## ABSTRACT

Andre, Effect Of The Relationship Between Budget and Performance Innovation Company (under the guidance of Mrs. Mutiara Maimunah, SE, Si, AK).

This study aimed to determine the effect of the Articles Against Relationship Between Innovation and Performance in Manufacturing Companies in the city of Palembang.

Data were collected through a survey with respondents mid-level managers who work in manufacturing companies in the city of Palembang. Sample determined by using purposive sampling. Sample was obtained as many as 71 respondents from 20 companies. The first hypothesis testing (H1) using simple regression analysis method and the second hypothesis (H2) using multiple regression analysis. The second hypothesis was processed with the help of SPSS ver 13,00. Test results show that the first hypothesis (H1) states that innovation affect firm performance, acceptable. The second hypothesis (H2) stated budget affect the relationship between innovation and corporate performance, declined.

Keywords: Budget, Innovation, and Performance of Performance Management.