ABSTRACT

This study examines the effect of implementation of total quality management and knowledge management toward business performance through competitive advantage (study on Restaurants in Semarang City). Data obtained from BPS Kota Semarang (2018), showed that there is incremental of monthly expenditure in food consumption of Semarang population from 2010-2014. This phenomenom is captured by the businessman to build restaurants in Semarang. Dinas Pariwisata Kota Semarang (2018) showed that the number of restaurants from 2013-2017 is increasing which caused the incremental of competition among the businesses. In this case, some of restaurants' business performance are threaten if they could not represent the competitive advantage.

The population of this study are the owners or managers from restaurants in Semarang consists of 120 restaurants. This study used census and the data are collected by distribute the questionnaires to the respondents. The analytical technique used is Structural Equation Modeling (SEM) that runs by AMOS.

From the hypothesis testing, there are some conlusions that can be concluded. First, there are positive significant effect of implementation of total quality management and knowledge management toward competitive advantage. Second, there are positive significant effect of implementation of total quality management and knowledge managemet toward business performance.

Keywords: business performance, competitive advantage, knowledge management, total quality management.

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