ABSTRACT

Digital transformation in payment systems has become an important strategy for improving operational efficiency in microfinance institutions. The PNM Mekaar Program has implemented payment digitalization to accelerate transactions, enhance recording accuracy, and strengthen financing monitoring. However, its implementation still faces challenges related to users' digital literacy, organizational readiness, and limitations in digital infrastructure. This study aims to analyze digital transformation strategies in payment systems that can improve transaction efficiency and financing performance within the PNM Mekaar Program. This research employed a mixed-methods approach with a sequential explanatory design, combining surveys of PNM Mekaar borrowers with in-depth interviews involving Account Officers, field supervisors, digital teams, and program managers. The findings indicate that digital literacy and perceived ease of use are the primary factors influencing the successful implementation of digital payment systems. Payment digitalization has significantly improved transaction efficiency through faster payment processes, automated transaction recording, reduced administrative errors, and enhanced real-time payment monitoring. Nevertheless, implementation success is also influenced by organizational readiness, the role of Account Officers, system integration, and the quality of digital infrastructure. The study concludes that effective digital transformation requires synergy among technology, organizational capabilities, infrastructure, and user readiness to achieve sustainable improvements in transaction efficiency and financing performance.

Keywords: digital transformation, payment digitalization, transaction efficiency, financing performance.