

ABSTRACT

The digital payment system has not only changed the payment pattern from cash to digital but has also improved the performance of Micro, Small, and Medium Enterprises (MSMEs) and can improve business quality by expanding market reach, facilitating transactions, following digital payment trends, reducing the risk of theft, and MSMEs can be more efficient in terms of time, energy, and also costs.

This study aims to examine the impact of Technology-Organization-Environmental (TOE) on the use of QRIS on MSME performance and identify factors that encourage MSMEs in Central Java Province to use QRIS. This study uses the SEM-PLS approach with SmartPLS software version 4.0. The results of this study reveal that the adoption of QRIS digital payment by MSMEs has a positive and significant effect on MSME Performance in Central Java Province.

This study also shows that, in adopting the QRIS digital payment system, MSMEs in Central Java Province are influenced by the following factors: relative advantage, top management support, entrepreneurial orientation, organizational readiness, social influence, and government support.

Keywords: Digital payment, MSMEs, MSME Performance, Technology Organization Environmental (TOE)