

## ADAPTATION OF TECHNOLOGY AND USE OF INTERNATIONAL LANGUAGES IN INCREASING MSMEs TOWARDS INTERNATIONALIZATION AT AIDA FURNITURE

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### Abstract

*The purpose of this research is to find out how companies implement in adapting to technology and the use of international languages to increase MSMEs towards internationalization. This research was conducted at Aida Furniture, Pasuruan, East Java, Indonesia. The approach used in this study is descriptive and qualitative analysis by conducting direct interviews with company owners. In addition, direct observation of the research object was also carried out and secondary data collection, namely online document searches and literature reviews. This study obtained results indicating that the company has made adaptations in technology in its production process. The use of technology is carried out by the company in the process of painting and drying products. The obstacle faced by companies to be able to export is the use of international languages. If these obstacles can be overcome positively, then the company will generate a competitive advantage so that MSMEs can compete and lead to internationalization. Technological innovations carried out by the company will accelerate the company's competitive advantage for internationalization and export.*

**Keywords:** *Adaptation of Technology, International Language, Internationalization, MSMEs*

### 1. INTRODUCTION

At this time information technology is experiencing very rapid development, along with human needs which also continue to grow. Technology plays a very important role in human life. Adapting new technologies and creating digital innovations (Jin & Lee, 2020; Muñoz-Pascual et al., 2019; Zhai et al., 2018). Information technology includes everything related to the process, its use as a tool, manipulation and management of information (Duc, 2019; Fachrunnisa et al., 2020). At present, anyone who cannot keep up with technological developments is certain that they will be backward people as well as in the field of trade, the emergence of commerce with the internet as the main means, namely e-commerce in the business world, brings us to a new culture of conducting transactions that are not again conventional. The digital economy provides greater opportunities for e-commerce to create markets (Susanti & Akbar, 2022). Whether you realize it or not, the implementation of e-commerce has an impact on the efficiency and effectiveness of transactions and can elevate the product or image of MSMEs that apply this concept. MSMEs will be more advanced and developed because the target market includes local and international markets.

Micro, Small and Medium Enterprises (MSMEs) are an industry that dominates 99.9% of the business industry in Indonesia, which is closely related to the new era of the industrial revolution 4.0. The MSME program promoted by the government facilitates the community to move quickly and change mindsets so that they can immediately adapt and compete globally. The growth of new entrepreneurs, which at the end of 2019 reached around 2% of the total population of Indonesia, course, this growth in the number of entrepreneurs will add to the competition in the MSME

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business. MSMEs in the Era of the Industrial Revolution 4.0 will have a role in creating jobs, entrepreneurship and increasing income for the country. The important part of MSMEs, including MSMEs, has challenges that need to be resolved immediately. The challenges of MSMEs include a lack of resources, both time and finance, and a lack of ability to adapt to market needs as well as a low level of competence in marketing which results in a low market share in the marketplace. Thus, the most difficult challenge faced by MSMEs is implementing a business-oriented marketing system. This business-oriented marketing system is based on extensive data analysis (Akbar et al., 2022; Saputra et al., 2020).

Nationally, the existence of foreign exchange earned by the state implements the internationalization of companies also highly expected by the government. In internationalization, cultural differences are the main challenges for companies (Oviatt & Phillips Mcdougall, 2018). The culture has a significant influence on people's consumption behaviour, making products that are in demand in certain countries not necessarily acceptable in other countries. Therefore, some products need to undergo adjustments or adaptations before being sold in international markets. Environmental sensitivity indicates the extent to which a product must be adapted to the specific cultural needs of a market (Keegan & Green, 2020). The greater the environmental sensitivity, the greater the company's efforts to overcome cultural barriers.

Adaptability has a major influence on a company's competitive advantage (Akbar & Adi, 2022). The leaders and employees in an organization should adapt to remain competitive and hopefully beat other companies in terms of success and profitability. Businesses can experience stifling conflict by failing to change over time. In the context of small-scale businesses, adaptability is more important than in medium and large-scale companies. Small-scale companies are more vulnerable to external forces, mainly due to limited cash reserves, debt capacity, often relying on a limited line of products/services, and the tendency to rely on a niche customer base. Adaptability is the ability of an organization to make changes to the demands of circumstances. The higher the frequency of the level of uncertainty in a situation that demands adjustment action, the easier it is to see the ability of the organization to adapt. Business competition in the current era of globalization has resulted in many micro and small companies being disadvantaged because they can only serve a relatively limited market, and easily suffer losses due to significant fluctuations in demand, "robbery" by aggressive competitors, and lack of support from suppliers and intermediaries. Several business and job models in Indonesia have been affected by the current digitalization, including conventional shops that have begun to be replaced with online marketplaces.

Therefore, besides the need for adaptation to technology, MSME companies also need to adapt to language by using international languages. Language adaptation activities in intercultural communication cannot be separated from cultural adaptation because the course of the intercultural communication process relies on adaptation. Adaptation is the ability to live things to adjust to new or surrounding conditions. This adjustment can be interpreted as changing oneself according to ecological conditions, and also means that individuals can adjust the environment according to personal circumstances. Adaptation can also be interpreted as a process of adjustment used by foreigners to a new environment, namely local culture. Therefore, adaptation to the use of a foreign language is a matter of learning and adapting to the concepts and images of the language produced by the relationship between two or more people, groups, organizations and people from different cultures experienced by a member. Adaptation is the most fundamental process when people

communicate with each other to understand how humans build and maintain relationships. Adaptation in the use of international languages is also referred to as a long-term process of alignment.

In Indonesia, there are many companies that export or have gone international. One of the MSMEs engaged in the furniture export trade is Aida Furniture. The purpose of this study is to find out how this company implements technological adaptation and the use of international languages to improve MSMEs towards internationalization in their companies.

## 2. IMPLEMENTATION METHOD

This research uses qualitative and descriptive methods. Data collection techniques using primary data and secondary data (Akbar, 2020). To obtain primary data, the authors conducted interviews directly with business owners from Aida Furniture. Meanwhile, secondary data was obtained through online document searches and literature reviews. The data collected relates to the adaptability of MSMEs to Aida Furniture. The data is then analyzed using several theories about adaptability. The results of the information obtained from the process above are then analyzed descriptively and elaborated in the form of a model that is adapted to the situation of the Aida Furniture company which is one of the Micro, Small and Medium Enterprises (MSMEs) engaged in the furniture industry and has carried out internationalized exports.

## 3. RESULTS AND DISCUSSION

Adaptation theory emphasizes the ability of organizations to accept, interpret and translate disturbances from the external environment into internal norms that lead to survival or success. Adaptability lies in three key aspects, namely perception and response to the external environment, the ability to respond to internal customers and quick reactions to both internal and external customers.

The cultural dimension consists of the external environment faced by any scale of business, big or small. The ability to adapt to the external environment depends on how the company can process in forming a strong organizational culture in the long term. Some of the essential elements for adapting to the company's external environment are mission and strategy, goals, means of developing consensus, reaching goals, measurement, and correction. Several definitions of adaptation, namely:

- The process of overcoming obstacles from the environment.
- Adjustments to the norms for channelling
- Process changes to adapt to changing situations.
- Change to suit the conditions created
- Utilizing limited resources for the benefit of the environment and systems.
- Cultural adjustment and other aspects as a result of natural selection. Adaptive culture can be expressed as a culture that is capable of adaptation.

Adaptation can be defined as the actions of entrepreneurs and their teams in processing inputs of information from their environment and making quick adjustments. The adaptive type of cultural values encourages entrepreneurship, which can help a company adapt to a changing environment by enabling it to identify and exploit new opportunities. Kotler et al., (2021) emphasize the "customer" and imply that if a culture values customers highly, and creates changes to serve customer needs, it will help make an organization adaptive. Therefore, in the era of the

industrial revolution 4.0, a company's competitive advantage is determined by one of the important factors, namely adaptability (the ability to respond to changes in the external environment) (Rhommadhoni & Dhewanto, 2019; Wei et al., 2020). Adaptability to the environment is the ability to respond quickly when changes occur. One of the factors that cause a company to have good adaptability to the environment is the intensity of competition. Intense competence is reflected in aggressive price competition, intense promotion and advertising, as well as promotion and introduction of new products.

### **Technology Adaptation**

The adaptation process is marked by the process of adjusting systems, procedures, structures. In this process each individual begins to test new situations and himself by trying new behaviors, working with different standards, trying to cope with change. Efforts are made by learning and adapting. This process does not only involve individuals, but organizationally it will involve colleagues, supervisors, even managers or leaders who will all learn to try new systems. Ultimately technical and operational issues can be identified and corrected and progress can be seen. This stage will absorb a large amount of energy. The process of trial and error, effort and setbacks, and slow repair work, are often the source of problems that cause frustration. Through this process, consequences such as anger, despair, and wanting to return to the original stage will appear. However, this consequence is actually not a stage of conflict, but a process of struggle to push the new system to function. At this stage the manager or leader needs to provide appropriate training and support, and preferably the manager or leader stays behind the scenes by letting the employee have the ability to solve problems. In this way, employees will be able to develop the skills, understanding, and engagement required by the system and the new system will be effective in the long term.

Most people consider change to be a disturbance, even shock, but will gradually accept reality, be willing to try, and be involved in a process of mutual adaptation and finally make peace with change. Micro, Small and Medium Enterprises by the Government are quite good, for example in providing training and coaching to Small and Medium Enterprises, in providing information, managing files and business capital assistance from the government, the central government and through local governments are trying as optimally as possible to provide information related to programs providing capital assistance from the government either coming to the office personally or in training.

The company's adaptability can be seen from the extent to which business owners can utilize existing technology. There are still many MSME actors who have not used digitalization in both marketing and production. MSMEs are still comfortable with conventional patterns, the main factor being "technological stutter" and unwillingness to go through the learning process. However, the Aida Furniture company has made various innovations in its production technology. There are several stages of making furniture which is an innovation carried out by different companies and not carried out by other similar MSMEs. Aida Furniture divides the area or what is known as the work zone. Where each zone has placed someone who is responsible for internal checking. The company added a special room to the painting zone. Other SMEs or similar companies do not have closed paint rooms. Meanwhile, Aida Furniture made a special closed room to prevent dust from entering. By adding 2 boilers measuring 24 inches and 36 inches in the room, the paint results look



with perfect color and shine. In addition, it is dust-free and dries quickly. In the drying zone, the company uses the American finishing system. This step will make the wood grain more visible. Foreign consumers appreciate and value wood more. Then the packing process uses packing materials that have been labeled. In addition, it is also recyclable.

Apart from that, the emergence of concerns about using information technology has created consumer distrust, for example, until now there are still many social media accounts (digitalization) that offer pseudo products and services which of course not only harm consumers but also impact MSME business actors in the same field. With accurate market information, the company will be able to carry out production with the right customers, both in terms of quality and quantity (Sui & Baum, 2014; Sukaatmadja et al., 2021; Tali et al., 2021).

On the other hand, the company's adaptability to groups or communities looks quite good, this is evidenced by the willingness to change and adapt to the new system due to the influence of the groups and communities that are followed by MSME actors. Groups and communities are formed from training and mentoring programs organized by the government so that they have a fast impact to make changes together. The intensity of influence on the willingness to change is quite high because there is an exchange of information, continuous motivation, and intensive communication with MSME business actors. The system must be able to solve various barriers/obstacles that hinder the emergence of an entrepreneurial spirit among existing and emerging MSMEs. This type of adaptive culture values and encourages entrepreneurship, which can help a company adapt to a changing environment by enabling it to identify and exploit new opportunities. This process of change to adapt encourages the growth of an entrepreneurial spirit in MSMEs, MSMEs will always grow if there is an entrepreneurial process within the MSMEs. The essence of the entrepreneurship process is the process of continuously finding various innovations.

The ability to innovate is an important aspect in the industrial era 4.0. In this era, information is abundant. This abundant information should be used properly by companies to bring about innovation so that the innovations produced will be able to encourage companies to compete in the industrial era 4.0. Innovation can emerge if driven by big data analysis technology tools (Praseeratasang et al., 2019). The company's adaptability has begun to emerge from the increasing use of social media and e-commerce. Social media helps companies to be more willing to accept the consequences of the effects of risks arising from a change. Social media helps business people to be more courageous in promoting, sharing information, and communicating with people or groups who provide solutions to problems that arise.

The use of e-commerce has not provided a high level of market share for the company in the marketplace, but the use of e-commerce itself has shown that Aida Furniture business owners are aware of the importance of using e-commerce for MSMEs. The use of e-commerce will help companies reach consumers quickly and broadly. In general, the acceptance of e-commerce and the use of big data technology is still low among MSMEs (Akbar & Nefrida, 2021; Susanti & Akbar, 2022).

### **Adaptation to the use of International Languages**

The use of international languages can occur due to push factors originating from the company's internal and external environment. Internal factors consist of company size, company age, experience and company performance in international markets, as well as the characteristics of the company's management and organization (Brannen et al., 2014; Tenzer et al., 2017). For

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example 1) There is a company's commitment to enter the global market arena; 2) The company's efforts to improve the company's image and reputation as a global player; 3) The company's desire to obtain greater profits; 4) The company's efforts to obtain cheaper production factors, such as labour and raw materials to increase competitiveness, and so on. While external factors include competitors, economics, technology, politics and law, society, and culture (Crick, 1999; Refsum, 2015). For example 1) The company's actions in overcoming a decline in sales due to the influence of changes in demographic variables in the country, such as slowing population growth; 2) The company's efforts to avoid economic recession in the domestic market; 3) Utilizing the convenience of export regulations provided by the government to encourage exports; 4) The company's efforts to extend the life cycle of company products that have entered a saturation phase in the domestic market, and so on.

Environmental sensitivity shows the extent to which a product must be adapted according to the culture-specific needs of different national markets. The greater the environmental sensitivity of a product, the greater the effort required by the company to overcome the specific economic, regulatory, technological, social and cultural environmental conditions of a country. Therefore, companies need to adapt their products to the target market. The adaptation strategy includes changes in product elements such as design, function, or packaging, as well as the company's way of marketing, as a response to the company's response to meeting the needs or conditions of the internationalized destination market. Adaptations made can make the product more attractive and accepted by the target market.

There are several journals literature that has examined the level of acceptance of e-commerce by MSMEs, while the level of acceptance of technology use and the use of foreign languages in MSMEs is still very minimal in Indonesia. This is perhaps due to the many limitations faced by SMEs, especially human resources. The involvement of a leader is very important in accelerating the adaptability of MSMEs in the 4.0 era. Leaders will have the ability to unite and provide clear direction, have speed in making decisions, be able to select and develop the talents of their team members and be able to adapt quickly to changing times. Thus as a leader of a business (business actor) in the 4.0 era, it is necessary to develop strategies by offering solutions to problems faced by society, carry out endless innovations - ideas, ecosystems, the new monopolistic model of capitalism - sharing economy, and the 3.0 marketing model (multidimensional consumer ).

Industry 4.0 covers the entire product lifecycle and supply chain, design, sales, inventory, scheduling, quality, engineering, and customer and field service. Everyone involved will share relevant information, and current views on production and business processes and generate more relevant analyses. The era of the Industrial Revolution 4.0 has been running with technology as the main player, therefore the use of technology for MSME business actors is mandatory so that the future of MSMEs in the country can bring fresh air to the economy of this country. The use of technology will make it easier for companies to move quickly to find out information about market needs, reach a wider market, and arrange supply chains to provide the price, quality and service desired by consumers.

#### **4. CONCLUSION**

This study obtained results indicating that the company has made adaptations in technology in its production process. The use of technology is carried out by the company in the process of

painting and drying products. The obstacle faced by companies to be able to export is the use of international languages. If these obstacles can be overcome positively, then the company will generate a competitive advantage so that MSMEs can compete and lead to internationalization. Technological innovations carried out by the company will accelerate the company's competitive advantage for internationalization and export. The success of a company in adapting to technology and the use of foreign languages is an important factor for companies to be able to compete globally in improving their internationalization performance.

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