

## Effectiveness of Digitalization of the Business Capacity Development Program for the Improvement of Ultra Micro Benefits at PT PNM Banjarmasin Branch

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### ABSTRACT

Ultra Microfinance (UMi) is a strategic solution in improving access to capital for small and micro businesses that often find it difficult to obtain financing from formal financial institutions. This financing plays an important role in improving the welfare of the community by providing affordable and accessible capital. In the digital era, digitalization is a key factor in simplifying the financing process, from application to disbursement, so that financial inclusion can be significantly expanded. In addition, UMi financing also encourages the strengthening of a culture of entrepreneurship, especially among low-income communities, by providing business capital that encourages business growth. Business legality is also an important aspect of this financing, as businesses with clear legality tend to have easier access to financing and support business sustainability. This study aims to analyze how Ultra Microfinance, supported by digitalization, can improve community welfare through increased access to capital, strengthened entrepreneurial culture, and business legality

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## **INTRODUCTION**

The use of digital technology has created significant transformation in various sectors, including the finance and microfinance industry. One of the ultra-micro financing institutions that has adopted digitalization is PT Permodalan Nasional Madani (PNM). For PNM, digital transformation provides several benefits such as increased operational efficiency and customer service.

Digital transformation at PNM has brought various benefits, such as increased operational efficiency and services to customers. In order to assess the effectiveness of the digitalization program in improving the welfare of ultra-micro customers at PNM Banjarmasin Branch.

One of the divisions that carries out digital transformation is the Business Capacity Development Division (PKU). The program run by the PKU Division is one of PNM's flagship programs in supporting and providing education to MSME players. The assistance program carried out by PNM through the PKU program is generally divided into 3 main aspects, namely literacy regarding entrepreneurial culture, access to capital, and legality of running a business. The digital transformation carried out in the three mentoring programs is by providing online training. The purpose of online training is to provide customers with an understanding of the use of technology and increase the effectiveness of the delivery of information and education provided by PNM. In addition, to make it easier for customers to participate in activities without having to leave the business they run every day and ultimately do not interfere with the sales turnover obtained every day.

Digitalization of entrepreneurial culture literacy that is good and correct and adaptive to the development of the latest conditions is very important for MSME actors to know to face the dynamic economic challenges. Training program through online (non-face-to-face), introduction to E-Commerce, product marketing through digital platforms or marketplaces, as well as approaches to changing product marketing patterns in other digital eras. The purpose of this training is to provide opportunities for customers to expand sales targets based on technology and the latest conditions that are in demand by buyers.

Digitalization of access to capital is also a major pillar in an effort to increase the strength of capital for MSME actors in a safer way, by applying technology in providing capital based on the initiation process and the suitability of the benefits received by MSME actors. Great efforts in advancing MSME actors to get to know banks, have account numbers at banks, save at banks, make transactions through banks are a strong impetus to minimize the cash method which has so far been widely used by MSME actors. The purpose of this training is to provide customers with an understanding of the importance of getting to know banking products and using these products, so that each customer will slowly begin to get used to using banking products in carrying out business activities. Banking products can be utilized by customers either for the process of buying capital goods or selling products.

To determine the effectiveness of PNM's PKU programs for improving the welfare of ultra-micro customers, it is necessary to conduct research related to

this matter. This research was conducted at PNM Banjarmasin Branch with the consideration that based on the portfolio dashboard report in July 2024, it is known that the potential non-performing loans of PNM Banjarmasin Branch is relatively low at 1.47%. This is in line with PKU activities that actively carry out superior programs such as entrepreneurial culture, consistent provision of capital, and assistance in obtaining business legality for ultra-micro customers.

Ultra-micro business actors as part of supporting economic development in a region need to be empowered through various aspects, including: human resource development, capital support, production and productivity, partnership development, business and marketing networks, business protection, and business legality. It is intended that the business actors involved are more stable in carrying out their economic activities, and can be better prepared to face current and future challenges.

Based on overseas research sources such as India's Grameen Bank which is where some of the adoption of the poor financing system in Indonesia. Microcredit services have helped the poor (especially women) progress from below the poverty line, and fight poverty itself through the application of financial and non-financial services. Various training skills enhancement, entrepreneurship awareness culture programs, networking with various institutions, as well as other supporting activities, have made an impact on the welfare of the poor to avoid poverty. The provision of capital and financial services not only raises the degree of low-income people from poverty, in terms of income it also has a positive influence and the level of knowledge becomes better. The provision of capital and financial services must be provided in the long term in the form of an ongoing program. Ease of access should be given to the vulnerable poor who are socially and economically excluded (NK Shetty - 2008). From several previous research studies, the author feels the need to conduct research on the concept of digitization, specifically regarding the influence of entrepreneurial culture, business capital, and business legality on the welfare of ultra-micro customers at PT Permodalan Nasional Madani Banjarmasin Branch. The objectives to be achieved in the research are as follows:

1. Analyze the effect of Business Capacity Development (PKU) activities in the field of entrepreneurial culture on the welfare of ultra-micro clients.
2. Analyze the effect of Business Capacity Development (PKU) activities in the field of business capital on the welfare of ultra-micro clients.
3. Analyze the effect of Business Capacity Development (PKU) activities in the area of business legality on the welfare of ultra-micro clients.

## **LITERATURE REVIEW**

### **Welfare**

According to law No. 11 of 2009 concerning Social Welfare explains that social welfare is a condition of fulfilling the material, spiritual and social needs of citizens in order to live properly and be able to develop themselves, so that they can carry out their social functions. Meanwhile, the implementation of Social Welfare is a directed, integrated, and sustainable effort carried out by the Government, local governments, and the community in the form of social services to meet the basic needs of every citizen, which includes social rehabilitation, social security, social empowerment, and social protection (Law No. 11 of 2009).

The lack of motivation of MSME actors to improve financial management in order to create a business to develop is still low. Things like this if left unchecked will certainly make the businesses owned tend to be unable to keep up with increasingly competitive competition. As stated by (Riyadi, 2018), that a business actor needs work motivation to build his business so that it grows. A good situation reinforces that a person's knowledge in understanding accounting, experience in running a business and high work motivation can be important aspects that can influence a person's perception of applying accounting information to their business.

### **Entrepreneurial Culture**

The culture in question is a set of social, moral, and ethical norms and beliefs accepted by a group of people (Hofstede, 1980 in Adekiya and Ibrahim, 2016). The importance of having an entrepreneurial culture is to encourage innovation, creativity, and independence in various aspects of life. Here are some reasons why this culture needs to be developed

#### **1. Improving Economic Independence**

Entrepreneurs create employment opportunities for themselves and others. Reduce dependence on formal employment.

#### **2. Encourage Innovation and Creativity**

Entrepreneurship teaches you how to think creatively in solving problems. Produce new products or services that benefit society.

#### **3. Increase Competitiveness**

Individuals and companies are more adaptive to market changes. Improve the ability to compete both locally and globally.

#### **4. Building a Resilient and Risk-taking Mentality**

Train someone not to be afraid of failure and always try new things. Assist in better and faster decision-making.

#### **5. Increase Economic Growth**

The emergence of new businesses contributes to the economic growth of a country. Encourage investment and innovation in various industrial sectors.

#### **6. Instilling a Problem Solving Attitude**

Entrepreneurs are used to finding solutions to challenges and obstacles. Helps in various areas of life, work and social life.

#### **7. Building Leadership Spirit**

Teach leadership and management skills

According to Kimwolo et al in Adekiya and Ibrahim (2016), entrepreneurship training and development is a process that makes individuals have the skills needed and develop the confidence to become an entrepreneur. Culture is a set of social, moral, and ethical norms and beliefs accepted by a group of people (Hofstede, 1980 in Adekiya and Ibrahim, 2016). Culture can be translated into three aspects by adopting The ACE Model from Reardon (1991) in Adekiya and Ibrahim (2016), namely perceived appropriateness, perceived consistency, and perceived effectiveness. Perceived appropriateness is the degree to which entrepreneurship is considered a feasible and acceptable occupation in society. Perceived consistency is the degree to which entrepreneurship is considered in accordance with one's self-concept. While perceived effectiveness is the degree to which entrepreneurship is considered capable/effective to achieve an expected result or one's life goals.

### **Capital**

Capital is a factor of production that has a strong influence in obtaining productivity or output, at a macro level capital is a big driver to increase investment both directly in the production process and in production infrastructure, so as to encourage increased productivity and output (Fachrudin, 2018). Micro, Small and Medium Enterprises are required to be able to compete with large companies, but have difficulty accessing capital, which is still a major obstacle for MSMEs in developing their businesses. MSMEs can obtain capital assistance from other parties in the form of bank loans or use their own capital. Large companies find it easier to obtain funds from banks or investors than micro and small enterprises. Micro and small enterprises often find it difficult to obtain funds from formal financial institutions such as banks due to inadequate collateral and lack of reputation (Gebru, 2009: 323).

Based on research that has been done, on the Implementation of Ultra-Micro Financing which contains ultra-micro financing needs to be present more for business actors who have difficulty getting access to capital from banks, it turns out that it has a positive effect on welfare (Sintia Boulung 2019).

### **Business Legality**

Business legality is an official source of information which contains information related to the business in order to facilitate anyone who needs all kinds of data about the business such as identity and everything related to the business world and company establishment, as well as its position (Amin Purnawan and Siti Ummu Abdillah 2016).

MSMEs have many advantages in optimizing the utilization of national resources. However, their development is still constrained by various classic problems. One of them is the difficulty in obtaining the legality or formality of its business. What is meant by MSME formalization is the granting of certain business activity permits and legal entity status for MSMEs in accordance with applicable laws and regulations. MSME formalization can be divided into two forms, namely: a) Company formalization is the ratification of the form of legal entity of the company concerned. For example, a trading company (UD), an individual company (CV), a partnership company (Firma), a limited liability company (PT), a Persero company and others; b) Licensing of business activities issued by sectoral agencies/institutions. The legalization of a company's legal

entity is under the authority of the Ministry of Law and Human Rights, which is delegated to a Notary. Therefore, the cost is relatively high for micro and small businesses.<sup>3</sup> Anticipating this is the need for legal policies that are able to guarantee and protect them so that they can compete in the midst of global economic liberalization (Asean Economic Community MEA 2015).

According to Presidential Regulation No. 98/2014 on Licensing for Micro, Small and Medium Enterprises, the permit for MSMEs is only 1 (one) sheet and can be issued in just 1 (one) day by the sub-district. With a single permit that can be completed in a day, MSMEs can obtain 4 (four) benefits. First is business legality, then the ease of obtaining capital because it is legal, then access to business assistance from the government, and finally the opportunity to obtain empowerment assistance from the government. Therefore, MSME entrepreneurs need to immediately take care of the MSME license at their respective sub-districts so that it becomes legal and gets various facilities.

### **Digitalization**

Digitalization is the use of digital technology to change the business and its operating model to take advantage of the new opportunities offered by the technology (Gartner 2014). Meanwhile, according to Westerman et al. (2014) digitalization is the use of digital technology to change business operations, making them more efficient, effective, and responsive to market changes. MSME digitalization is the act of adopting digital technology apart from the marketing process of MSMEs, but also includes business processes in MSMEs. With today's advanced technology, it is easier for businesses to run their business online, from using financial management applications, online product monitoring, ordering supplies and logistics via digital platforms to commercializing and selling their products online. MSME players can promote their products through various social media platforms and include location details on maps on social media, making it easier for customers to visit the location directly.

With today's advanced technology, it is easier for business actors, including MSMEs, to run their businesses online, from using financial management applications, online product monitoring, ordering supplies and logistics through digital platforms to commercializing and selling their products online. For MSMEs, digitalization can be an action to adopt digital technology covering business processes to marketing. MSME players can promote their products through various social media platforms and include location details on maps on social media, making it easier for customers to visit the location directly.

Digitalization, especially in the aspect of marketing management, has changed the behavior of MSME players to promote and sell products digitally. Although only about 4% - 10% of MSMEs carry out online transactions, during the pandemic it has been proven that MSME online transactions are able to maintain the continuity of MSME businesses, and it is essential to immediately accelerate the MSME digitalization process (Yuliawati & Aryanti, 2023). The importance of the digitization process for MSMEs, among others: 1) it does not require large expenditures, 2) it presents an effective step to advance MSMEs, 3) as a place to exchange information and inspire between business actors, 4) as an effort to expand market coverage and income in the introduction of MSMEs to a

wider level (national/global). Efforts to increase employment created by the development of MSMEs, as well as measures to alleviate poverty and unemployment during the pandemic. The benefits of the digitization process for MSME managers are: 1) measurable results, 2) not limited by geography, and time, lower costs, 3) improve two-way communication, can reach a wider audience. Judging from the benefits of the MSME digitization process for consumers, it increases consumer awareness of products, gets clearer information from service products, increases their involvement in various company activities, makes it easier for consumers to make product comparisons and can easily share product content with each other (Yuliawati & Aryanti, 2023).

Razak et al. (2019) define society 5.0 as the ultimate integration of social intelligence, physical space and cyberspace. Society 5.0 further focuses on the social context, with each problem being addressed by a combination of inventions derived from different aspects already present in Industrial Revolution 4.0. Human growth is prioritized in society 5.0, focusing on the role of humans in directing the development of science and technology, not as targets threatened by industry 4.0 (Khairawati, 2021). Human-centered artificial intelligence will transform millions of data points received through the internet that affect lives in various sectors (Ellitan & Anatan, 2020). Infrastructure, technological innovation, finance, healthcare, logistics, and artificial intelligence are the six main pillars of society 5.0 (Khairawati, 2021).

The business world is affected by the development of business in the period of society 5.0, which is concentrated on the use of technology in all parts of daily activities. The existence of the 5.0 society period launched by Japan has encouraged associations across the region to add additional technological sophistication to balance technological growth with integrated social problem solving. The period of society 5.0 is closely related to the idea of social responsibility in all aspects of life. The application of society 5.0 to business should encourage more investment, leading to increased productivity and quality, as measured by business value (Julialevi, 2022). The era of society 5.0 is an era where individuals are placed at the center, and technology serves as the foundation for addressing global issues. This era is concerned with the balance between technological progress and humanity. The era of society 5.0 is based on the idea that technology must be able to integrate the physical and digital worlds, and allow humans to coexist with technology in a balanced and peaceful manner (Putra et al., 2022). The impact of the era of society 5.0 on the business sector is enormous. The use of technology in business is increasingly important and influential to business success. Digital media, such as the internet, e-commerce platforms, and social media, have served as powerful promotional tools to increase market reach and brand exposure. In addition, technology allows companies to streamline their business operations more efficiently and productively (Saprudin et al., 2022).

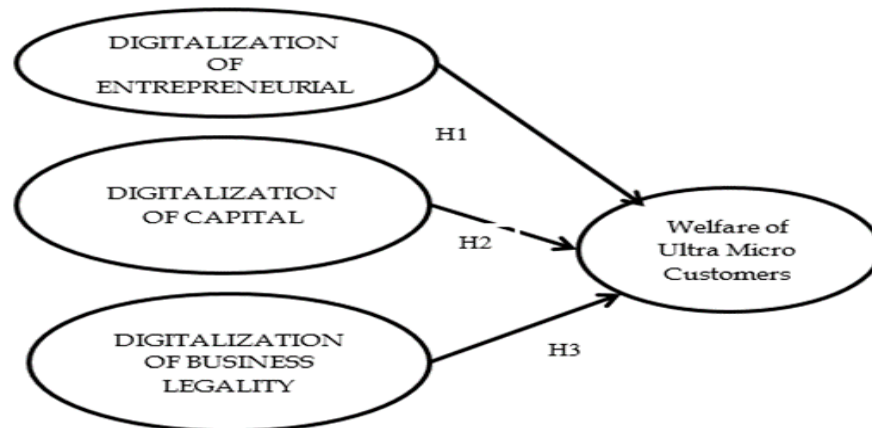


Figure 1. Conceptual Framework

### Hypothesis

- H1 : Digitalization of entrepreneurship training has a significant effect on the welfare of ultra-micro customers at PT Permodalan Nasional Madani Banjarmasin Branch.
- H2 : Digitalization of Business Capital Training has a significant effect on the welfare of ultra-micro customers at PT Permodalan Nasional Madani Banjarmasin Branch.
- H3 : Digitalization of Business Legality has a significant effect on the welfare of ultra-micro customers at PT Permodalan Nasional Madani Banjarmasin Branch.

### METHODOLOGY

This research uses quantitative methods, which are research methods that refer to the positivism philosophy approach. This method is used to investigate certain populations or samples by collecting data through research instruments and analyzing them quantitatively or statistically starting with collecting information from respondents through the use of questionnaires. The collected data will then be analyzed using multiple regression methods to obtain a clearer and more objective picture of the variables studied. The unit of analysis includes the sampling unit and the study unit. In this study, the unit of analysis is an individual, namely ultra-micro customers at PT PNM Banjarmasin Branch. the dependent variables in this study are digitalization of entrepreneurship training (X1), digitalization of business capital training (X2), digitalization of business legality (X3). The independent variable in this study is the welfare of ultra-micro customers (Y1). The population in this study are MSMEs at PT Permodalan Nasional Madani Banjarmasin Branch with the criteria of customers who have participated in financial literacy activities and business capacity building through the Mba Maya and PKU Akbar programs, customers who have obtained loan facilities and have also been given additional loan facilities again due to a smooth payment history, customers who have been registered as customers who are given assistance by PNM in making business legality in the form of issuing NIB and halal certification. In this study, the data collection method or technique used was through distributing questionnaires containing closed statements, respondents were asked to answer using a Likert scale, which was used to

measure the level of agreement or disagreement with the statements given. sampling methods and techniques this study used probability sampling techniques, namely sampling methods that provide equal opportunities for each element or member of the population to be selected as part of the sample. so the number of samples in this study amounted to 100 respondents using the slovin formula. As a material to minimize the inaccuracy of the respondent's data, an additional 15% of the respondents were sampled, so that research would be carried out on 115 respondents. Sampling process, the unit of analysis is an individual, namely ultra-micro customers at PT PNM Banjarmasin Branch. The research location is at the Banjarmasin Branch Office of PT Permodalan Nasional Madani located at Jl. A.Yani Km 4.5 Bumi Mas Raya No.07 RT.006 Keurahan Pemurus Baru Banjarmasin City South Kalimantan Province. The research time is expected to begin in October to November 2024. The research subject is ultra-micro customers of PT PNM Banjarmasin Branch. The type of data used in this study is primary data, namely data obtained directly from the original source without going through intermediation.

In this study, primary data were obtained by distributing questionnaires to respondents who were asked to fill them out. Data analysis using SEM-PLS with the help of SmartPLS software.

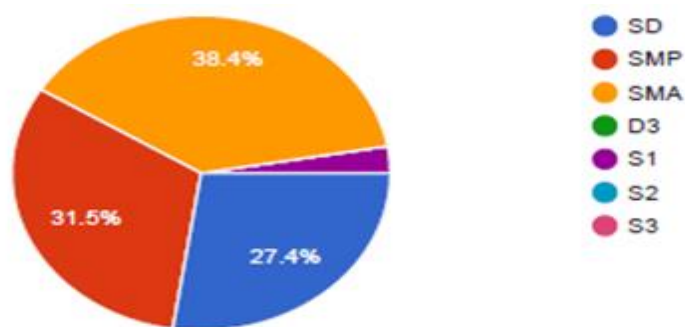


Figure 2. Characteristics by Education Level

The total number of respondents was 100 people, of which 38.4% were high school, 31.5% junior high school, 27.4% elementary school and the least was S1.

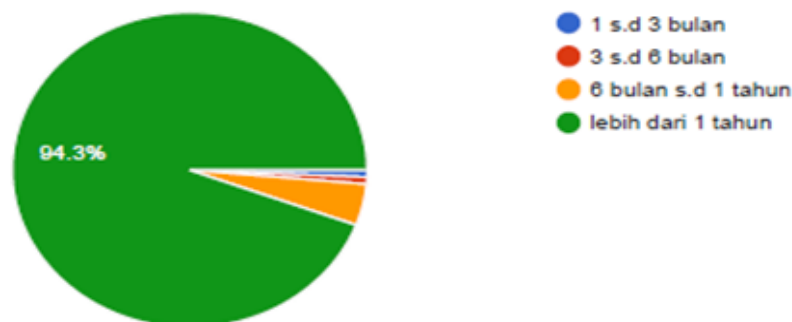


Figure 3. Characteristics based on length of time in business

The total number of respondents is 100 people, of which 94.3% are more than one year, six months to one year is below 3%, and for the length of business ranging from 1 month to six months is below 1%

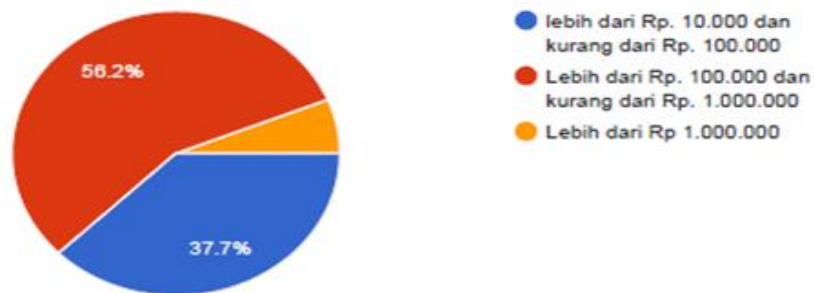


Figure 4. Characteristics Based on Total Income Per Day

The number of respondents was 100 people, where 56.2% were more than one hundred thousand rupiah, more than ten thousand rupiah per day and less than one hundred thousand rupiah per day as much as 37.7%, and the least was more than one million rupiah per day.

## RESULTS

### Convergent Validity

Table 1. Outer Loading

Variables	Indicator	Loading Factor	Rule Of Thumbs	Description
Digitalization of Entrepreneurship (X1)	X1-01	0.821	0,700	Valid
	X1-02	0.829	0,700	Valid
	X1-03	0.838	0,700	Valid
	X1-04	0.805	0,700	Valid
	X1-05	0.849	0,700	Valid
	X1-06	0.832	0,700	Valid
	X1-07	0.868	0,700	Valid
	X1-08	0.816	0,700	Valid
	X1-09	0.768	0,700	Valid
	X1-10	0.767	0,700	Valid
	X1-11	0.828	0,700	Valid
	X1-12	0.797	0,700	Valid
	X1-13	0.804	0,700	Valid
	X1-14	0.742	0,700	Valid
	X1-15	0.827	0,700	Valid
	X1-16	0.823	0,700	Valid
	X1-17	0.762	0,700	Valid
	X1-18	0.703	0,700	Valid
	X2-01	0.735	0,700	Valid
	X2-02	0.830	0,700	Valid
	X2-03	0.749	0,700	Valid

Digitalization of Business Capital (X2)	X2-04	0.734	0,700	Valid
	X2-05	0.858	0,700	Valid
	X2-06	0.787	0,700	Valid
	X2-07	0.835	0,700	Valid
	X2-08	0.882	0,700	Valid
	X2-09	0.874	0,700	Valid
	X2-10	0.886	0,700	Valid
	X2-11	0.832	0,700	Valid
	X2-12	0.863	0,700	Valid
	X2-13	0.843	0,700	Valid
	X2-14	0.885	0,700	Valid
	X2-15	0.812	0,700	Valid
Digitalization of Business Legality (X3)	X3-01	0.802	0,700	Valid
	X3-02	0.801	0,700	Valid
	X3-03	0.847	0,700	Valid
	X3-04	0.889	0,700	Valid
	X3-05	0.860	0,700	Valid
	X3-06	0.775	0,700	Valid
	X3-07	0.817	0,700	Valid
	X3-08	0.869	0,700	Valid
	X3-09	0.711	0,700	Valid
	X3-10	0.877	0,700	Valid
	X3-11	0.727	0,700	Valid
	X3-12	0.848	0,700	Valid
	X3-13	0.873	0,700	Valid
	X3-14	0.909	0,700	Valid
	X3-15	0.913	0,700	Valid
	X3-16	0.873	0,700	Valid
	X3-17	0.847	0,700	Valid
	X3-18	0.837	0,700	Valid
Customer Welfare (Y1)	Y1-01	0.739	0,700	Valid
	Y1-02	0.816	0,700	Valid
	Y1-03	0.814	0,700	Valid
	Y1-04	0.772	0,700	Valid
	Y1-05	0.721	0,700	Valid
	Y1-06	0.903	0,700	Valid
	Y1-07	0.835	0,700	Valid
	Y1-08	0.833	0,700	Valid
	Y1-09	0.719	0,700	Valid
	Y1-10	0.726	0,700	Valid
	Y1-11	0.752	0,700	Valid
	Y1-12	0.594	0,700	Invalid
	Y1-13	0.738	0,700	Valid

There is one loading factor value that is less than 0.7 and the others are all above 0.7. This shows that all indicators can be used to measure each variable,

except for one indicator that will be removed from the calculation, namely indicator Y1-12. Based on the category of questions on the questionnaire, it is a welfare variable in the psychological aspect with questions about the level of stress in managing a business decreasing in this year. In the next test calculation for indicator Y1-12, it is not used because it is invalid.

**Average Variance Extracted**

Table 2. AVE

Latent Variable	AVE	Rule of Thumbs	Description
Digitalization of Entrepreneurship (X1)	0,649	0,5	Support
Digitalization of Business Capital (X2)	0,687	0,5	Support
Digitalization of Business Legality (X3)	0,705	0,5	Support
Customer Welfare (Y1)	0,616	0,5	Support

The AVE value of all latent variables is greater than 0.5 so that all indicators are declared capable of being used to represent the latent variables built by each indicator.

**Discriminat Validity**

Table 3. Fornell-Larcker Criterion

Latent Variable	Digitalization of Entrepreneurship (X1)	Digitalization of Business Capital (X2)	Digitalization of Business Legality (X3)	Customer Welfare (Y1)
X1	0,805			
X2	0,900	0,829		
X3	0,891	0,938	0,839	
Y1	0,803	0,790	0,815	0,785

The square root value of AVE for each construct is greater than the correlation value between constructs (latent variables) in the model. This shows that the requirements for discriminant validity in the model using the Fornell-Larcker Criterion are met.

## R-Square

Table 4. R Square

Variables	R-Square	Adjusted R-Square	Model Indication
Y1 (Customer Welfare)	0,693	0,684	Moderate

The R-Square value obtained for the welfare variable (Y1) is 0.693 (greater than 0.50) which indicates that the model used is included in the moderate category. Thus the welfare variable (Y1) can be explained by the variable digitalization of entrepreneurial culture training (X1), digitalization of business capital training (X2) and digitalization of business legality assistance (X3) in a model of 69.3% which is included in the moderate category. From the test results of the Coefficient of Determination (R<sup>2</sup>) it can be seen that the model formed is robust

## Hypothesis Test

Table 5. Test Results

Indicator	Original Sample (O)	T Statistics ( O/STDEV )	P Values	Decision
X1 => Y1	0,368	2,289	0,022	Significant
X2 => Y1	0,015	0,067	0,947	Not Significant
X3 => Y1	0,473	2,182	0,029	Significant

## H1 Testing

Digitalization of Entrepreneurship Culture Training has a significant effect on the welfare of ultra-micro customers at PT Permodalan Nasional Madani Banjarmasin Branch, obtained a t-statistic value of 2.289 more than 1.79 and a p-value of 0.022 less than 0.05. The p-value is smaller than the real level of 0.05 which illustrates that there is a significant effect of Digitalization between Entrepreneurial Culture Training on Welfare. In the implementation of the program carried out by PT PNM Banjarmasin Branch which is related to the first hypothesis, namely activities such as

1. Mba Maya (Fostering and Empowering) program with material:

- Bank savings culture
- Culture of recording business transaction results
- Culture of using social media for promotion and marketing
- Culture of using E-Commerce for marketing expansion
- Establishment of business clustering of MSME actors

The relationship between the Mba Maya program and the welfare of customers is felt as :

The culture of saving at the Bank teaches a new culture where previously business capital derived from sales results is stored conventionally such as in wallets, cabinets, and special places located at the place of business / home. Saving at the Bank is felt by customers to support the security of business capital assets and sales proceeds by being well stored at the Bank and appropriate. This

is felt by customers who have undergone this pattern so that they are able to save and buy assets such as motorbikes, cars, carts to improve their welfare.

The culture of recording the results of business transactions teaches customers to mearpikan business financial administration, with this calculation of profits earned known in detail. This culture is a motivation for customers to minimize losses and inappropriate use of business profits. Customers feel that by being taught about the culture of recording business transactions, they are increasingly able to use profits to further develop the businesses they run so that they feel more prosperous.

The use of E-Commerce has a direct effect on welfare, as the market and marketing of products becomes broader and reaches more buyers.

The clustering of MSMEs is also very instrumental to the welfare of customers, because by bringing together and grouping customers who have similar businesses, it will further support the strengthening of the ecosystem and attract interest from buyers and directly affect the turnover obtained to increase.

## 2. Akbar's Business Capacity Development Program (PKU)

- 1,000 MSMEs program with presenters from expert entrepreneurs
- Bank Indonesia and OJK digital financial literacy program
- Business training program through digital e-commerce platform Shoope

Changes from conventional patterns to the application of digitalization are illustrated as in the conventional pattern of delivering material on the culture of saving and recording business transactions using the room / hall in collaboration with the local village. In the application of digitalization, all activities are carried out through the zoom application which is scheduled according to the members who have made whats up groups for each group. Other programs such as the usual promotion pattern are carried out by including several MSME representatives from PNM customers in exhibitions organized by the government by providing stalls/tents at ceremonial events carried out in synergy with the government, slowly also supported by providing training in using promotional media through social media and e-commerce platforms.

### **H2 Testing**

Digitalization of Business Capital Training does not significantly affect the welfare of ultra-micro customers at PT Permodalan Nasional Madani Banjarmasin Branch, obtained a t-statistic value of 0.067 less than 1.79 and with a p-value of 0.947 more than 0.05. The p-value is greater than the real level of 0.05 which illustrates that there is no significant influence between Digitalization of Business Capital Training on Welfare. In the implementation of the program carried out by PT PNM Banjarmasin Branch which is related to the second hypothesis, namely activities such as socialization and the application of patterns of providing capital to new customers or customers who have already received capital. The new pattern of digitalization that is applied is by using cashless (not using cash). At the beginning of its implementation, PT PNM Banjarmasin Branch experienced a decline in performance when the digitalization of capital was implemented. As a limitation, the author focuses on the initial stages of implementing digitalization in providing capital to customers, namely during

the 2021 period. In the first period of cashless capital provision, there were several obstacles such as:

1. Ultra-micro customers or prospective ultra-micro customers do not understand banking products.
2. Ultra-micro customers or prospective ultra-micro customers are not accustomed to conducting activities at the Bank.
3. Ultra-micro customers or prospective ultra-micro customers are not brave enough to use banking products, resulting in rejection and ultimately making the decision not to accept the capital provided by PT PNM Banjarmasin Branch.

Most of the ultra-micro customers of PT PNM Banjarmasin Branch have education levels ranging from elementary school (SD), junior high school (SMP), and senior high school (SMA). This factor is also the cause of the obstacles encountered when implementing the socialization of cashless capital provision. The level of understanding and literacy about banking products is still very low. The effect of capital digitization on welfare in the early stages of cashless application is not as needed because it is possible that customer understanding and literacy have not yet developed.

### **H3 Testing**

Digitalization of Business Legality Assistance has a significant effect on the welfare of ultra-micro customers at PT Permodalan Nasional Madani Banjarmasin Branch, obtained a t-statistic value of 2.182 more than 1.79 and a p-value of 0.029 less than 0.05. The p-value is smaller than the real level of 0.05 which illustrates that there is a significant influence between Digitalization of Business Legality Assistance on Welfare. In the implementation of the program carried out by PT PNM Banjarmasin Branch which is related to the third hypothesis, namely the PNM cooperation program with related institutions regarding the issuance of the Business Identification Number (NIB)". Where the entire program follows the applicable NIB issuance mechanism with PNM as the party that mediates the acceleration of the issuance process with the target of MSME actors with a large enough capacity. So that there is synergy between government programs that want to succeed in the integration of business data digitally, one of which is by having NIB.

The change from conventional patterns to the application of digitalization is illustrated as in the old pattern by still managing the Business Certificate by visiting the local Kelurahan / Village Head to get one sheet of paper stamped and signed by local officials. In the application of digitization, PT PNM Banjarmasin Branch revolutionized it all by holding literacy activities as well as providing assistance in registering the legality of MSME businesses, the latter of which was carried out in the Akbar Business Capacity Development program where a Business Identification Number (NIB) was given to a thousand MSME players of ultra-micro customers of PT PNM Banjarmasin Branch.

## **DISCUSSION**

### **The Effect of Entrepreneurial Digitalization on Customer Welfare**

The results showed that there was a significant influence for the variable digitalization of entrepreneurial culture training on welfare. These results are in accordance with the hypothesis which states that there is a significant effect of digitizing entrepreneurial culture training on welfare. The results of the study are in accordance with those conducted by Kamal (2019) who found that a good entrepreneurial culture program makes a real contribution to increasing financial inclusion in Indonesia. In particular, the economic conditions of the community among ultra-micro customers of PT PNM Banjarmasin Branch have an impact and influence on their welfare. In Kamal's research (2019), the characteristics of the research are slightly different in the final goal where the author deepens the influence of entrepreneurial culture on financial inclusion in other financial institution programs, namely BTPN with the name BTPN Wow program. The research location is outside the island of Kalimantan and obtained positive results in terms of increasing financial inclusion.

The theory of The ACE Model from Reardon (1991) which explains entrepreneurial culture into 3 concepts, namely, first entrepreneurship is considered a feasible and acceptable job in society, second entrepreneurship is considered in accordance with one's self-concept, third entrepreneurship is considered capable / effective to achieve an expected result or one's life goals. So that the entrepreneurial culture implemented by PT PNM Banjarmasin Branch with a more modern digital concept is a supporting medium for ultra-micro customers in achieving prosperity.

### **The Effect of Digitalization of Business Capital on Customer Welfare**

The results showed that there was no significant effect for the variable digitalization of business capital training on welfare. This result is not in accordance with the hypothesis which states that there is a significant effect of digitalization of business capital training on welfare. The results of the study are in accordance with those conducted by Sintia Bolung, and colleagues 2022, on the Implementation of Ultra Micro Financing at BMT-UGT SIDOGIRI, which contains ultra-micro financing needs to be more present for business actors who have difficulty getting access to capital from banks. In particular, what is emphasized is the real form of business capital, not the technical training on business capital itself.

In the research of Sintia Bolung, and colleagues (2022), the characteristics of the research are slightly different in variables where the authors are more concerned with the effect of business capital itself on welfare in other financial institution programs. Whereas in this study using the business capital training variable which prioritizes the business capital training process which is the object of observation. The research location is outside the island of Kalimantan and obtained positive results in terms of improving welfare.

According to Cashmere 2009, capital is a factor of production that has a strong influence in obtaining productivity or output, at a macro level capital is a big driver to increase investment both directly in the production process and in production infrastructure, so as to encourage an increase in productivity and output.

All forms of learning, training, mentoring, and other forms of education regarding capital for ultra-micro customers become the second aspect, after the

main one, namely the capital itself. So that the digitization of business capital training conducted by PT PNM Banjarmasin Branch does not significantly affect welfare.

### **The Effect of Digitalization of Business Legality on Customer Welfare**

The results showed that there was a significant influence for the variable digitalization of business legality assistance on welfare. This result is in accordance with the hypothesis which states that there is a significant effect of digitizing business legality assistance on welfare. The results of the study are in accordance with those conducted by M. Yamin, Jamaluddin, A. Wahab Jufri, Khairuddin, & Didik Santoso. (2023), regarding MSME Licensing Assistance in Gunungsari Village, West Lombok, which contains the importance of assisting MSMEs in terms of the legality of the business being run, which has a positive effect in terms of education.

In his research, no impact was found in the welfare stage. The location of the research was outside the island of Kalimantan. The characteristics of the research are slightly different in the final objective where the author deepens the influence of business legality on welfare which is proven to be positive. Meanwhile, M. Yamin, Jamaluddin, A. Wahab Jufri, Khairuddin, & Didik Santoso. (2023) in his research obtained positive results on the final variable, namely education, which had a positive influence.

In particular, the conditions of the ultra-micro customers of PT PNM Banjarmasin Branch have an impact and influence on their welfare. The difference that distinguishes the results of M. Yamin and colleagues' research is the consistency of the program being carried out. PNM provides assistance for the legality of customer businesses on an ongoing basis, so that the impact on the welfare aspect is felt.

Presidential Regulation No. 98/2014 on Licensing, which makes it easier for every MSME to get quick access to business legality, is a solution for business actors. However, not all business actors understand and understand how to utilize the system provided by the government. So that PNM is present as a customer companion in the context of business legality assistance so that every customer of PT PNM Banjarmasin Branch can obtain a business license in accordance with government regulations, with the aim that customers gain peace in running a business. The impact of this business legality assistance is very much felt and proven to have an effect on their welfare.

### **CONCLUSIONS**

Based on the results of research and discussion conducted by the author, it can be concluded that this study uses direct influence. Direct influence is the effect of independent variables on dependent and intervening variables directly without going through other variables. In its application, this study has three hypotheses that have results:

1. Entrepreneurial digitization has a positive and significant effect on customer welfare.
2. Digitalization of business capital has no significant effect on customer welfare.

3. Digitization of business legality has a positive and significant effect on customer welfare

## **RECOMMENDATIONS**

Entrepreneurial culture training that has been digitized through ways that make more use of technology run by PT PNM Banjarmasin Branch to ultra-micro customers is very useful and has proven to have an impact on customer welfare. Strengthening the program through the material provided must still refer to the formation of inclusion and literacy regarding entrepreneurial culture to be in line with government programs.

Business capital training that has implemented the concept of digitalization by PT PNM Banjarmasin Branch obtained results that do not really affect the welfare of ultra-micro customers. In the application of education regarding business capital, it is not the main thing for ultra-micro customers, it can be said that it is not as needed. Under certain conditions, customers can develop, what PT PNM Banjarmasin Branch can do is pay attention to the process and access to providing business capital, which is actually the main aspect. For circles and business actors in the ultra-micro segmentation, educational activities regarding capital are neglected if they do not feel the existence of capital itself to them, so it will be easier to develop for them if easy and appropriate access to capital for the businesses they run is present when they need it.

Business legality assistance that follows the concept of digitalization and has been carried out by PT PNM Banjarmasin Branch for ultra-micro customers is very useful and has proven to have an impact on customer welfare in general, and specifically makes customers safe in running their business. Strengthening the program through cooperation with the government in terms of issuing permits that are easy, safe, and fast must still be improved and expanded its implementation targets.

## **FURTHER STUDY**

This research has examined the effectiveness of digitalization in the Business Capacity Development Program (PKU) on improving the welfare of ultra-micro customers at PT PNM Banjarmasin Branch. However, there are several aspects that can be used as further research material to enrich understanding of the implementation of digitalization in ultra-micro business development.

### **1. Comparative Analysis Between Branches**

This research only focuses on PT PNM Banjarmasin Branch. Further studies could compare the effectiveness of PKU digitization in several other PT PNM branches to understand the specific factors that influence the success of the program in different regions.

### **2. Long-term Evaluation**

This study examined the impact of digitization within a specific period. Future research can explore the long-term impact of PKU digitization on business growth and welfare of ultra-micro clients using longitudinal methods.

### 3. Factors inhibiting digitalization

Future research can dig deeper into the obstacles faced by customers in adopting digital systems, including aspects of digital literacy, access to technology, and socio-cultural factors that affect the effectiveness of digitalization implementation in the PKU program.

### 4. Analysis of the Influence of Customer Motivation and Digital Competence

Digitalization requires not only access to technology, but also user readiness. Further research could examine how customers' level of motivation and digital competence affect the effectiveness of the PKU program in improving their welfare.

### 5. Effect of Digitalization on Business Performance

In addition to customer welfare, future studies could examine how digitalization in PKU affects business performance indicators, such as increased revenue, operational efficiency, and competitiveness of ultra-micro businesses in the market.

### 6. Development of a More Inclusive Digitalization Model

To improve the effectiveness of the program, future research could develop a digitization model that is more inclusive and adaptive to the specific needs of ultra-micro clients, including those who have limited access to technology or experience barriers to its use.

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