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EXTENDED TAM: ACTUAL TECHNOLOGICAL DETERMINATION AND ITS IMPACT ON SMES

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ABSTRACT

This study aims to examine and analyze the factors that can influence the actual use of technology in SMEs through the extended technology acceptance approach. The method used is PLS analysis with 299 respondents from all SMEs in east java. The results of this study show that basically when individuals have the attitude to accept the use of technology, it will indirectly increase public interest in using technology so that it can increase the effectiveness, individual performance, and quality of financial reports in a SMEs. However, the effectiveness of using technology can't affect the size of a SMEs, because based on the results of questionnaires and interviews with respondents that the size of the company as seen from the total turnover and assets can't be influenced by the use and intensity of technology. The new finding from this research is the actual use of technology is able to mediate between behavioral intentionin individual performance and the quality of SMEs financial reports is very large.

KEYWORDS: Covid-19; SMEs; Use of Technology.

ABSTRAK

Penelitian ini bertujuan untuk mengkaji dan menganalisis faktor-faktor yang dapat memengaruhi penggunaan teknologi aktual pada UKM melalui pendekatan extended technology acceptance. Metode yang digunakan adalah analisis PLS dengan 299 responden dari seluruh UMKM di Jawa Timur. Hasil penelitian ini menunjukkan bahwa pada dasarnya ketika individu memiliki sikap menerima penggunaan teknologi, maka secara tidak langsung akan meningkatkan minat masyarakat dalam menggunakan teknologi sehingga dapat meningkatkan penggunaan teknologi aktual, kinerja individu, dan kualitas laporan

keuangan pada suatu UMKM. Namun penggunaan teknologi aktual tidak dapat mempengaruhi besar kecilnya suatu UMKM, karena berdasarkan hasil kuisioner dan wawancara dengan responden bahwa perusahaan kecilnya yang besar dilihat dari total omzet dan aset tidak dapat dipengaruhi oleh penggunaan dan intensitas penggunaan teknologi aktual. Peneuan baru dari penelitian ini adalah penggunaan teknologi aktual mampu memediasi hubungan antara minat perilaku dengan kinerja individu dan kualitas laporan keuangan.

KATA KUNCI : Covid-19; Penggunaan Teknologi; UMKM.

INTRODUCTION

Micro, Small and Medium Enterprises play a significant role, both in the national and regional economy. This is because the reach of MSMEs for small communities is much easier so that they can absorb a lot of workers (Hani & Fauzi, 2017). Based on data obtained from the Ministry of Cooperatives, Small and Medium Enterprises, it is stated that the total MSME actors reached 64.2 million or 99.99% of a number of business actors in Indonesia (Kementerian Keuangan Republik Indonesia, 2020). With the absorption of a large number of workers, the MSME sector is one of the largest contributors to improving the Indonesian economy.

The contribution of East Java SMEs to the national economy (GDP) is 58%. This proves that MSMEs in East Java province have a big role in national economic growth (Dinnata, 2020). This was followed by an increase in the number of MSME actors, as for 9.78 million MSMEs spread across East Java (Wijayanto, 2020). However, at the beginning of 2020, our economy has been shaken by the emergence of the COVID 19 outbreak. The spread of the virus has not only become a health disaster but has also caused chaos in the economic sector, bringing the national and global economy into recession (Kementerian Keuangan Republik Indonesia, 2020). This chaos is also very influential on MSMEs that we can feel until now.

A very large impact was felt by MSME actors due to the Covid-19 outbreak, namely decreased sales, lack of capital, hampered marketing and distribution (Amri, 2020). Therefore, in tackling Covid-19, MSME actors apply a survival strategy to maintain their business, namely by utilizing technology. The use of this technology aims to face the challenges of the Industrial Revolution 4.0. The challenges of MSME actors in the fast-paced era of the dense digital economy require them to be more aware of information technology, this is because MSME actors who use technology are still not too many so that the products and services they market have not been able to reach other areas and have not been able to compete with other big businesses (Marlinah, 2020).

An equally important factor to observe when implementing a new system is the level of readiness or attitude of employees towards the new system, where this has a major impact on determining the success or failure of implementing a system (Sekundera, 2006). This behavioral aspect should be paid more attention because it can have an impact on employee attitudes when using information technology systems. Acceptance or rejection shown by

employee attitudes towards the use of technology can influence employee interest in using it (Lam et al., 2007). This is in accordance with the evaluation of the individual's belief to accept or reject the object. When someone feels that the attitude is beneficial then he will have an interest in doing it and vice versa when someone feels that the attitude is detrimental then he will have no interest in doing it (Ajzen, 1991). Previous research has shown that attitudes have a positive effect on behavioral intention (Zheng & Li, 2020;   Lee et al., 2020; König & Grippenkoven, 2020; Chen & Wu, 2020).

(Mustakini, 2007: 116) states that behavioral intentionis the individual's will to carry out the behavior to be determined. So, a person will only perform a behavior when he has the will to do it (Febrianti,Hariadi, & Baridwan 2019). An individual's desire to perform a behavior can affect the effective use of information technology (Lam et al., 2007). This is consistent with and supports the results of previous research which proves that behavioral intentionhas a positive influence on actual technology use (Appiah et al., 2021; Zheng & Li, 2020; and Estriegana, Merodio, and Barchino, 2019).

The use of this technology can contribute to improving organizational performance by increasing operational efficiency, reducing costs and increasing profits (Nguyen et al., 2018). The greater the increase in profits, the greater the opportunity for the company to enlarge the achievement of larger economies of scale (firm size) which in turn can produce a faster return on investment. The use of technology is also able to make it easier for MSME actors to make good and reliable financial reports in order to be able to provide information that can be used as a policy-making tool by organizations (Christian & Rita, 2016).

The theory of using information technology systems in this study is the theory of the Technology Acceptance Model (TAM). In particular, TAM describes the reasons why many information technology systems are not successfully put into practice as a result of users who lack or even do not have the desire to use it, it is this desire or interest that becomes the main factor in a person's decision to use a technology (Febrianti et al., 2019). In particular, this research utilizes the development of the TAM (Technology Acceptance Model) theory. In line with the background that has been presented, it is important for researchers to raise the topic "Response to the Covid-19 Era and Industrial Revolution 4.0: Determinants of Actual Technology Use and Its Effect on Micro, Small and Medium Enterprises in East Java with the Extended Technology Acceptance Model Approach. "

Several previous studies (Febrianti et al., 2019; Agmeka et al., 2019; Laurenti & Acuña, 2020; serta Tran et al., 2021) that tested the determinants of actual technology use through the extended technology acceptance model approach had different methods and results. In this research, the method used is the mix method, this research is the development of TAM theory and combines several factors as variables such as attitudes, interests, technology use, individual performance, firm size and financial reporting. The new aspect found in this study is to make the actual technology use variable as a mediating variable on other variables. On the other hand, there are differences in the sample, where this study has a wider sample, namely throughout the province of East Java.

Based on this understanding, the researcher intends to test and analyze the effect of attitudes on interest; behavioral intention in the actual use of technology; test and analyze the effect of actual technology use on individual performance; the actual use of technology on the size of the company; test and analyze the actual use of technology on the quality of financial reports; the use of actual technology as a mediator of the relationship between behavioral intention and firm size; as well as testing and analyzing the use of actual technology as a

mediator of the relationship between behavioral intention and the quality of financial reports on MSMEs in East Java Province.

METHOD

In this study, the design applied was the mix method method. This method is a combination of quantitative and qualitative methods that are combined in a study at once.

In sampling, cluster sampling and purposive sampling are the methods that the researcher uses in this study. The number of populations used was 399 samples from the total MSMEs. This number was narrowed back to 276 samples because there was a discrepancy between the samples and the criteria set by the researcher, namely the research sample used must have technology as an MSME operational tool.

The method of collecting data in this study is by distributing questionnaires via google form and conducting interviews directly with MSME owners in accordance with the researchers' criteria. This interview was conducted with the aim of strengthening the results of the respondents' answers to each questionnaire. We selected our informants from respondents based on the largest turnover, namely from the scale of micro and small businesses. The following informants in this study: Mrs. Angel (Owner of Ayam Lodho), Mrs. Evi (Aneka Keripik), Mrs. Sulistiyaningsih (LILIK Bordir), and Mrs. Chanifah (Batik Shibori). The informants will be interviewed directly by the researcher. Interview methods are conducted formally or structured in all situations. While the qualitative research method in this study was carried out using a descriptive approach.

After the data collection process from the interview process and documentation is complete, the researcher will conduct data analysis. The three steps in the qualitative data analysis process namely: reduction, presentation, and verification of data.

Researchers will make structured questions regarding the determinants of actual use and their influence on MSMEs. Then, the researcher will analyze the results of the recording and transcribe the interview results into writing. While the sample selection procedure for the quantitative method is presented in the following table.

This study uses three types of variables including endogenous, exogenous and intervening variables which include attitudes, behavioral intention, actual technology use, individual performance, company size and quality of financial reports. These variables can be described by the following research model.

No	Information	Number of Samples
1	Number of MSMEs in East Java Province	399
2	Number of MSMEs that do not use technology	(123)
	Total	**276**

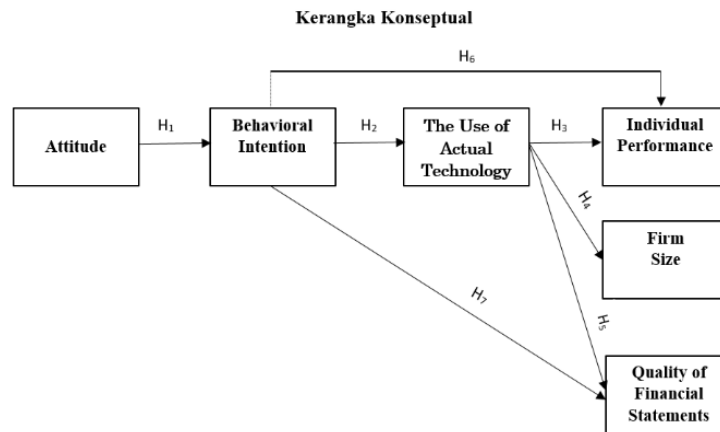**Table 1.** Sample Selection Procedure

Figure 1.
Research
Model

The research consists of several constructs to be studied, therefore it requires the measurement of each construct by using several indicators as a benchmark for each construct. The measurement of these variables consists of:

1. Attitude Construct,The indicators used in this construct were adapted from Febrianti et al., (2019), which include the following:
    a. Use of marketplace and social media (S1);
    b. Satisfaction level on marketplace and social media (S2);
    c. Likes (S3);
    d. Marketplace and social media assessment (S4);
    e. Use of financial reporting technology (S5);
    f. Level of satisfaction in using technology (S6);
    g. Passion in using technology (S7);
    h. Assessment of the use of financial reporting technology (S8).
2. Behavioral Intention Construct,The indicators used in this construct are based on Laurenti & Acuña (2020), which include:
    a. Intention in using marketplace and social media (MP1);
    b. Intensity of use of marketplace and social media (MP2);
    c. Application of the use of marketplace and social media (MP3);
    d. Advantages in using marketplace and social media (MP4);
    e. Utilization of financial reporting technology (MP5);
    f. Intensity of use of financial reporting technology (MP6);
    g. Application of the use of technology (MP7);
    h. Advantages of using technology (MP8).
3. Construct the Use of Actual Technology,The indicators used are adapted from Agmeka et al. (2019), Febrianti et al., (2019), which consist of:
    a. Intensity of use of marketplace and social media (PTA1);
    b. Consistency of marketplace and social media users (PTA2);
    c. Ease of use of marketplace and social media (PTA3);
    d. Marketplace and social media security (PTA4);
    e. Convenience of marketplace and social media (PTA5);
    f. Intensity of use of technology (PTA6);
    g. Consistency in the use of technology (PTA7);

    h. Ease of use of technology (PTA8);

    i. Security in the use of technology (PTA9);

    j. Convenience in using technology (PTA10).

4. Individual Performance,The indicators used in this construct are based on Igbaria & Tan (1997), Sinambel (2012:115-117), which include:

    a. Use of information technology (KI1);

    b. Individual performance improvement (KI2);

    c. Increasing the effectiveness of individual performance (KI3);

    d. Quality of decision making (KI4);

    e. Problem Identification (KI5);

    f. Decision making (KI6);

    g. Problem solving (KI7).

5. Firm Size,The indicators used are adapted from Rudiantoro & Veronica (2012), which consist of:

    a. Number of employees (UP1);

    b. Total company assets (UP2);

    c. Total 0mset company (UP3).

6. Quality of Financial Statements,indicators used refer to PSAK No. 1, Tran,Nguyen & Hoang (2021), which consists of:

    a. Financial report information (KLK1);

    b. Description of financial statement information (KLK2);

    c. Punctuality (KLK3);

    d. The level of understanding of financial statement information (KLK4);

    e. Decision making (KLK5);

    f. Comparison of financial statements (KLK6).

This study consisted of six constructs and each construct used a five-point Likert scale in measuring the construct. There are differences in the assessment of each construct. The first, second, fourth, and sixth constructs of the assessment started with strongly disagree (STS), then disagree (TS), quite agree (CS), then agree (S), and strongly agree (SS). The third uses an assessment starting from very rarely, rarely, moderately, often, and very often and the assessment on the fifth construct starts from<4 people, 5-10 people, 11-19 people, 20-99 people and more than 100 people; second question Rp 50 million, >Rp 50 million - Rp 299 million, Rp 300 million - Rp 499 million, Rp 500 million - Rp 2.5 billion, and > Rp 2.5 billion; the third question is <Rp 50 million, Rp 50 million - Rp 299 million, Rp 300 million - Rp 499 million, Rp 500 million - Rp 2.5 billion, and > 2.5 billion.

The data analysis technique used is Structural Equation Modeling – Partial Least Square (PLS) through the help of WarpPLS 5.0. Evaluation of the model in PLS can be done through the use of the model measurement method (outer model) and the structural model method (inner model) (Mustakini & Abdillah, 2014). The equation of the PLS model in the study can be seen as below:

Model 1: $\eta 1 = \beta 1.\xi 1 + \zeta 1$

Model 2: $\eta 2 = \beta 2. \eta 1 + \zeta 2$

Model 3: $\eta 3 = \beta 3. \eta 2 + \zeta 3$

Model 4: $\eta 4 = \beta 4. \eta 2 + \zeta 4$

Model 5: $\eta 5 = \beta 5. \eta 2 + \zeta 5$

Model 6: η3= β6. η1 + β7. η2 + ζ6

Model 7: η5= β8. η1 + β9. η2 + ζ7

Information:

η : Endogenous construct

η1 : Endogenous construct of behavioral intention

η2 : Endogenous constructs using of actual technology

η3 : Individual Performance Endogenous construct

η4 : Firm Size Endogenous construct

η5 : Endogenous Construct of Financial Report Quality

ξ: Exogenous construct

ξ1 : Attitude exogenous construct

β0......β11: Path Coefficient

ζi: i-th measurement error rate

Researchers make SMEs outside the province of East Java as respondents in the pilot test implementation. This test was carried out by distributing several questionnaires to the respondents via google form. Based on the results of the pilot test using the convergent validity test, it shows that there are several indicators that do not meet the rule of thumb, namely the S1 and S7 indicators, so that the remaining 40 indicators are used in this study. Both indicators have a loading factor value of < 0.50 and a p-value of > 0.05 so they must be removed. Of the forty indicators have met the requirements of the reliability test so that it can be said that the 40 indicators are valid and reliable.

RESULTS AND DISCUSSION

Evaluation of Research Models Using the Measurement Model (Outer Model)

This test was conducted to determine and evaluate the relationship between the indicators used and the constructs in this study. Evaluation with this model can be done through convergent, discriminant and composite reliability tests. A construct is said to be valid if the value of the construct has a loading factor > 0.5 or an AVE value > 0.5. The rule of thumb in convergent validity testing is the loading value (λ) > 0.50, the p-value <0.05, and the AVE value > 0.5 (Kock, 2015:59 and J. H. Mustakini & Abdillah, 2014:61). There are 40 indicators of the construct used by researchers with each loading factor value > 0.5 and p-value < 0.05.

Construct	AVE . value
SI	0.568
MP	0.661
PTA	0.567
KI	0.746
UP	0.720
KLK	0.742

Source: Output of PLS

Table 2.
Indicator
Loading and
Cross Loading

The AVE table shows that the value of each construct is greater than 0.5. From that value, it can be said that all indicators in the study have met the requirements of convergent validity. The results of the discriminant validity test show that the value of *l oading factor* has a result that is greater than the value of *cross loading*. So it can be stated that the research indicators have met the requirements of discriminant validity. Based on the two validity tests above, it can be concluded that the indicators used in this study can interpret the latent construct or the indicators can be said to be valid.

Test outer model it is not enough just to look at the validity results, it takes a reliability test to measure the consistency and accuracy of a construct. The table below will show the reliability results of each construct.

Referring to the table above, it shows that both the value of *composite* reliability nor cronbach's alpha of each construct has a result above 0.7. So it can be said that the instrument used in this study is reliable.

Structural Model (*Inner Model*)

The parameter used to see the effect of exogenous variables on endogenous variables in this model uses the value of R Square (R2). Based on the test results, it proves that the R Square value of the behavioral intentionconstruct (MP) is 0.529, the actual technology use construct (PTA) is 0.527, the individual performance construct (KI) is 0.682, the firm size construct (UP) is 0.522, and the report quality construct finance (KLK) of 0.432. The following is a table of the results of the R Square test.

The table shows that the value of the construct has an R Square value of more than zero (> 0), so it can be indicated that the results of the model estimation have good predictive validity.

	SI	MP	PTA	KI	UP	KLK
Composite reliability	0.887	0.940	0.928	0.954	0.885	0.945
Cronbach's alpha	0.847	0.926	0.914	0.943	0.805	0.930

Table 3.
Composite Reliability and Crobach's Alpha

Source: Output of PLS

Endogenous Construct	R-Squared	Note:
MP	0.529	Moderate
PTA	0.527	Moderate
KI	0.682	Moderate
UP	0.522	Moderate
KLK	0.432	Weak

Table 4.
R Squared (R2)

Source: Output of PLS
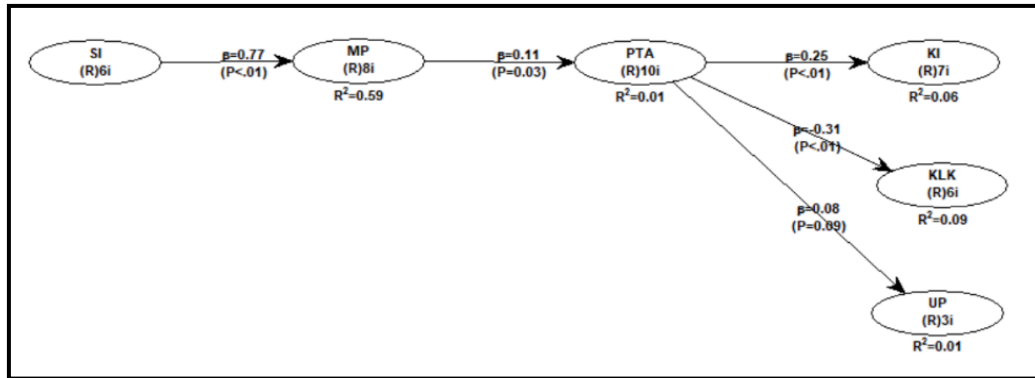
Hypothesis Testing Model

Figure 2.
Hypothesis
Testing Model

The process of testing the hypothesis in this study was carried out through WarpPLS 5.0 as a tool to test every hypothesis. The parameters used to determine whether the hypothesis can be accepted or rejected will be reviewed from the value of p-value and the coefficient value of each hypothesis. Below is a hypothesis testing model

Based on the test model above, the following is a table of hypothesis testing results for each variable used in this study.

Referring to the table of results of hypothesis testing above, it states that in the first hypothesis, namely attitude has a positive effect on behavioral intention, it has a significance value of less than 0.05, therefore the hypothesis can be accepted; The second hypothesis which states that behavioral intention has a positive effect on actual technology of use can be accepted because the significance value of this hypothesis is less than 0.05; The third hypothesis shows that the actual use of technology has a positive effect on individual performance and is evidenced by a significance value of less than 0.05 so that the hypothesis can be accepted; The next hypothesis states that the actual use of technology has a positive effect on firm size, indicated by a significance value of more than 0.05, which is 0, 89 so that it can be stated that the hypothesis cannot be accepted or rejected; and the last hypothesis states that the actual use of technology has a positive effect on the quality of financial reports, which is acceptable because the resulting significance value is less than 0.05, which is 0.001.

Hypothesis	Note:	Path Coefficient Value	Value Significance	Interpretation of Direction and Significance	Decision
H1	S→MP	0.77	<0.001	Significant Positive	Received
H2	MP→PTA	0.11	0.03	Significant Positive	Received
H3	PTA→KI	0.25	<0.001	Significant Positive	Received
H4	PTA→UP	0.08	0.89	Not significant	Rejected
H5	PTA→KLK	0.31	<0.001	Significant Positive	Received

Table 5.
Hypothesis
Testing
Results

Source: Output of PLS

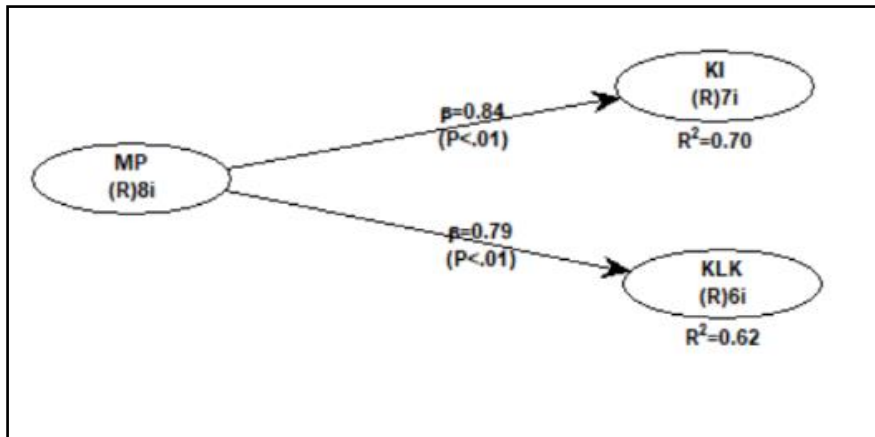**Behavioral intentionMediation Testing Model**

Figure 3.
The direct effect of the MP construct on the KI and KLK constructs

Baron & Kenny (2018) and König & Grippenkoven (2020) argue that there are three conditions that must be met before testing the mediation either partially or simultaneously including the significant relationship between exogenous constructs and endogenous constructs, the significance of the relationship between exogenous constructs and mediating variables, and the significance of the relationship between mediating variables and endogenous constructs. Below will be shown the results of mediation testing either partially or simultaneously between behavioral intention that have an indirect effect on the quality of individual performance and the quality of financial reports.

Based on the picture above, it can be seen that the MP construct has a positive effect on the KI construct as evidenced by the coefficient value of 0.84 and the significance value < 0.01. Likewise for the KLK construct, the MP construct also has a positive influence on the KLK construct with a coefficient value of 0.79 and a significance value of <0.01. From these results, it can be stated that the first condition for conducting mediation testing has been fulfilled.

On the other hand, after the first condition is met, the second condition is to look at the indirect relationship between the MP construct and the PTA construct. Based on the test results, it can be seen that the MP construct has a positive effect on the PTA construct with a coefficient value of 0.52 and a significance value of <0.01. From the results of this test, it can be concluded that the second condition for conducting mediation testing can be fulfilled. The results of this test can be seen from the image below.
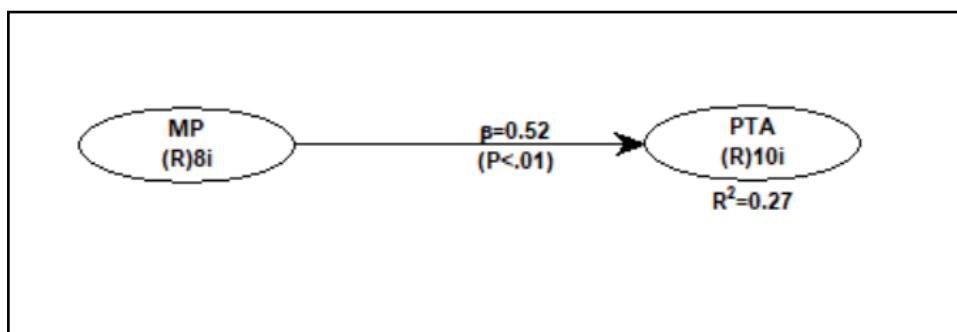

Figure 4.
Direct Effect of MP Constructs on PTA . Constructs

Figure 5.
Simultaneous
Testing of the
Effect of
Exogenous
Constructs
and Mediation
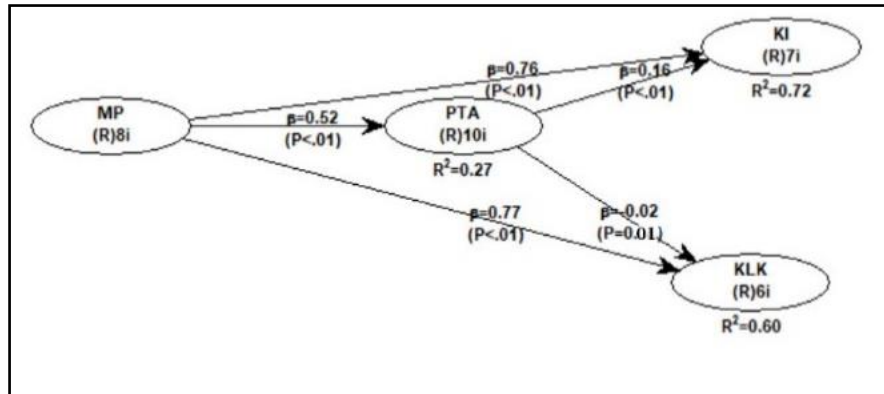Variables on
Endogenous
Constructs

Table 6.
Overall
Mediation
Test

Hypothesis	Items	Without V. Mediation	With V. Mediation	*p-value* Without V. Mediation	*p-value* With V. Mediation	Note:
H6	MP→KI	0.84	0.76	<0.001	<0.001	Received
H7	MP→KLK	0.79	0.77	<0.001	<0.001	Received

Source: Output of PLS

Based on the picture above, it shows that the third condition for conducting the test has been fulfilled. So that it can be concluded that the overall results of the mediation test are as follows.

Discussion of Hypothesis Testing Results

Attitude to Behavioral Interest

In this variable, the results show that attitudes and behavioral intention have a positive and significant influence. This attitude is the attitude of the individual in accepting or rejecting the use of technology. When all people, especially MSME owners, are able to accept the use of technology, it will indirectly increase public interest in the use of technology, so as to increase the effectiveness of the use of information technology. This explanation is reinforced by the research of König & Grippenkoven (2020), which states that attitudes have a positive effect on behavioral intentionin using the DRT System in Rodenberg. Lee et al. (2020) stated that attitudes have a positive effect on behavioral intention in using VR on the Santa Clara Website.

The results above are consistent with the results of interviews conducted with several informants. The first informant, Mrs. Angel (Ayam Lodho Owner) stated that:

"My staff is for marketing via Facebook and shopee. Then we also sell via grab and gofood too. Yes, so we are really trying to increase our sales even though the situation is still covid like this. When asked about financial reports, we also make bu but only with excel. But only expenditure and income only."

In line with the statement of the previous informant, our second informant, Mrs. Evi (Aneka Keripik) also said the same thing:

"Most of us sell these chips online. From Shopee, Facebook and Instagram. We do feel that there has been a decline in sales due to Covid-19. I have to pay employees, so how do we have to sell a lot? We promote

everywhere. Sometimes we discount a few units of chips to increase sales. For financial reports, we use a tool to make financial reports from a cellphone. So from there, I can monitor my profits, my expenses, and my income. So we monitor it directly so that I know the ups and downs of my business so that it can be used as an evaluation for the future.

Some of the statements above indicate that MSME owners use technology in marketing of their products and in preparing financial reports. Some informants feel that using technology can help business people increase their sales. Some of the informants above also stated that is hoped that the use of technology can assist business actors in evaluating their sales activities. In addition, it can be an indicator of business actors in determining the success of their business seen from the fluctuations in the profits they get. This implies that indirectly a person's positive feelings about technology can affect a person's interest in using it. These results are in accordance with <u>Zheng & Li (2020)</u> who state that attitudes have a positive influence on interest in using technology.

Behavioral intentionin the Use of Actual Technology

The results of the second hypothesis show that behavioral intentionhas a positive and significant effect on the actual use of technology. Behavioral intentionis an individual's desire to take a real action <u>(Baridwan, 2012)</u>. Based on the results of the hypothesis above, it shows that when an individual, in this case the owner or employee of MSMEs, has an interest in using technology, the level of effectiveness in using actual technology to run a business will increase.

In line with the above results, a statement from our third informant, namely Ms.Sulistyaningsih (Lilik Bordir) stated that the interest of entrepreneurs is very high in using technology because skills in using technology can help business owners introduce this type of business to consumers, she said that:

"We can see that technology is not only a necessity but has become a necessity for today's business owners. We can introduce our business to many people via Facebook. Our sales can also be boosted from Shopee or Tokopedia. So those who see or buy are not only from the people of Surabaya but all over Indonesia so they can buy them. So obviously our interest is very high in the use of technology. It is undeniable that this makes it easier for us to introduce many people about our business. If we use financial reports using an application and use excel, so from here we can monitor our sales and whether our targets are achieved or not. From the application, we can see our sales, profits, and expenses so it can help us decide which products we should produce more to sell."

The second informant echoed the same statement, namely Mrs. Evi (Aneka Keripik), and the fourth informant Mrs. Chanifah (Batik Shibori) stated:

"Nowadays, miss, everything is from a cellphone. Buy anything from hp. If asked about our interest, our interest is definitely high in the use of technology. We also often use exact technology in marketing our products. But we have to be careful because there are more or less when using. So, just take it positively in the current use of social media. As I said earlier, with the use of technology, many people know. So many people buy it. Moreover, people from outside Java usually buy a lot. So at first, we sold offline most 50-100 pcs per month. Now there are hundreds of pcs. Apart from that, we also record finances and definitely use technology, so you know if there is an increase in sales compared to last year, what are the profits or losses."

Based on the informants' statements, we can see that some informants stated that they had an interest in using technology so that the real manifestation of using technology could be felt more. We can see that the use of technology is a necessity that can help MSME owners in achieving it. In addition, the use of technology can assist MSME owners in expanding their market share and can assist owners in filtering consumer interest in their products so

that sales targets can be increased. In the end, profits also increase. This is allegedly the response of MSME owners in responding to Covid-19 and the Industrial Revolution 4.0. In addition, the use of technology is also felt to be able to assist owners in evaluating financial reports for decision making. Based on this statement, we can conclude that the higher the owner's desire to use technology will increase the possibility of using the technology, which in the end the benefits of using technology can be felt more effectively. This statement is supported by empirical evidence from the research of Appiah et al. (2021) who argue that interest has a positive influence on the use of caller tunes in Acra and Ghana. Agmeka et al. (2019) stated that buying interest has a positive influence on the use of e-commerce. Estriegana et al. (2019) also found that behavioral intentionhad an effect on the use of OLE.

Use of Actual Technology on Individual Performance

The results of the third hypothesis show that the actual use of technology has a positive effect on performance. In this case the intended performance is individual performance. Performanceindividual is defined as the achievement of an employee based on work standards in a certain period. When employees and owners of MSMEs are able to use technology in their business processes, indirectly the performance of each individual will increase. Because between the use of technology with individual performance has a unidirectional relationship. This is reinforced by the argument of Nugroho (2016) which states that if employees are able to take advantage of information technology properly, this will improve their performance which in turn can increase profits for the company due to increased efficiency in the use of working hours.

The results above were also reinforced by the statement of the fourth informant, Mrs. Chanifah (Batik Shibori), who stated:

"As we previously said, by using technology, for example using Facebook or selling from Shopee or Tokopedia, the number of buyers will increase, so the profit will also increase. In addition, we can distinguish the interests of buyers from the age group, so for example, what color and model do young people like or and for example, for example, over 35 years old like what model and color. So the target is clearer what it wants to be like. This makes it easier for us to design products. Be more efficient when using technology. When marketing products are also more efficient and do not require a long time. If it fits the target, the sales target can increase even beyond what was imagined. The same goes for using technology to create financial reports. So we have 2 methods, we make manuals for recaps but we also make Excel for reports. So if there is a decline in sales, we can immediately know and we can formulate a decision regarding the latest model to increase interest in our products."

The first and second informants made the same statement, Ms. Angel (Owner of the Lodho Chicken Business) and Ms. Evi (Aneka Keripik) who said:

"With technology, everything is going fast. When my employees do sales and marketing, they just click away so it's fast. This makes it easier for us business owners. Especially during PSBB like this. So time and effort are not wasted too much. Moreover, making this financial report makes it easier for us to find out various problems that occur so that follow-up can be carried out more quickly in formulating strategies."

Some of the statements above imply that when MSME employees and owners can use technology in their business processes, the performance of each individual will indirectly increase. This can be proven based on the statements of informants who stated that the use of information technology can increase employee productivity in terms of marketing, sales, and preparation of financial reports. This can help MSME owners spread their wings which in turn can help MSME owners compete globally, especially in responding to the challenges of the Industrial Revolution 4.0. Sealing that, one of the advantages when using technology

is being able to map consumer interests. This is very profitable for the seller. The use of information technology can help MSME Owners identify problems, examine more alternatives and formulate appropriate strategies. In the end, the right decision can be made so that it helps owners in dealing with business downturns during the Covid-19 period. Several studies by Poschke (2018) support this discussion, states that the use of information technology can improve performance. Lun & Quaddus (2011) state that individuals will be more productive when using technology because it helps them increase the efficiency of working hours.

Use of Actual Technology on Company Size

However, referring to the test results in table 5, the path coefficient value is 0.08 and the significance value is > 0.05, which is 0.89. Based on this statement, it can be concluded that the hypothesis on this variable cannot be accepted or rejected.

Basically, the size of the company in the context of this study refers to the criteria for SMEs. The size of the company is a reflection of the achievements obtained by the company in increasing the confidence shown in the increase in sales, so that the total turnover and assets also increase. The use of actual technology cannot affect the size of an MSME, because based on the results of the questionnaire and it was emphasized by interviews with respondents that the size of the company in terms of turnover and assets cannot be influenced by the use and intensity of actual technology.

Contrary to the results above, a statement from our third informant, namely Mrs. Sulitiyaningsih (Lilik Bordir) stated that the existence of technology can increase business opportunities by increasing its scale, she said:

"The existence of this technology can cover many consumers from within and outside the region. It is possible that it will gradually help us compete in the international arena. We know there are lots of frozen foods that hit now. Maybe this could be an opportunity as well as a challenge for us to expand. In addition, it can be used to introduce typical embroidered clothes from East Java. "

Unlike the statements of the three other informants, namely: Mrs. Angel (Owner of the Lodho Chicken Business), Mrs. Evi (Aneka Keripik), and Mrs. Chanifah (Batik Shibori) who stated that the use of technology could increase their sales and could even increase their market share but had not been proven to be able to help business owners in increasing the scale of their company. This is alleged because the increase in sales cannot increase the scale of the business in a short time. In addition, the amount of turnover and assets cannot be influenced by the actual use and intensity of technology.

The Use of Actual Technology on the Quality of Financial Reports

The next hypothesis from this study, states that the actual use of technology with the quality of financial reports has a positive and significant effect. An organization is able to present quality financial reports when the organization can use information system technology in its manufacture. When an organization can use integrated information technology effectively and efficiently, it can improve the quality of the organization in preparing financial reports. This statement is supported by several studies by Zamzami, F., Nusa, N.D., & Faiz (2020: 112-115) which state that the use of information system technology has a significant impact on the quality of making financial reports because the integrated system makes it easier for users to obtain reliable accounting information, timely and accurate that can be used for decision making.

The results above are in line with the statement of Mrs. Angel (Owner of Ayam Lodho) which states that the use of actual technology can make it easier for employees and owners of MSMEs to provide information quickly and precisely, which can be compared and can be used for decision making. She said:

"The big advantage when using information technology actually is that we can get information quickly and precisely. In addition, it makes it easier for me and my employees to evaluate future financial statements, making it easier for us to determine sales targets and future expenses. The use of technology in preparing financial reports also helps us identify problems and make the right decisions based on problem analysis."

In line with the statements of the three other informants, namely: Mrs. Evi (Aneka Keripik), Mrs. Chanifah (Batik Shibori), and Mrs. Sulitiyaningsih (Lilik Bordir) can be used in predicting future financial reports, and easy to communicate because the information presented is easy to understand. The same research conducted by Romney, M. B., & Steinbart (2019:11) states that the use of information technology systems in the preparation of financial reports can improve information quality, efficiency, and make complex and effective decisions. Based on the statement above, it can be concluded that the actual use of technology has a positive effect on the quality of financial reports.

Discussion of Mediation Test

The results of the mediation test state that the sixth hypothesis, namely behavioral interest, has an indirect effect on the quality of individual performance through the use of actual technology, which is acceptable. The results showed that the actual use of technology was able to mediate the relationship between behavioral intentionand individual performance. This result also implies that the presence of behavioral intentionwill make each individual have the urge to use information technology which in the end, the use of information technology can improve individual performance.

The result of the seventh hypothesis is a mediation test which shows that behavioral intention has an indirect effect on the quality of financial reports through the use of actual technology. The results of the study show that the use of(Lun & Quaddus, 2018) actual technology is able to mediate the relationship between behavioral intentionand the quality of financial reports. These results imply that when an individual has a behavioral intentionin using actual information technology, it can indirectly optimize the quality of the financial statements prepared by that individual. The statement of the two results is reinforced by several studies that have been carried out by Appiah et al. (2021); Agmeka et al. (2019); Estriegana et al. (2019); Poschke (2018); Lun & Quaddus, (2018); Sidek et al. (2020); Hertati (2015), which shows that behavioral intentionhas a positive influence on the actual use of technology and the use of actual technology has a positive effect on individual performance, company size and quality of financial reports.

CONCLUSION

This study shows empirical results that individual attitudes in running an organization can be influenced by the interest of the individual himself. This research proves that the interest in individual behavior is able to influence the actual use of technology. Empirical results also found that the actual use of technology has no effect on the size of the company. This is because the size of the company based on the amount of turnover and assets cannot be influenced by the use and intensity of technology. Empirical results also found that the actual use of technology can affect individual performance and the quality of financial reports. The actual use of information technology is a response from MSME owners in responding to the challenges of the Industrial Revolution 4.0 and in tackling economic problems in the Covid-

19 era.

The new finding from this research is to make the variable of technology use as a mediating variable on the behavioral intention variable on individual performance and the quality of financial reports. The results of the study prove that the actual use of technology is able to mediate between behavioral intentionin individual performance and the quality of MSME financial reports is very large. The existence of behavioral intentionwill make individuals have the urge to use information technology which can ultimately improve individual performance, company size, and improve the quality of financial reports.

The limitation of this research is that the research scale is only on SMEs at the East Java level and it is found that the actual use of technology does not affect the size of the company. Based on the limitations above, future researchers are expected to add research samples to the MSME area in Indonesia. Future researchers are also expected to use a mediating variable for the influence between the variable use of technology and company size. This is done to assist MSME owners in increasing their business scale which in turn can assist the government in formulating strategies, especially for MSMEs in dealing with Covid-19 and responding to the challenges of the Industrial Revolution 4.0.

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