

## **ABSTRACT**

*This study aims to explore the influence of dynamic capabilities and digital capabilities on innovation ambidexterity and their impact on enhancing business resilience among food and beverage micro, small, and medium enterprises (MSMEs) in Semarang City. The primary focus of this research is to analyze how business resilience can be strengthened through the development of dynamic and digital capabilities, both directly and through the mediating role of innovation ambidexterity.*

*The study population consists of MSME owners or managers located in Semarang City, while the sample is drawn from food and beverage MSMEs that have been operating for at least two years and utilize digital technology in their business operations. A purposive sampling technique within a non-probability framework was employed to select the respondents. Data were collected through a questionnaire distributed to 150 respondents and analyzed using Structural Equation Modeling (SEM) with AMOS 24 software.*

*The findings of this study indicate several key results. First, dynamic capabilities have a significant positive effect on innovation ambidexterity. Second, digital capabilities also exhibit a significant positive influence on innovation ambidexterity. Third, innovation ambidexterity positively contributes to MSME business resilience. Furthermore, innovation ambidexterity serves as a significant mediating variable in the relationship between dynamic capabilities, digital capabilities, and business resilience, thereby reinforcing the interconnectedness of these variables.*

**Keywords:** *Dynamic Capabilities, Digital Capabilities, Innovation Ambidexterity, Business Resilience, MSMEs, Semarang City*

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