

ABSTRACT

The increasing growth of the service sector and the rising demand for convenience-based services have encouraged laundry MSMEs in Semarang City to improve their business performance through service quality enhancement and operational effectiveness. However, laundry businesses still face various operational challenges, such as inconsistent washing results, delayed service completion, and customer complaints, which indicate that the implementation of Total Quality Management (TQM) and corporate culture has not been carried out optimally. Therefore, this study aims to analyze the influence of TQM implementation and corporate culture on business performance through service quality as a mediating variable in laundry MSMEs in Semarang City.

This study employs a quantitative approach using a survey method involving 153 respondents consisting of owners and employees of laundry MSMEs in Semarang City. The sampling technique applied is purposive sampling based on predetermined criteria. Data were analyzed using Structural Equation Modeling (SEM) to examine both direct and indirect relationships among variables within the proposed research model.

The results indicate that TQM implementation and corporate culture have a positive and significant effect on service quality and business performance. In addition, service quality significantly influences business performance and mediates the relationship between TQM, corporate culture, and business performance. These findings suggest that the successful implementation of quality management practices supported by a strong corporate culture can improve service quality, customer satisfaction, and the competitiveness of laundry MSMEs.

This study contributes theoretically by strengthening the role of service quality as a mediating mechanism in the relationship between internal management practices and business performance. Practically, the findings provide strategic implications for laundry MSME owners to prioritize continuous quality improvement and develop a corporate culture that supports service excellence in order to achieve sustainable business performance.

Keywords: *Total Quality Management, Corporate Culture, Service Quality, Business Performance, MSMEs, Laundry Services.*