

ABSTRACT

This research aims to analyze the effect of quality control, product innovation, labor quality, and product quality on business performance of MSMEs in the food and beverage sector in Semarang City.

The population used in this study is MSME entrepreneurs in the food and beverage sector in Semarang City. The number of samples used in this study are 145 MSMEs in the food and beverage sector in the Semarang City. However, only 90 samples are eligible for testing. The analytical tool used to test the hypothesis is Structural Equation Modeling (SEM) with SmartPLS 4.0 software.

The results showed that quality control had a positive and significant effect on product quality and business performance. Furthermore, product innovation has a positive and significant effect on product quality. Furthermore, workforce quality has a positive and significant effect on product quality and business performance. Furthermore, product quality has a positive and significant effect on business performance.

Keywords: Quality Control, Product Innovation, Workforce Quality, Product Quality, Business Performance.