

ABSTRACT

Information technology has benefits in supporting and driving organizational decisions. However, a survey by the East Java Office of Cooperatives and SMEs in 2022 stated that the use of payment technology by fostered MSMEs was still below 10%. Initial observations of a number of assisted MSMEs in East Java felt that the use of mobile payments could simplify the transaction process, some buyers asked for transfer payments, and were not worried about change. However, there are assisted MSMEs that regret the existence of discounted fees, lack of understanding, accustomed to manual payments, and limited use. Therefore, the researcher tested the extended Technology-Organization-Environment (TOE) model by Tran Hung by expanding the framework through identifying the effect of adoption intention, Number of employees, Firm age on Business performance. The mobile payment studied in this study is an adjustment of the most use by MSMEs built in East Java Province, namely mobile banking, QRIS, and ShopeePay. Based on the results of research on fostered MSMEs in East Java, it shows that the adoption of mobile payment is positively influenced significantly by technological orientation of 0.019. Relative advantage of 0.583, observability of 0.309, perceived trend of 0.151, and legal framework of 0.144 by having a positive but insignificant effect on the adoption of mobile payments. Meanwhile, the negative relationship is not significantly influenced by compatibility of 0.214, top management support of 0.731, firm size of 0.646, entrepreneurial orientation of 0.101, competitive pressure of 0.155 and government support of 0.247. Meanwhile, the business performance of the assisted umkm is influenced by mobile payment adoption intention of 0.00, and firm age of 0.005 which has a significant positive relationship, and is negatively influenced by the number of employees by 0.502. Thus, the results of factor analysis can be used as recommendations for the government and fostered MSME players to increase the adoption of mobile payments to support their business performance. In addition, this research can be used as a reference for further research.

Keywords— Mobile Payment, TOE Framework, Assisted MSMEs, Technology Adoption, East Java Province