEs); Halal Industry