

## ABSTRACT

Micro, Small and Medium Enterprises or MSMEs are a business group with a very large number in Indonesia. According to the Central Statistics Agency (BPS) the number of Micro, Small and Medium Enterprises (MSMEs) is 64,000,000 MSMEs and the City of Probolinggo has 33,395 MSMEs. The high growth of MSMEs will certainly increase the production of plastic waste. Indonesia ranks second in Asia as the country that produces the most plastic waste after China. According to the Ministry of Environment and Forestry (KLHK), the average amount of waste production in Indonesia reaches 175,000 tons. With a high level of waste production and the majority of the MSME industry, it is important to implement Green Supply Chain Management.

This study aims to determine the impact of the Green in Store Processes dimension with its sub-variables Water and Energy Management and Disposal Management, on Performance Outcomes through mediation from the Green Supply Chain Processes dimension with the sub-variables Green Logistics, Green Purchasing, Cooperation with suppliers with the research object of MSMEs. in Probolinggo City.

This study uses quantitative methods with multivariate analysis methods in data processing assisted by SmartPLS. Data was collected by distributing questionnaires using a Likert scale as a measurement scale. Questionnaires were distributed to 100 MSME actors in Probolinggo City offline and online.

Data processing in this research is Direct and Indirect using SmartPLS software by carrying out two Bootstrapping processes in one tailed and two-tailed to determine the direct and indirect effects between variables.

Based on the results of the research conclusions, it is proven that many variables do not have a significant effect. Researchers suggest that the Probolinggo City Government needs to directly educate MSMEs, either by holding seminars, or collaborating with the Environment Service to routinely help implement MSMEs in Disposal Management. In addition to the results of data processing, it was found that there was a lack of influence between the variables of Green Supply Chain Processes and Performance Outcomes, therefore the researcher suggested that the Probolinggo city government to directly guide MSMEs regarding the implementation of Green Supply Chain. The Probolinggo city government can help fund MSMEs and suppliers to produce or use environmentally friendly bags in order to reduce the plastic waste produced by MSME actors.

Keywords: Green Supply Chain Management, MSMEs, Green in store Processes, Environmental Performance, Economic Performance, SmartPLS.