

## Conference Paper

# The Importance of Adaptability in Knowledge Technology and Accounting in Traditional Restaurant

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**Abstract.**


The traditional restaurant business is one of the sources that contribute to an increased income of a region. However, poor business performance causes the income from traditional restaurants to be suboptimal. Therefore, the role of traditional restaurants in having the ability to adapt to technological developments, and accounting adaptability are the main issues of this study. The documentation analysis method of social research used, explores the theoretical model and empirical results of how these three capabilities can affect the performance of traditional restaurant businesses. The study on the importance of the role of adaptability of accounting and technology have not been widely carried out in previous research in Indonesia. This research is expected to provide guidelines and further research facilities for the government, to approach the development of traditional restaurants in encouraging culinary tourism and the revival of SMEs.

**Keywords:** accounting adaptability, management adaptability, technology adaptability, SME

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## 1. Introduction

Previously, the government Indonesia stated that the SMEs Industry in Indonesia was could contribute 28.3% to gross domestic product or Rp. 182 trillion / US 13,788 million [1,2]. The digital era of technology and knowledge is increasing in all activities [3]. Therefore, SMEs in traditional restaurants are required to make changes to the business concept by adapting to changes in technology and understanding of accounting. The need for acceleration in ensuring the ability to adapt in business, was also intervened by the SARS-Cov-2 corona virus which was identified in Indonesia, in March 2020. The SARS-Cov-2 corona virus issue had a major impact on traditional restaurant SMEs which were heavily influenced by the external environment and Internal control is the first step

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in adaptation [4]. Therefore, the Government of Indonesia, through several regulations in business management, provides convenience e.g. payment of taxes.

The acceleration of the need regarding adaptability of knowledge technology adaptability of accounting (from management to reporting) must adapt quickly. It is important to accelerate this adjustment because if there is no acceleration it can lead to a decline in business performance in the traditional restaurant market environment. Although in a positive view, it will also provide opportunities for significant creative and innovative power that will allow traditional SMEs restaurants to have new opportunities in their development. Online strategy can be carried out by paying attention to the potential of online markets that are sustainable and relevant to their customers in the future [5]. In fact, several traditional restaurants introduce digital information in online menu displays through social media and display their own uniqueness as an attraction, either through menus, entertainment or the uniqueness of their restaurant buildings [4,6,7]. For this reason, this study aims to convey the relevance of the concept of adaptability in Knowledge Technology and Accounting Adaptability to the business activities of SMEs in Traditional Restaurants.

## 2. Method

This study uses the documentation analysis method of social research [8]. The purpose of this model study provides a proposal to determine the effect of Knowledge Technology Adaptability and Accounting Adaptability variable to determine business performance Traditional Restaurant. This model became the starting point for further discussion to develop a convincing model that could be further tested at the empirical research. The purpose of the study of the proposed model is to find out how Knowledge Technology adaptability and Accounting adaptability relate to the drivers of business performance that will be used to see important aspects of small business development. This model becomes the starting point for further discussion to develop a convincing model that can be tested further at the research stage (See Figure 1) followed by a discussion of the theoretical studies that build it.

## 3. Result and Discussion

Traditional restaurant SMEs in Indonesia must adapt to these changes to improve their product marketing [4]. Change must be supported by the ability of human resources who have creativity and innovation in business development. The old way of doing business

does not need to be completely eliminated, such as original culture and cultural identity, but rather the direction of adjusting patterns of the use of technological tools. In this way, it is possible for traditional restaurants to adapt.

Another problem that has become the focus of observers of small and medium traditional restaurants in Indonesia is the financial reports of other traditional small and medium enterprises [2]. Systematic and accurate financial recording and reporting can increase business productivity efficiently and effectively to increase profitability [9,10]. This is necessary because SMEs income is a source of household income that indirectly contributes to increased economic growth [11,12]. Thus, some resource-based views focus on areas of competitive advantage through supply chain management [13]. Moreover, there is not much research literature that focuses on resources for competitive advantage in the analysis of the SMEs [14]. In addition, the increase in SMEs stipulated by the Ministry of Cooperatives and SMEs in the 2015 Regulation of the Minister of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia is highly dependent on the ability to adapt to the times [15–22]. One of them is how it relates to the ability to adapt and build SMEs business performance.

### **3.1. Knowledge technology adaptability, and accounting adaptability on business performance**

Although a good strategy depends on management's ability to create harmony between the environment and the company's internal. But the ability to adapt to changing times is also a priority [23,24]. One of the ways is the efforts of traditional restaurant SMEs to adapt to technological knowledge, which continues to grow until now. In addition, accounting adaptability as a dynamic capability is also a major requirement in the development of business models.

Adaptive behavior for SMEs business actors can increase profits through changes and improvements in technology. The goal is to survive in the long term because it has the ability to change future business directions through the use of technology [25]. Changes in SMEs' business behavior in traditional restaurants in general can increase business results and change business competitive patterns [26]. Therefore, adjustments to the pattern of development of SMEs to increase revenue and sales, productivity, efficiency and economic structure and foundation need attention from the Government [27]. Because currently the Government of Indonesia is still focused on the size of the number of SMEs entrepreneurs, but does not pay attention to the development

of changes in SMEs entrepreneurs who have utilized information technology for their business.

In addition, accounting adaptability is also an important antecedent which is also a concern because of its important role in professional reporting which has an impact on sustainability business [28]. Although there are still many SMEs entrepreneurs who use the services of external accountants for their business reports. Of course, the consideration regarding the speed of the technology in question is to use an accounting application. The purpose of using the application is to improve the collection and processing of accounting data from the initial transaction to the final report to provide valuable information for decision makers.

Traditional restaurant SMEs that have accounting skills and technology knowledge will provide quality information for business decision making [29]. As is the case for SMEs to determine economic and financial profitability ROI (Return on Investment), Return on Assets (ROA) and Return on Equity (ROE) in showing price movements that can affect product quality [9,10]. In this case, the proposition that accounting adaptability and knowledge technology adaptability are formulated to affect business performance.

### 3.2. The theoretical framework

The concept of this theoretical study examines knowledge Technology adaptability and accounting adaptability presented in the following Figure 1:

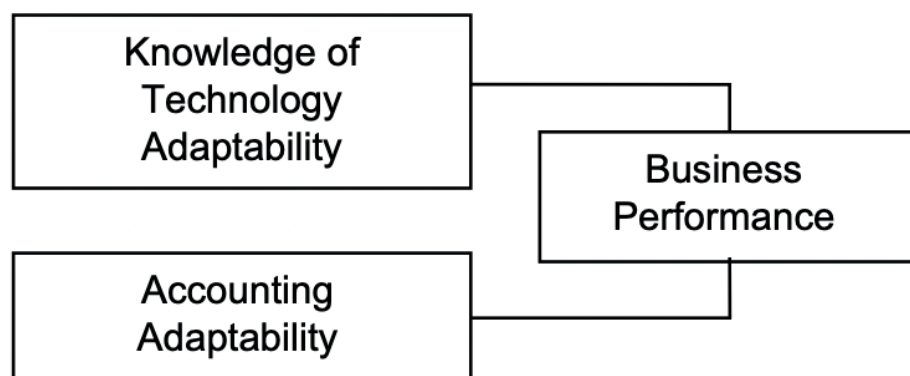


Figure 1: The Theoretical Model.

## 4. Conclusion

Relevance Knowledge of technology is an obligation that must be implemented for traditional SMEs restaurant actors in Indonesia. Because the impact can increase business profitability and sustainable business development. Likewise with the role of accounting adaptability for traditional SMEs restaurant businesses. The importance of general knowledge in adapting accounting understanding is needed so that SMEs can carry out business continuity analysis especially during the Covid-19 Pandemic. Academically, this research can be further analyzed in many ways for developing countries that need attention to improve financial performance in supporting the success of SMEs activities.

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