



Systematic Literature Review:

Digital Financial and MSME Performance in Indonesia

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ABSTRACT

The aim of this study is to examine trends and developments in research related to digital financials and the performance of small and medium-sized microenterprises in an effort to improve the economy of small and medium-sized enterprises in Indonesia. Digital Financial research bibliometric data is taken from secondary data via the Publish or Perish application search engine version 8 with the search engine option feature of the Google Scholar application menu. The study finds information about how many research articles and keywords are used, the number of publishers, as well as the reputation rankings of any journal that publishes digital financial and micro and medium enterprises. Performance themes; the year trend begins to emerge and the majority of queries on digital financial and micro enterprises performance; the implications generated by previous investigations related to Digital Financial, and the performance of micro and small enterprises; the impact of digital financial withdrawal by micro and medium enterprises can face uncertain global economic challenges; the role of Digital Financial can enhance financial inclusion; the government has an important and vital role in formulating policies related to the development of the digital financial ecosystem Micro Small Medium Enterprises (MSME) ; the implementation of Digital Finance is well implemented by the Micro Finance Institutions to accelerate the positive performance of MSME.

Tujuan dari studi ini adalah untuk memeriksa trend dan perkembangan penelitian terkait Digital Financial dan Kinerja Usaha Mikro Kecil dan Menengah dalam upaya meningkatkan perekonomian Usaha Mikro Kecil Menengah Indonesia. Data bibliometrik penelitian Digital Financial diambil dari data sekunder melalui mesin pencarian aplikasi Publish or Perish versi 8 dengan fitur pilihan pencarian mesin aplikasi menu google scholar. Studi ini menemukan informasi tentang berapa banyak Jumlah Artikel Penelitian dan Keyword yang digunakan, Jumlah Publisher serta Peringkat reputasi jurnal apa saja yang mempublikasi tema Digital Financial dan Kinerja Usaha Mikro Kecil dan Menengah; Trend tahun mulai muncul dan sitasi terbanyak atas artikel pencarian Digital Financial dan Kinerja Usaha Mikro Kecil dan Menengah;

Implikasi yang dihasilkan oleh penelitian terdahulu terkait Digital Financial dan Kinerja Usaha Mikro Kecil dan Menengah yaitu dampak penggunaan Digital Financial oleh pelaku umkm dapat menghadapi tantangan perekonomian global yang tidak pasti; peranan Digital Financial dapat meningkatkan inklusi keuangan; pemerintah memiliki peranan penting dan vital Menyusun kebijakan terkait pengembangan ekosistem keuangan digital UMKM; implementasi Digital Financial di implementasikan dengan baik oleh Lembaga keuangan mikro untuk mempercepat Kinerja UMKM positif untuk masa depan.

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Introduction

Small and Medium Micro Enterprises (MSMES) play an important role in the Indonesian economy. However, MSMES often faces challenges in accessing the financial resources needed for growth and development. Previous research has shown that the use of digital financial services can improve accessibility and financial efficiency for MSMES. Technology is a tool to make it easier for people to use the resources they need. The use of technology for resources is becoming easier and more effective. Making technology more and more enjoyable and used by society. One of the emerging technologies in society is the use of the Internet. The use of technology has made financial services easier and more efficient. The application of technology in financial services is very helpful in the activities of the community in transactions. Micro, small, and medium enterprises (MSMES) have a strategic role in the development of the national economy. The Covid-19 pandemic has become a separate challenge for MSMES perpetrators—not even a few enterprise units that have to stop operating. A new recovery adaptation period is an opportunity for the MSMES sector to improve its strategy, one of which is in financial areas such as financing and payment transactions. Digital Financial can be used as a tool that can help the development of MSMES on the financing side. The government has been working to enhance access and transfer of technology to develop innovative SMEs through, among other things, the use of technology.

The use of information and communication technology can improve competitiveness with foreign actors. Today, the marketing of corporate products and services is an interactive process due to the use of information technology. The company not only provides product catalogs and promotions on its website, but the company's website has been used as a means of dialogue, discussing, and consulting with consumers online. displaying newsletter boards, creating electronic questionnaires, mailing lists, and coordinating via e-mail (Rustono, 2013). One of the problems faced by MSMES perpetrators is the lack of understanding and knowledge of financial and tax reports related to MSMEs. A real financial report is a "media" to describe and record the financial condition of an entity. The entity's financial statements are also a source of information for states to detect economic progress, both micro- and macroeconomically.

The research on Digital Financial and Performance of MSMEs has already begun to be discussed by researchers, but the research on the same theme using systematic literature review has not yet existed. Therefore, this research review reviews developments in some new perspectives that can be seen by readers, such as the beginning of the emergence of themes and developments of research related to the themes of digital finance and performance. The data collected relates to articles discussing the impact of Digital Financial on MSMEs performance in Indonesia through the publish and perish application for further analysis, identification, and systematic review of developments and trends of discussion submitted by previous researchers. (Triandini et al., 2019) based on the SLR (Systematic Literature Review) method so that it can be avoided from identification of a subjective nature, and the identification results are expected to add literature related to the usefulness of the SLR method in identifying articles (Aprillia et al., 2021).

Literature Review

1. Digital Financial

Digital finance includes the use of digital technology to conduct financial transactions, fund management, and other financial services. (Fauziyah, 2022). Some key aspects of digital finance in a business context (Bhattacharjee et al., 2024) As follows:

- a. Digital Payments: Includes the use of credit/debit cards, e-wallets, and online bank transfers. Digital payments speed up transaction processes, reduce administrative costs, and enhance security.
- b. Digital Lending: The fintech platform allows to access online loans with faster processes and more flexible requirements compared to traditional financial institutions.
- c. Financial Management and Digital Accounting: Digital accounting and financial management software helps manage financial reports, monitor cash flows, and make better financial decisions based on real-time data.
- d. Digital Investment: Access to online investment platforms allows investors to manage their investment portfolios more efficiently, including investments in stocks, bonds, and digital assets such as cryptocurrencies.
- e. Data security and reliability: Technologies such as blockchain and data encryption improve the security and transparency of financial transactions and reduce the risk of fraud and error.

2. Impact of Digital Finance on Business (Ozili, 2018):

- a. Operational efficiency: Digital technology reduces operating costs and improves the efficiency of business processes, from payment to financial management.

- b. Access to wider markets: Businesses can reach customers and business partners around the world more easily through digital platforms.
- c. Better decision-making: real-time data and more sophisticated financial analysis enable more informative and strategic decision-making.
- d. Innovation and Competition: Digital finance drives innovation in products and services, which in turn enhances business competitiveness in global markets.

3. The Role of Financial Inclusion in the Performance of MSMEs

Financial inclusion has become a need as large as business people have access to a range of useful and inexpensive financial products and services that meet their needs, examples of the use of digital financial inclusion for payments, transactions, savings, credit, and insurance. This credit can be used for working capital, business expansion, or investment in new technology and equipment. (Beck et al., 2005). MSMEs operational efficiency over access to the use of formal financial services such as digital banking and electronic payment systems(Beck & Demirguc-Kunt, 2006). Access to financial information and consulting services makes it easier for MSMEs owners to make better decisions related to their investment and business management in the future.(Bruhn & Love, 2014).

4. MSMEs Performance

MSMEs performance (Micro, Small, and Medium Enterprises) is the ability and effectiveness of MSMEs in achieving their business goals, which includes aspects such as revenue growth, profitability, productivity, operational efficiency, as well as customer and employee satisfaction.(Alexander, 2023).

5. Factors Affecting the Performance of MSMEs (IZZAH, 2024)(Amry Mahdan Abrari, 2023)(Sari et al., 2023):

- a. Access to Financing: Ability to obtain capital from financial sources such as banks, microfinance institutions, or investors.
- b. Innovation and Technology: Use of new technologies and innovations in products, services, and business processes.
- c. Managerial Capacity: Management skills and capabilities in managing operations, human resources, and business strategy.
- d. Market and Marketing: Ability to access markets, understand customer needs, and conduct effective marketing.
- e. Regulation and Policy: A legal and regulatory environment that supports or impedes the operation of MSMEs.

Indicators that can be used to measure MSMEs performance are financial indicators and non-financial indicators.(Mawuntu & Aotama, 2022)

Method

Systematic Literature Review (SLR) is a method in this observation by reviewing the subject of a particular discussion and focusing on specific issues that have been identified and classified, structured, evaluated, concluded, and selected based on a predetermined measure based on evidence and facts of quality research relevant to research questions. (Latifah & Ritonga, 2020). Data derived from literary articles that have either an ISSN (International Standard Serial Number) or an electronic ISSN (E-ISSN) are secondary data used in this research. Data search process using Search engine help from the application publish or perish selected menu google scholar. This is done because it provides a simple method to explore scientific work with a broad scope and is the largest publishing database. "Digital Financial" and "MSMES Performance." The focus of this research object lies on developments and early trends of emerging research related to digital financial and performance MSMES in Indonesia. The process proceeded by using the inclusion and exclusion criteria, where the data grouped is valid in research including articles used in the period 2013–2022 and literature used only paper or linked articles about Digital Financial and MSMES Performance in Indonesia.

The research questions used by the researchers in this research include:

RQ1: Number of research articles and keywords used

RQ2: Number of Publishers and Reputation Rankings of any journal that publishes Digital Financial and MSMES Performance themes.?

RQ3: Year begins to emerge and the most quoted on Digital Financial and Performance MSMES search articles?

Quality Assesment

The data obtained is then evaluated and analyzed (quality assessment) based on research questions, including:

QA1: Any implications generated on the research?

Results and Discussion

Search Process Results and Inclusion and Exclusion Criteria.

Table 1 of the results of the Exclusion and Inclusion Criteria and the search process is found 500 paper journals or articles corresponding to the index of paper journal or articles published in the period 2013-2022 and containing analysis related to internal factors affecting the Performance of MSMES in Indonesia as a source of data to be taken and studied in greater depth.

Table 1
Search Results Process: Inclusion and Exclusion: publish or perish

Number.	Description	Article Search Results
1	Early articles found period 2013 - 2023	500
2	Articles that do not match inclusion and exclusion	445
3	Articles that match the search process related to the theme	55
4	Article not found source publisher	51

Source: Data processing Author

RQ1 Results: Number of Research Articles and Keywords Used

The total of articles according to the search process related to 55 articles divided into 13 research articles in the form of research and the remaining 42 articles in the form of publication dedication to the public, As to 13 articles in research form in the Journal of research publications, they are as follows:

Table 2.
Research articles and keywords used

No	Keyword Research Research	Researcher	Year	Publication Journal
1	Digital Accounting, Technology-Organization- Environment(Toe), Msme , Government Intervention	ARYANTO	2022	Journal Business And Accounting
2	Digital Financial Inclusion , Digital Financial Literacy, Performance of Informal MSMES	Sekar Budi Pratiwi	2022	International Journal Of Research And Applied Technology (Injuratech)
3	Inclusion digital finance, New normal , Restrictions Social Large Scale (PSBB), MSMES	Sailendra Sailendra	2022	My masker
4	Financial knowledge, Financial behavior, Digital Financial capability , Financial Inclusion, Financial concerns, MSME Performance	Yuliyanti Wulan Sari	2023	Growing Science
5	Digital Accounting, MSME, Performance	Aryanto	2023	Owner: Research & Journal Accountancy
6	MSME, Financial Literacy, Financial Inclusion, Government Role, Economic Growth.	Muhammad Istan	2023	Owner: Research & Journal Accountancy

7	Index ; Inclusion Finance ; Indonesia; Financial institutions Micro .	Muhammad H. Holle	2023	Investment : Journal Islamic Investment
8	Digital Financial Literacy , Business Development, Micro	Then Yayan Ardiansyah	2023	Income: Digital Business Journal
9	Use of Sharia fintech, Interest in the use of transactions, MSMEs Performance	Sri Wahjuni Latifah	2023	Journal Review Accounting and Finance
10	MSMEs, Accounting, Financial Reports	Dwi Ekasari Harmadji	2023	Case study Innovation Economy
11	MSMES, Recordkeeping Finance , Sustainability Business , Training Digitalization	Lucia Rita Indrawati	2024	Journal of Human and Education
12	MSMEs, Cash flow, Business Profile, Digital Finance Application	Agus Solikhin	2024	Journal of Community Engagement Research for Sustainability
13	financial education, financial knowledge, financial literacy, MSME	Azizah Fauziyah	2024	Journal of Business Management Education

Table 2 above shows no more than 50% of the articles presented in the form of research publications; it suggests that research related to the theme Digital Financial and MSMEs Performance with database searches through publish or perish is still very minimal and has a great chance to be studied and developed forward by researchers and experts.

RQ2: Number of Publishers and Reputation Rankings of any journal that publishes Digital Financial and MSMEs Performance themes

Table 3
Publisher record and log performance

No	Publisher	Amount	Reputation Journal
1	Journal Business And Accounting	1	Sinta 3
2	International Journal Of Research And Applied Technology (Injuratech)	1	Sinta 5
3	My masker	1	Journal Ter index Not yet reputable

4	Growing Science	1	Scopus Reputation Q1
5	Owner: Research & Journal Accountancy	2	Sinta 3
6	Investment : Journal Islamic Investment	1	Sinta 5
7	Income: Digital Business Journal	1	Journal indexed Not yet reputable
8	Journal Review Accounting and Finance	1	Sinta 2
9	Case study Innovation Economy	1	Sinta 4
10	Journal of Human and Education	1	Sinta 5
11	Journal of Community Engagement Research for Sustainability	1	Journal indexed Not yet reputable
12	Journal of Business Management Education	1	Sinta 3

Table 3 above shows that the theme of Digital Financial and Performance MSMEs has been published in several reputable journals both nationally and internationally ranked with recognized achievement indices, as found in the journal Growing Science entering the international indexing reputation with Q1 rankings. This indicates that the discussion related to digital finance has begun to be in demand by international publishers as information about quality scientific work becomes an important source of knowledge for the performance of MSMEs.

RQ3: Year of publication starts appearing most as well as the year of most publications on Digital Financial and Performance search articles MSMEs

Table 4
Record the number and year of publication

Number	Year of Appearance	Number of items	Number	Year of Appearance	Number of items
1	2013	1	5	2020	17
2	2014	1	6	2021	40
3	2015	0	7	2022	109
4	2016	2	8	2023	222
5	2017	2	9	2024	85

6	2018	4	10	Non Years	9
7	2019	8			

Table 4 above shows the number of articles published and the year of publication of the article. The data above indicates that the number of publications related to the theme Digital Financial and Performance of MSMES began appearing in 2013. The most articles published appeared in 2023 of 222 articles by various publishers, both national, international, and indexed journals.

Table 5
Record the number of quotes and year quotes.

Number	Amount Citation	Amount Article	Title Article Most quoted	Year	Publisher
1	>= 200	1	Strategy for developing digital SMEs in facing the free market era	2016	Journals telkomuniversity
2	>= 100	6	Review of Digital Marketing & Business Sustainability of E-Commerce During the Covid19 Pandemic in Indonesia	2020	JIET (Journal of Applied Economics)
3	>= 50	11	Financial Capabilities, Entrepreneurial Orientation towards Sustainable Business Competitiveness and the Implications for MSMES Performance in the Culinary Industry	22	repository.nusaputra.ac.id

4	>=10	73	Social media capabilities in adopting social media to improve MSMES performance	2020	Bridge: Management Scientific Journal
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Table 5 above shows the most quotation trends related to the research theme Digital Financial and Performance MSMES most existed in 2016 with the research title Digital SME Development Strategy in the face of the era of free market through publisher Journals telkomuniversity.

QA1: What are the implications of the research?

The number of articles corresponding to the search process related to the theme is as many as 55 articles published in different years with the following details:

Table 6
A recap of related articles Digital Financial and Performance Review MSMES

Number	Year of Arrival	Number of Released Articles
1	2020	1
2	2021	1
3	2022	14
4	2023	27
5	2024	12

Implications of research results related to Digital Financial and MSMES Performance from 2013 to 2024 are as follows:

1. The rise of digital finance for MSMES companies has an impact on their strength to survive in the face of uncertain global economic challenges. (Tedjasuksmana, 2020)
2. Financial knowledge and digital financial skills can significantly enhance financial inclusion.(Pratiwi et al., 2023).
3. The role of information technology in the digital world has to be adopted in all areas of business, trade, manufacturing, and even educational services, so the role of digital finance for companies needs to be a new concern if you want to survive in business in the future.(Sari et al., 2023)
4. Implementation of digital accounting has an important impact on the performance of small and medium-sized enterprises. Governments should be

able to make policies related to the development of the digital financial ecosystem for SMEs in cities and villages.(Amry Mahdan Abrari, 2023)

5. The financial institutions that help MSMES are not only facilitated by banks, but also microfinance institutions can be included according to the capital capacity they have.(Tang et al., 2020)
6. Increased digital finance literacy will help increase public financial inclusion to access financial services sector products and services quickly and easily. (Ardiansyah et al., 2023).
7. Small and medium-sized micro-enterprise units must choose a Sharia fintech that has a license from the Financial Services Authority, and Sharia's own fintech companies must be able to create financial features of the service that are easy to understand by users.(Latifah & Waluya Jati, 2023)
8. Digitalization of financial education can enhance the financial knowledge of entrepreneurs MSMES (Fauziyah, 2022)

Conclusion

RQ1 results. Showing that search results related to Digital Financial and MSMES Performance topics amounted to 55 articles out of a total of 500 search results that appeared. Search The theme-related article review is divided into 13 research articles in the form of research and 42 articles in the form of publication dedicated to the public; RQ2 results related to the theme Digital Financial and Performance of MSMES There are 1 internationally reputable article ranked q1, 1 national reputability journal ranked sinta 2 total of 1 article, sinta 3 total of 3 articles, and sinta 4 and 5, respectively, 2 articles, as well as the remaining OJS reputation. RQ3 results. The most published articles appeared in 2023 with 222 articles. Most of the quotations were shown in 2016 under the research title Digital SME Development Strategy in the Face of the Free Market Era. The QA results show the dominance of research findings stating that digital finance has a significant and strategic role with some of the following implications: Digital Financial implementation by MSMES players will be able to face the uncertain challenges of the global economy; the role of Digital Financial can enhance financial inclusion; governments have a vital role formulating policies related to the development of the digital financial ecosystem MSMES; implementation of Digital Finance is well implemented by the Microfinance Institution to accelerate the positive performance of MSME in the future.

This Systematic Literature Review method has a restriction on keywords using databases from the Publish Or Perish application version 8. With the option of access through the Google Scholar feature, researchers still have shortcomings in ensuring that journals correspond to the subject they are studying. The recommendation for further research is expected to use broader keywords, as well as multiply using databases, identify appropriate and accurate topics, and use journal papers based on

data from international publications in scopus or Web of Science so that the data presented will be much more quality and more complete.

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