

## **ABSTRACT**

Research thesis with the title of improving performance craft creative industries through people equity and innovation strategies in Konawe. This Study attempts to examine the inter-relationship people equity, innovation strategy and performance craft creative industries. This type of research is survey. The population in this study is the creative craft industry as a whole in Konawe, Southeast Sulawesi. Sampling technique in this study is non-probabilistic with saturated sampling method and number of respondents was 96 respondents. A statistical technique used was Partial Least Square. In this study, construct validity and reliability were tested with quantitative phases. The result showed that : (1) people equity significant positive effect on innovation strategy, (2) people equity significant positive effect on the performance on the creative craft industry and (3) innovation strategies significant positive effect on the performance of creative handicraft industry.