

ABSTRACT

This study aims to look at improving the performance of Small and Medium Enterprises (SMEs) in cafes in the city of Semarang by looking at the effect of entrepreneurial orientation on SME performance through organizational ambidexterity and innovation ambidexterity as mediating variables. This research was conducted in Semarang City using 169 café managers as respondents. The method used in this research is a cross-sectional study. The data collection method was carried out using a google form questionnaire. Hypothesis testing in the study used a Structural Equation Model (SEM) based on Partial Least Square (PLS) edition 3. This study uses four variables, namely entrepreneurial orientation, organizational ambidexterity, innovation ambidexterity and performance of Small and Medium Enterprises in cafes.

The findings of this study show that entrepreneurial orientation has a positive and significant effect on SME performance directly, as well as between entrepreneurial orientation with organizational ambidexterity and innovation ambidexterity which has a positive and significant effect. Positive and significant effects are also seen in organizational ambidexterity and innovation ambidexterity which positively and significantly affect SME performance. Furthermore, organizational ambidexterity and innovation ambidexterity partially mediate between entrepreneurial orientation on SME performance. Managers can apply the existing entrepreneurial orientation to improve SME performance in achieving SME performance targets. The use of organizational ambidexterity and innovation will make performance more effective and efficient so that of course it can also improve the performance of SMEs in Semarang City.

Keywords: entrepreneurial orientation, organizational ambidexterity, innovation ambidexterity and SME performance.