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A STRATEGIC FINANCIAL MANAGEMENT APPROACH FOR REVITALIZING RURAL BANKS: A LITERATURE REVIEW WITH PRISM APPROACH

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Abstract: This study aims to systematically analyze financial management strategies that can improve the performance and sustainability of Rural Banks (BPRs) in Indonesia. With a focus on liquidity management, capital optimization, economic-social-environmental risk management, and technology integration, this review identifies financial practices that are effective in facing challenges in the rural banking sector. A literature review was conducted using the PRISMA method, resulting in 11 relevant articles. Results show that technology adoption and strategic collaboration can strengthen the competitiveness of BPRs, especially in financial inclusion in the regions. In addition, improved governance and economic-social-environmental risk management play an important role in the sustainability of BPRs.

Keywords: Financial Management, BPR, Strategy, Revitalization.

Abstrak: *Penelitian ini bertujuan untuk menganalisis secara sistematis strategi manajemen keuangan yang dapat meningkatkan kinerja dan keberlanjutan Bank Perkreditan Rakyat (BPR) di Indonesia. Dengan fokus pada manajemen likuiditas, optimalisasi permodalan, manajemen risiko ekonomi-sosial-lingkungan, dan integrasi teknologi, kajian ini mengidentifikasi praktik-praktik keuangan yang efektif dalam menghadapi tantangan di sektor perbankan pedesaan. Tinjauan literatur dilakukan dengan menggunakan metode PRISMA, yang menghasilkan 11 artikel yang relevan. Hasil penelitian menunjukkan bahwa adopsi teknologi dan kolaborasi strategis dapat memperkuat daya saing BPR, terutama dalam inklusi keuangan di daerah. Selain itu, peningkatan tata kelola dan manajemen risiko ekonomi-sosial-lingkungan berperan penting dalam keberlanjutan BPR.*

Kata kunci: *Manajemen Keuangan, BPR, Strategi, Revitalisasi.*

INTRODUCTION

Bank Perkreditan Rakyat (BPR) plays an important role in Indonesia's financial system, especially in areas that often have limited access to formal financial services (Prihatna et al., 2021; Johar, 2017). BPRs provide essential banking services to underserved populations, including small businesses, households, and rural communities. They act as a bridge between formal banking and the local economy, and are a driving force for financial inclusion and local economic development (Prihatna et al., 2021). The ability of BPRs to offer microloans and other financial products that suit local needs makes them indispensable, particularly in areas where large commercial banks do not operate. By supporting micro, small, and medium enterprises (MSMEs), BPRs contribute significantly to local entrepreneurship and economic growth in the region to the countryside, in line with the Indonesian government's agenda to increase financial inclusion (Ariani et al, 2020).

However, despite their critical role, BPRs face challenges that threaten their sustainability and effectiveness. One of the main challenges is the regulatory and compliance demands placed on these small institutions. While regulation is necessary to ensure the stability of the banking sector, many BPRs struggle to meet capital adequacy requirements, maintain liquidity, and comply with governance standards (Prihatna et al., 2021). In addition, limited financial and technological resources further exacerbate the ability of BPRs to compete with larger financial institutions. Many BPRs lack the necessary technological infrastructure to provide digital banking services, a capability increasingly demanded by customers, even in rural areas (Anwar et al., 2019).

In addition, BPRs face increasing competition from large banks and financial technology (fintech) companies. As large financial institutions expand their operations into rural areas and fintechs offer innovative financial products, BPRs are often at a disadvantage. This competition is intensified as large institutions typically have greater access to capital, more advanced technology, and stronger brand recognition, making it difficult for BPRs to maintain their customer base (Hermawati & Trinugroho, 2023). In addition, many BPRs are criticized for weak risk management. Inadequate risk assessment tools, poor governance, and weaknesses in internal controls have led to inefficiencies, and in some cases, bank failures (Anwar et al., 2019). These shortcomings erode public confidence and further weaken an already vulnerable sector.

In response to these challenges, strategic financial management offers a way out to revitalize BPRs and ensure their long-term sustainability. By adopting more sophisticated financial management strategies, BPRs can optimize resource allocation, improve profitability, and strengthen their competitiveness in the evolving financial landscape (Prihatna et al., 2021). One key area where strategic financial management can make a difference is in liquidity management and capital optimization. Ensuring that BPRs can meet their financial obligations and manage liquidity effectively is critical to their operational stability (Anwar, et al 2019). In addition, efficient capital management allows BPRs to better allocate resources, expand lending capacity, and strengthen their overall financial health.

Improved risk management and governance are also crucial aspects for the revitalization of BPRs. The implementation of stronger internal controls and the development of a more robust risk management framework can help reduce the vulnerabilities these institutions face.

An effective governance structure not only ensures that BPRs comply with regulatory standards, but also protects them from external risks such as loan defaults or market volatility. Furthermore, leveraging technology offers significant opportunities for BPRs to improve service offerings and operational efficiency (Prihatna et al., 2021; Anwar, et al 2019). By integrating digital banking solutions, automating internal processes, and using data-driven decision-making tools, BPRs can reduce costs and offer more personalized financial products to their customers (Anwar, et al 2019).

This research then aims to provide valuable insights into how strategic financial management can address the unique challenges faced by BPRs using the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) method (Pérez-Gañán et al., 2023). Given the vital role that BPRs play in promoting financial inclusion and supporting rural economies, understanding financial strategies that can improve their performance is important for policymakers, bank managers, and other stakeholders. This study hopes to fill a gap in the current literature by synthesizing existing research on financial management strategies in the context of BPRs, thus offering a comprehensive analysis of best practices that can be applied in the sector.

RESEARCH METHODOLOGY

Sources of Information and Inclusion Criteria

The methodology used for the literature review in this study was designed following the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA 2020) guidelines. This methodology was first published in 2009 and then modified and expanded in 2020 (Pérez-Gañán et al., 2023). PRISMA was created to conduct systematic reviews of scientific literature in various fields of science. The PRISMA methodology proposes a protocol to follow in the process of searching, selecting and analyzing scientific literature, and provides a checklist to validate the process. This procedure allows the literature review to be conducted in a methodical, transparent and thorough manner. The database used in this paper is Google Scholar, focusing on articles published in reputable journals. Next, the *publish & perish* software was used to automatically collects the articles from google scholar. The inclusion criteria of the articles were based on the established research objectives, so the researcher considered articles from the field of economics, particularly in the area of banking finance.

Search Strategy and Selection Process

The terms used in the database literature search were "strategy", "rural bank", "revitalization", and "financial management". The search was conducted through the Google Scholar database by using the help of *publish & perish* software that can help to automatically filtering and download the details of articles according to the key words or terms used, which resulted in 200 initial documents. An initial automatic screening was conducted by considering reputable journals, where the articles were published by Taylor & Francis, Springer, Emerald, and Wiley. In this way, the sample size was reduced to 136 documents, and 64 scientific articles were automatically selected, so book chapters and reviews were not included in the sample.

Next, the search focused on areas of economics in these databases that address financial management strategies in the banking sector, which caused the sample to decrease again by 125 articles, leaving only 11 documents that met the criteria.

Screening

The screening process was conducted by examining the titles, abstracts and keywords of 200 articles obtained through a search on Google Scholar. At the initial stage, the researcher excluded articles that did not meet the pre-determined inclusion criteria. The excluded articles were (a) articles that did not discuss financial management strategies, as this topic is the main focus of the researcher's study; (b) articles whose research objects were not banks, as this study specifically targets the banking sector, especially rural banks (BPR); and (c) articles that were not published in reputable journals, such as Taylor & Francis, Springer, Emerald, and Wiley, as the researcher only considered studies that met high academic and publishing standards.

This selection process was done carefully to ensure that the selected articles were truly relevant to the research objectives and could provide in-depth insights. Articles that passed the initial screening stage were then further examined for compliance with other, more specific criteria. For example, articles that only provided a general literature review or were not relevant to the context of the BPR study were also excluded. In the end, the researcher narrowed down the 200 articles to 11 that were directly related to the focus of this study.

In addition, to avoid repetition, the same article from different sources was only counted once and attributed to the Google Scholar database. The researchers ensured that each article included in this systematic review went through a rigorous selection process. Duplicated articles were not included in the final count. Therefore, the final number of articles used for analysis and synthesis in this systematic review was 11.

Based on the previous thematic findings, financial management cannot only be viewed from the perspective of financial strategy alone. However, there are many opportunities to consider financial strategy from a social aspect. This is due to the fact that rural banks (BPRs) operate in an environment that is highly affected by social factors. Therefore, the financial strategies implemented by BPRs should not only consider the purely financial aspects, but also how they can contribute to the welfare of the surrounding communities. By understanding the social needs and conditions in the neighborhoods where BPRs operate, the financial strategies implemented can be more relevant and have a more significant impact on local economic development (Johar, 2017; Pihatna et al., 2021).

Each stage of this exclusion process, including the rationale behind exclusion and the number of articles rejected, is described in detail and illustrated in Figure 1. This process is designed to ensure that the articles analyzed are truly relevant and meet high methodological criteria, so that the results of the study are reliable and significant for the broader context.

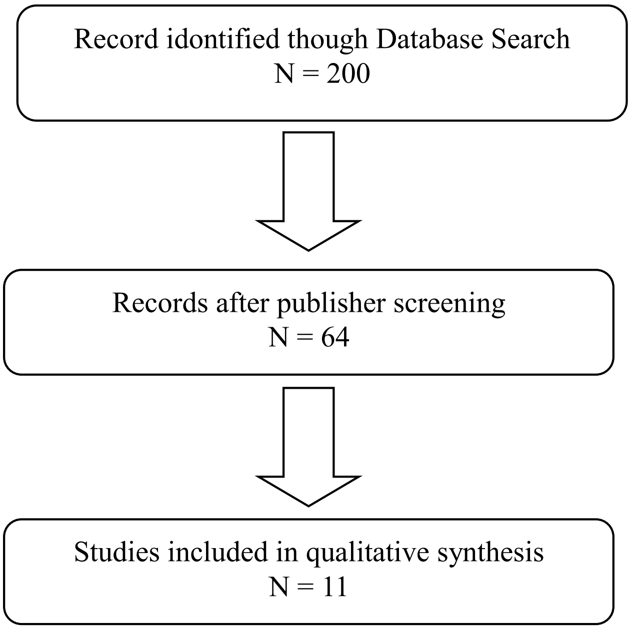

Figure 1. The Rationale Behind Exclusion and The Number of Articles Rejected
Source: Processed by the Author (2024)

Data Extraction

Articles included in this literature review were grouped into several categories based on a systematic data extraction process. First, the methodology used in each article was classified in a structured manner, including the research objectives, methodological approach, as well as the data collection techniques applied, along with information on the research sample if available (Table 1). Second, general information regarding the main findings of each article, as well as its significant contributions and limitations, was also recorded (Table 2). All data were presented in tabular form and synthesized narratively, in accordance with the PRISMA results report guidelines (Pérez-Gañán et al., 2023).

Risk of Assessment Bias and Assessment of Study Quality

To minimize potential bias in this study, the study design process and article search and selection were conducted collectively, systematically and in-depth. The objectives of the analysis and search parameters were articles relevant to BPR revitalization. A working protocol was developed that included replication of the search at two different times to ensure consistency of results. In the first stage, a researcher conducted the initial selection automatically and manually by himself. The results of the second search were in line with the results of the first search, with the exception of one newly published article relevant for inclusion in the analysis (Pérez-Gañán et al., 2023).

The literature search was conducted on the Google Scholar database which includes a wide range of scholarly publications with significant impact in the field of banking and financial management. While this database is considered representative, the researcher recognizes the limitations in terms of coverage and the tendency towards works written in English, potentially leading to underrepresentation of research from local and other language perspectives.

In terms of assessing the quality of the studies, a systematic analysis of the selected articles allowed the identification of common themes related to the implementation of financial strategies in BPRs, such as liquidity management, capital optimization, and risk management. Some studies also provide recommendations on how BPRs can improve competitiveness through technology adoption and strategic collaboration with other institutions. These recommendations point the way for BPRs to improve governance and financial sustainability. Based on this analysis, it can be concluded that the included articles meet the criteria of sufficient quality to achieve the research objectives and provide guidance for the revitalization of BPRs.

RESULT AND DISCUSSION

In this section, the researcher presents the main results of the systematic review of the selected articles. These results show how financial strategies are managed in BPRs. It also shows the themes that have been studied, along with the main results obtained and conclusions reached.

The articles selected for analysis are heterogeneous in terms of the methodology used (see Table 1).

Use of Methods

The articles selected for analysis are heterogeneous in terms of the methodology used (see Table 1). There is no clear dominant approach.

Table 1. Summary of Literature on ESG and Financial Performance in the Banking Sector

Authors (Year)	Variables	Methodology	Country group	Sample/ Population	Research location	Major Findings
Shakil et al. (2019)	ESG (Environmental, Social, Governance)	GMM	Emerging Markets	93 Banks	Cross-Country	Environmental and social performance has a positive impact on financial performance.
Buallay (2020)	ESG, CSR	GMM, OLS	Developed, Developing Countries	882 banks	Developed, Developing Countries	ESG has a positive impact on accounting-based performance in developed countries, but weakens in developing regions.
Sharma & Choubey (2021)	Green Banking, CSR	Qualitative	India	36 banks (Interview)	Indian Banks	Green banking initiatives have a positive impact on brand trust and image
Almaqtari et al. (2018)	Financial Performance	Quantitative Panel Data	MENAT Area	FAT banks	FAST countries	ESG has a non-linear impact on performance with

						a concave/convex relationship
Azar et al. (2021)	Ownership, Cost	Quantitative Panel Data	Global	500+ banks	Global	Cross-ownership affects competition and governance.
Gadzo et al. (2019)	Credit Risk, Operational Risk	SEM-PLS	Ghana	24 banks	Ghana	Credit and operational risks negatively impact a bank's financial performance.
Ali et al. (2018)	ESG Disclosure	Regression on panel data	Evolve	Emerging market banks	Europe	ESG enhances bank stability during financial turmoil.
Akomea - Frimpong et al. (2021)	Green Finance	Content analysis	Global	46 Studies	Global	Green financial products and determinants shape banking strategies.
El Khoury et al. (2021)	ESG, Financial Development	Non-linear regression	Menat area	FAT banks	FAST countries	ESG has a significant impact on bank performance.

Source: Processed by the Author (2024)

Table 2. Summary of Research Design and Findings on ESG in the Banking Sector

Study Design	Authors (Year)	Main Results	Main Conclusions	Limitations
Cross-Country Study on ESG in Emerging Markets	Shakil et al. (2019)	Demonstrates a positive relationship between ESG practices and financial performance in emerging markets	ESG integration in BPR operations can improve long-term financial results.	Cross-country results may not provide specific insights for BPRs in Indonesia.
Empirical Analysis in Developed and Developing Countries	Buallay (2020)	ESG disclosure has a positive impact on bank performance in developed markets, but mixed results in emerging markets.	Sustainability reporting can benefit banks, especially in developed economies, by improving financial results.	Studies focus on broad regional groups; local applicability to Indonesian BPRs may vary.
Qualitative Study on Green Banking	Sharma & Choubey (2021)	Explore the benefits of green banking initiatives on customer trust and brand reputation of banks in India.	Green banking can enhance a BPR's reputation and support customer loyalty.	Based on the Indian banking sector; more research is needed for BPR in Indonesia.
Panel Data Approach	Almaqtari et al. (2018)	Identify important factors such as bank size, asset quality,	Management of the identified factors can improve the	Limited to Indian commercial banks; needs further

		capital adequacy, and operational efficiency that affect bank profitability in India.	financial stability and profitability of BPRs.	validation for BPRs in Indonesia.
Ownership Concentration Analysis	Azar et al. (2021)	Highlights how ownership concentration affects competition and financial stability of banks.	High ownership concentration may stabilize financial results but may limit competition.	Focused on large banks; implications for smaller BPRs may differ.
ESG Impact on Financial Performance	El Khoury et al. (2021)	Demonstrating that ESG investments have varying impacts on bank performance is important for BPR's ESG strategy.	ESG principles can contribute to sustainable financial performance for BPRs.	Based on MENAT region; need local validation.
Internal Determinants of Profitability	Ali et al. (2018)	Review internal factors affecting bank profitability and stability, emphasizing capital management and asset quality.	Effective internal management practices are critical to the financial health of BPRs.	Focused on Pakistan's banking sector; regional adaptation required.
Green Financial Review on Banks	Akomea-Frimpong et al. (2021)	Highlighting the importance of green finance for sustainability in the banking sector.	BPRs can adopt green finance to align themselves with sustainability goals and strengthen their market position.	Mostly theoretical; lacks empirical data for direct application in Indonesia.
PLS-SEM on Risk Impact	Gadzo et al. (2019)	Identify the negative impact of credit and operational risks on bank performance.	Strong risk management is critical to the stability of BPRs.	Limited to Ghana; generalizations to BPR in Indonesia need to be cautious.

Source: Processed by the Author (2024)

Referring to tables 1 and 2, this systematic review identifies several strategic financial management approaches that are important for improving the performance and sustainability of BPRs in Indonesia. First, effective liquidity management and capital optimization are often highlighted in the literature as important strategies to ensure that BPRs maintain financial stability, especially during economic downturns (Ali & Puah, 2018; Almaqtari et al., 2018). BPRs, which often have limited access to capital markets, face challenges in maintaining adequate liquidity, especially during periods of increased bad debts (Shakil et al., 2019). Implementing conservative loan-to-deposit ratios and improving the fit between assets and liabilities are strategic measures that have been shown to strengthen liquidity management, helping BPRs to remain solvent and operational in times of financial stress (Buallay et al., 2020).

In addition to liquidity management, the importance of risk management and improved governance is emphasized. BPRs that implement strong internal controls, sophisticated risk assessment tools and better governance frameworks show greater capacity to withstand external financial pressures (Azar et al., 2021; Chiaramonte et al., 2022). Studies show that comprehensive risk management strategies, such as stronger credit risk monitoring and stricter credit approval processes, can reduce the likelihood of default and improve the financial health of BPRs (El Khoury et al., 2021). In addition, the implementation of a governance structure that clarifies roles and responsibilities within the organization will ensure better compliance with regulatory requirements, further contributing to the sustainability of the BPR (Lu et al., 2022).

Another important finding from the literature is the role of technology adoption in improving BPR operations. The integration of digital banking solutions, including mobile banking and online financial platforms, can significantly improve the operational efficiency of BPRs while reducing transaction costs (Lu et al., 2022). This is crucial in helping BPRs compete with larger commercial banks and fintech companies. Digital solutions not only reduce overhead costs, but also expand access to financial services in underserved rural areas, making BPRs more competitive and customer-focused (Sharma & Choubey, 2022). In addition, the potential for strategic partnerships was also explored, with findings suggesting that collaboration with fintech companies or other financial institutions allows BPRs to expand their service reach without requiring large infrastructure investments (Akomea-Frimpong et al., 2021).

These strategic approaches have clear implications for BPRs. By implementing better liquidity and capital management practices, BPRs can ensure their financial stability, especially in times of market uncertainty (Shakil et al., 2019). For example, conservative financial management enables BPRs to weather economic shocks commonly experienced in rural areas, such as fluctuating agricultural prices (Almaqtari et al., 2018). Similarly, better risk management and governance practices will enable BPRs to adopt more sophisticated methods of assessing and mitigating risks, ensuring regulatory compliance, and protecting against financial crises (Chiaramonte et al., 2022). In addition, the adoption of digital banking technologies can transform BPRs, allowing them to serve customers more efficiently and remain competitive in an increasingly digitized financial environment (Lu et al., 2022). Through strategic partnerships, BPRs can access new markets and technologies, thus enhancing their ability to provide comprehensive services without the need to invest heavily in infrastructure or technology development (Buallay et al., 2020).

Despite these insights, there are several gaps in the literature. One prominent gap is the lack of empirical studies that specifically focus on BPR in Indonesia. Most existing research addresses rural banking in a broader global context, so specific challenges and strategies relevant to BPRs have not been explored (Akomea-Frimpong et al., 2021). More targeted research is needed to assess how these strategic financial management approaches are implemented in Indonesian BPRs and the specific outcomes they produce. In addition, although technology integration is often discussed, empirical evidence regarding the long-term impact of technology adoption on BPR performance is limited (Sharma & Choubey, 2022). Future research should focus on evaluating the impact of digital banking solutions on customer satisfaction, operational efficiency, and profitability of BPRs (Lu et al., 2022). Another gap in the literature is the limited exploration of the role of regulatory frameworks in shaping the financial strategy of BPRs. While some studies mention regulation, there is insufficient exploration of how the regulatory environment supports or hinders the implementation of strategic financial practices in BPRs.

This study also has some limitations that need to be considered. First, the scope of this review is limited to research published in English and Bahasa Indonesia, potentially excluding relevant research conducted in other languages. This limitation may result in the loss of valuable insights from countries with similar rural banking systems (Chiaramonte et al., 2022). Second, this review focuses on peer-reviewed journal articles, excluding government reports, working papers, and case studies, which may provide more practical and tangible examples of strategic financial management in BPRs (Ali & Puah, 2018). Finally, the studies used are of mixed quality, with some sourced from lower impact journals, which may affect the reliability of certain findings (Shakil et al., 2019). These variations in source quality may limit the generalizability of the conclusions drawn from this review.

Discussion

Strategic financial management for BPRs is critical to their long-term sustainability and performance, especially in the face of increasing challenges. As this review has shown, the importance of adopting a robust financial strategy is non-negotiable, especially with the growing pressures from technological advancements, regulatory demands, and competition (Ali & Puah, 2018; Almaqtari et al., 2018).

The literature identifies various strategies that BPRs can implement to improve their financial performance and sustainability. One such approach is liquidity management and capital optimization, both of which are critical to ensure that BPRs can maintain stability even in times of economic stress (Shakil et al., 2019; Buallay et al., 2020). The integration of better risk management frameworks and governance practices will enhance this stability (Azar et al., 2021; Chiaramonte et al., 2022). Findings from Buallay et al. (2020) show that corporate governance and disclosure of environmental, social, and governance (ESG) issues positively affect bank performance in both developed and developing countries. BPRs can benefit from these findings by adopting stronger governance structures and integrating ESG principles into their strategies, especially in relation to risk management and maintaining a positive image in the eyes of the public (El Khoury et al., 2021).

The findings of Shakil et al. (2019) further highlight the importance of environmental and social performance in improving banks' financial results, especially in emerging markets. Although traditionally, rural banks such as BPR have not prioritized ESG reporting, incorporating sustainability into their strategic management can provide significant benefits (Akomea-Frimpong et al., 2021). Research shows that banks that integrate ESG risks into their operations and lending decisions tend to have better financial performance over time (Chiaramonte et al., 2022). This is particularly relevant for BPRs, which face increasing demands for transparency and responsible financial practices (Buallay et al., 2020).

Implications for BPRs In practice, this strategy can be transformative for BPRs. By improving governance practices and adopting ESG disclosures, BPRs can align themselves with global sustainability trends, improving their reputation and operational efficiency (Sharma & Choubey, 2022). This is in line with the findings of Buallay et al. (2020), which showed that banks with better sustainability reporting generally perform better in terms of return on equity (ROE) and return on assets (ROA). In addition, the adoption of digital banking technology is increasingly seen as important for BPRs to remain competitive. Integrating mobile banking and fintech collaboration can help BPRs reduce operational costs while expanding access to services in rural areas, thus supporting financial inclusion (Lu et al., 2022).

Gaps in the Literature While these strategies offer a promising path for BPRs, there are some gaps in the existing literature. For example, there is limited research on the specific impact of technology integration on rural banks such as BPRs (Lu et al., 2022). Shakil et al. (2019) note that while ESG practices have been studied in developing country contexts, there is still a lack of empirical evidence that directly links these practices to improved performance in smaller BPRs. Further research is needed to explore how the adoption of sustainability technologies and practices can be effectively scaled up for smaller, regionally-focused banks such as BPRs (El Khoury et al., 2021).

This review is not without its limitations. One significant constraint is the exclusion of non-English language articles, which may have resulted in the omission of important studies, especially those conducted in other emerging markets with similar rural banking structures (Shakil et al., 2019). In addition, most of the reviewed articles were published in top tier peer-reviewed journals, which limits the inclusion of gray literature such as government reports or case studies that could provide additional practical insights into the financial strategies of BPRs (Ali & Puah, 2018). Lastly, variability in source quality, with some studies published in lesser journals, may affect the reliability of certain findings (Shakil et al., 2019; Azar et al., 2021).

CONCLUSION

Summary of Key Findings

This systematic review identifies several strategic financial management approaches that can significantly improve the performance and sustainability of rural banks (BPRs). Key approaches in these strategies include liquidity management, capital optimization, and the implementation of strong risk management and governance practices. These strategies enable BPRs to maintain financial stability, even amidst economic instability. Moreover, the adoption of an environmental, social, and governance (ESG)-based framework is proven to have a positive impact on banking performance, as demonstrated by research in both emerging markets and developed economies. By integrating ESG principles into their business model, BPRs can not only strengthen their reputation, but also improve long-term financial performance. In addition, the adoption of technology, especially in the form of digital banking solutions, has emerged as an important tool to improve operational efficiency and expand access to financial services in rural areas.

Practical Recommendations

Based on the findings, there are several practical recommendations for stakeholders related to BPRs. First, bank managers are advised to prioritize the implementation of sophisticated liquidity management tools and develop strategies to optimize capital resources.

These measures will help maintain financial solvency and ensure BPRs can meet their obligations, even during times of economic uncertainty. Second, policymakers need to encourage the adoption of ESG principles among BPRs, not only to conform to global sustainability trends but also to enhance BPRs' competitiveness and risk management capabilities. Finally, strategic partnerships with financial technology (fintech) companies should be prioritized, as such collaborations allow BPRs to leverage new technologies without the need for large capital investments, thus offering digital services to underserved rural communities.

Suggestions for Future Research

While this review provides important insights into strategic financial management in BPRs, there are some areas that warrant further research. Future research is expected to explore the long-term impact of technology integration, particularly fintech, on the performance and sustainability of BPRs. Empirical studies are needed to assess how digital banking solutions affect customer satisfaction, operational efficiency and profitability in a rural banking context. In addition, in-depth research on ESG practices specific to BPRs in Indonesia is needed, as most previous studies have focused on large commercial banks in developed markets. Finally, longitudinal studies that evaluate the outcomes of strategic financial management interventions over a long period of time would provide valuable data regarding the effectiveness of these strategies under various economic conditions.

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