International Journal of Economy, Education, and Entrepreneurship
p-ISSN: 2798-0138 | e-ISSN: 2798-012X
Vol. 5, No. 3, December 2025
https://doi.org/10.53067/ije3.v5i3

FINANCIAL MANAGEMENT EFFORTS BASED ON LOCAL CULTURAL VALUES IN TRADITIONAL BUSINESSES IN SERANG, BANTEN PROVINCE

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Abstract

This study aims to analyze financial management efforts in traditional businesses in Serang City, Banten, which are influenced by local cultural values. The study employed a qualitative approach, with data collection techniques including in-depth interviews, participant observation, and documentation. Data analysis was conducted using NVivo 12**.** This study aims to identify themes, patterns, and interrelationships between financial literacy, financial management practices, and the influence of local culture on financial decision-making. The results show that business owners' financial literacy varies, but all implement simple cash recording as an adaptive mechanism. Informal financial management practices, such as simple budget planning and monthly evaluations, are consistent and effective. Local cultural values, including cooperation, deliberation, and mutual trust, facilitate capital collaboration, shared decision-making, and social accountability. Simple financial control strategies, combined with local cultural values , enhance transparency, prevent conflict, and support business sustainability. This study confirms that traditional business financial management need not be complex; a combination of financial literacy, simple practices, and local cultural wisdom is sufficient to maintain business efficiency and financial stability.

Keywords: Financial Management, Local Cultural Values, MSMEs, Traditional Business, Financial Literacy, Serang City.

INTRODUCTION

Accounting is an information system that presents reports on an entity's financial position and performance to support decision-making by internal and external stakeholders. Accounting is not merely recording transactions; it also involves identifying, measuring, and communicating relevant and reliable economic information. Accounting practices ideally support good financial governance, namely transparency, accountability, and efficiency (Fitriani, Andari, & Farida, 2025). In the context of traditional businesses, accounting practices are often simple and influenced by local social and cultural values held by business actors. Previous research has shown that local cultural values such as gemi, nastiti, and ngati-ngati can serve as the basis for managerial accounting practices in MSMEs, demonstrating that local culture influences the application of accounting practices in context (Fitriani, Andari, & Farida, 2025).

Financial management is an integral part of accounting, encompassing the planning, organization, control, and evaluation of cash flow and financial resources. Sound financial management helps businesses maintain liquidity, increase competitiveness, and achieve strategic goals. In traditional companies, financial management is often informal, with financial records and decisions influenced more by social customs, community norms, and local cultural values than by formal modern accounting standards (Thalib, Mohamad, Ijini, & Ibahim, 2024). Integrating local cultural values into financial management enables businesses to maintain ethical, sustainable, and relevant financial practices within their social context.

This research site was a traditional business in Serang City, Banten Province. Serang City is home to a variety of conventional businesses, including market vendors, local culinary delights, and small service businesses. Traditional companies play a vital role in the local economy, absorbing labor and upholding distinctive social values. However, these businesses face challenges such as a lack of understanding of formal financial management, low financial literacy, and limited resources to implement formal accounting systems (Zubaidah, Wadhah, & Muzakki, 2025).

Local cultural values are norms, ethics, beliefs, and customs passed down through generations within a community, serving as guidelines for social behavior. Research shows that local wisdom can improve accountability and ethical financial management while preventing practices that harm the community (Usmaedi, Eka Anggraini, Suherman, Mualimah, & Solihatulmilah, 2021). In the context of MSMEs, local cultural values can serve as a foundation for sound, sustainable financial management.

A survey of several traditional businesses in Serang City showed that the majority of business owners have not implemented formal financial records. Many rely solely on simple notes or memory to make financial decisions. Meanwhile, values of mutual trust, kinship, and togetherness are essential informal mechanisms in daily financial management. These findings indicate that local cultural values significantly influence the financial management practices, the focus of this study, which aims to uncover efforts to manage financial affairs in line with local cultural values in traditional businesses in Serang City.

Research shows that although traditional businesses in Serang City play a significant role in the local economy, their financial management practices are highly variable and largely informal. Many companies rely on simple records or even personal memory as a basis for economic decision-making, while others have begun implementing simple manual cash book-based recordkeeping. This phenomenon demonstrates a gap between formal financial management practices recommended in modern accounting and practices in the field, which are more influenced by local cultural values, social norms, and inherited customs (Fitriani, Andari, & Farida, 2025; Thalib, Mohamad, Ijini, & Ibahim, 2024). Furthermore, there are indications that local cultural values , such as cooperation, mutual trust, and kinship, are not only social factors but also shape informal financial management mechanisms that can encourage or hinder orderly and sustainable economic practices.

Problems in this context include limited financial literacy, limited knowledge of accounting principles, and the difficulty traditional businesses face in implementing structured financial management systems. Some companies also face challenges balancing local cultural values with the need for practical, transparent financial management (Usmaedi, Eka Anggraini, Suherman, Mualimah, & Solihatulmilah, 2021; Zubaidah, Wadhah, & Muzakki, 2025). These conditions pose risks of financial irregularity, suboptimal decision-making, and limited business capacity for sustainable growth. Therefore, this research is crucial for exploring how local cultural values can serve as a

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foundation for sound financial management and for identifying strategies and best practices for traditional businesses in Serang City.

Research reinforces the importance of financial management and financial literacy as key factors in the performance and sustainability of MSMEs. A study by Dewi and Wahyuni (2023) found that financial literacy significantly influenced the financial management of MSMEs in Kapalo Hilalang Village, indicating that basic financial knowledge enhances entrepreneurs' ability to plan and manage financial resources. Similarly, research by Aulia, Mulyadi, and Sungkono (2024) on MSMEs in Karawang showed that higher levels of financial literacy were positively correlated with more effective financial management practices, including budget planning and investment decision-making. More broadly, Lismarisa (2025) stated that financial literacy and financial experience had a positive and significant effect on financial management behavior among entrepreneurs, reinforcing the belief that financial knowledge is the foundation of sound management practices. Another study by Putri, Harahap, Sugiarti, and Efendi (2023) identified that the combination of financial literacy and financial inclusion can improve the financial performance of MSMEs, implying that financial management depends not only on knowledge but also on access to financial services. Furthermore, a study by Kasih Bangsa School of Economics, Yulianti, and Ruslaini (2025) found that financial literacy influences the sustainability of MSMEs nationwide, confirming that financial literacy is a strategic aspect of financial decision-making and business growth. These studies strengthen the relevance of MSME financial management research, particularly in local contexts, and demonstrate that cultural and regional factors, such as those in Serang City, Banten, can serve as an essential foundation for establishing effective and sustainable financial management strategies.

Although many previous studies have emphasized the importance of financial literacy and financial management in MSMEs, there *is a research gap* regarding the integration of local cultural values into financial management practices, particularly in traditional businesses. Most studies focus on financial literacy, financial inclusion, or formal recordkeeping techniques without considering how social norms, local wisdom, and cultural practices influence financial decision-making. On the other hand, regional contexts such as Serang City, Banten, with its strong cultural characteristics and local traditions, have not received much research. This gap highlights the need for studies exploring how local culture can serve as a basis for effective and sustainable financial management, ensuring that financial management practices are not merely technical but also contextualized to local values.

Based on this research, this study will combine aspects of MSME financial management with a local, value-based approach, which has rarely been used in accounting and financial management research in Indonesia. This research offers a new perspective by emphasizing that healthy financial practices depend not only on literacy and formal methods but also on an understanding of local values such as cooperation, mutual trust, and kinship. Thus, this research not only fills an academic gap but also provides a practical contribution to traditional business actors in Serang City, Banten, by helping them manage finances more sustainably and in accordance with local culture.

LITERATURE REVIEW

Financial Literacy

Financial literacy is an individual's ability to understand and apply economic concepts to make informed decisions in managing personal and business finances. A study by Rahman and Putri (2022) found that financial literacy plays a crucial role in improving MSMEs' capabilities in budget planning, cash flow control, and investment decision-making. Meanwhile, research by Kurniawan and Sari (2023) emphasized that financial literacy also positively correlates with business performance, as an understanding of basic accounting principles can prevent costly errors in recording and cash management.

MSME Financial Management

MSME financial management includes planning, organizing, controlling, and evaluating financial resources to support business sustainability. Research by Susanti and Widodo (2024) found that structured financial management practices can improve operational efficiency and optimize cash flow, thereby driving business growth. Furthermore, a study by Haryanto and Utami (2023) emphasized that sound MSME financial management relies heavily on entrepreneurs' ability to integrate formal accounting principles with daily business practices, including the use of simple, consistent, and systematic records.

Local Cultural Values with Finance

Local cultural values are a set of norms, beliefs, and customs that influence social behavior, including financial management practices. Research by Prasetyo and Handayani (2022) shows that local wisdom, such as cooperation and mutual trust, can form effective informal financial management mechanisms within MSME communities. Furthermore, a study by Santoso and Lestari (2023) found that integrating local cultural values into financial practices increases accountability, minimizes the risk of conflict, and encourages business sustainability that aligns with local social environments and traditions.

METHOD

Research Approach

This study uses a qualitative approach to understand the financial management practices of MSMEs influenced by local cultural values in Serang City, Banten. A qualitative approach was chosen because it allows researchers to explore the experiences, perceptions, and practices of business actors

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in depth, as well as interpret the relationship between local cultural values and financial management strategies (Creswell & Poth, 2018). This approach is practical for research that emphasizes the social context and cultural practices, which cannot be measured quantitatively.

This study used NVivo 12 for data analysis. NVivo 12 simplifies coding, grouping themes, analyzing patterns between variables, and visualizing data. With NVivo 12's query and diagramming features, researchers can map relationships among themes, support in-depth analysis, and strengthen the validity of research results through systematic visual documentation (Bazeley & Jackson, 2022).

Research Location and Subjects

The research was conducted on traditional businesses in Serang City, Banten, including market vendors, local culinary businesses, and small service businesses. This location was chosen because traditional businesses in Serang City have unique characteristics, are strongly influenced by local cultural values, and play a significant role in the community's economy. The research subjects consisted of business owners or managers who actively manage finances, have at least two years of experience, and are involved in local cultural practices such as cooperation and kinship. A purposive sampling technique was used to select informants who could provide in-depth information on culturally based financial management practices.

Data Collection Techniques

Data was collected through a combination of methods:

1. In-depth interview
   Conducted in a semi-structured manner with business owners to explore experiences, perceptions, and financial management practices, as well as the role of local cultural values.
2. Participatory observation
   Researchers directly observed transaction recording, cash management, and social interactions related to local cultural values. These observations helped clarify real-world practices that are not always revealed in interviews.
3. Documentation
   Collection of documents in the form of cash books, transaction records, simple financial reports, and other supporting documents, to strengthen data validity and provide empirical evidence.

Data analysis

Data was analyzed using NVivo 12, through several stages:

1. Transcription and encoding
   Interviews and observations were transcribed verbatim and then coded into initial categories such as "financial planning", "cash recording", "local cultural values", and "financial decision making".

2. Theme grouping
   Relevant codes are combined into central themes, so that financial management patterns and local cultural influences are clearly visible.
3. Analysis of relationships between themes
   NVivo 12 was used to identify interrelationships between themes, including the influence of cultural values on financial practices and decision-making.
4. Visualization of findings
   The results of the analysis are visualized using concept maps and network diagrams, thus facilitating data interpretation and systematic presentation of findings.

Data Validity and Validity

To ensure the validity and reliability of the data, this study employed triangulation of sources and techniques: interviews, observation, and documentation. NVivo 12 facilitated data consistency verification through its cross-case analysis feature. Furthermore, the researchers conducted member checking with informants to ensure that data interpretations aligned with their experiences. This process ensured that the research findings were credible, reflected real-world practices, and provided an accurate picture of local, value-based financial management in traditional businesses in Serang City (Lincoln & Guba, 1985).

RESULTS AND DISCUSSION

The results of this study were obtained through in-depth interviews, participant observation, and documentation analyzed using NVivo 12. The study shows that local cultural values, such as cooperation, mutual trust, and family customs, strongly influence financial management in traditional businesses in Serang City. Based on data processing, a pattern of simple financial recording, informal budget planning, and decision-making through deliberation and consensus was identified.

Table 1. Financial Literacy Level of Business Owners

Informant	Formal education	Business Experience (Years)	Basic Understanding of Accounting	Use of Financial Records
R1	JUNIOR HIGH SCHOOL	5	Currently	Of
R2	SMA	7	High	Of
R3	Diploma	10	High	Of
R4	SMA	3	Low	Of
R5	SMA	6	Currently	Of

Source: Interview and Observation Results, 2025

The table above shows that financial literacy levels varied, but all informants used simple cash registers to record transactions. Despite differences in formal education, cash register practices have become common to facilitate business financial management.

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Table 2. Financial Management Practices Based on Local Cultural Values

Informant	**Financial Meeting**	**Cooperation**	**Joint Decision**	**Use of Venture Capital**
R1	Of	Of	Of	Alone
R2	Of	Of	Of	Together
R3	Of	Of	Of	Alone
R4	No	Of	No	Alone
R5	Of	Of	Of	Together

Source: Interview and Observation Results, 2025

The table above shows that most informants apply the principles of deliberation and cooperation in financial management, indicating the influence of local cultural values on financial decision-making across capital allocation and cash management.

Table 3. Financial Control Strategy

Informant	**Separation of Personal & Business Finances**	**Daily Production Notes**	**Monthly Financial Evaluation**
R1	Of	Of	Of
R2	Of	Of	Of
R3	Of	Of	Of
R4	No	Of	No
R5	Of	Of	Of

Source: Interview and Observation Results, 2025

The table above shows that most informants were able to implement simple financial control strategies, such as separating personal and business cash and recording daily expenses. These practices help improve financial transparency and efficiency, even though they are carried out informally.

Discussion

This section examines the research findings within the context of previous literature. It focuses on four main aspects: financial literacy, financial management practices, the influence of local cultural values, and financial control strategies. Each subsection highlights the pattern of findings, compares them with previous studies, and emphasizes the research's contribution to local culture-based financial management.

1. Financial Literacy for Business Owners

   Research findings indicate that the financial literacy levels of traditional business owners in Serang City vary. Some have a strong understanding of basic accounting principles, including recording income and expenses, simple profit calculations, and capital planning, while others can only apply simple cash bookkeeping. It aligns with Dewi & Wahyuni (2023), who emphasized that financial literacy plays a significant role in MSMEs' ability to manage finances, minimize risk, and make appropriate investment decisions. Aulia, Mulyadi, and Sungkono (2024) also showed that financial literacy influences budget planning and strategic decision-making in small businesses. In the context of Serang City, financial literacy is combined with local cultural practices, such as deliberation and kinship, so that simple cash bookkeeping becomes an adaptive mechanism that allows business owners to monitor cash flow, manage limited capital, and maintain business sustainability. It suggests that financial literacy depends not only on formal education but also on adaptation to local social practices.

2. MSME Financial Management Practices

Financial management practices in traditional businesses in Serang City include daily cash recording, informal budget planning, and monthly evaluations. While simple, these methods are consistent and effective in monitoring cash flow and supporting decision-making. These findings support the findings of Susanti & Widodo (2024), who state that structured financial management, even if simple, can improve operational efficiency and minimize recording errors. Haryanto & Utami (2023) add that effective financial management requires a balance between formal practices, such as systematic recordkeeping, and the real needs of business owners. In Serang City, these informal financial management methods accommodate the limited capital, education, and experience of business owners. While they do not use software or comprehensive accounting reports, these practices demonstrate adequate financial control, support experience-based and consensus-based decision-making, and enable MSMEs to operate efficiently within the local social and cultural context.

3. The Influence of Local Cultural Values

Local cultural values such as cooperation, deliberation, and mutual trust play a crucial role in the financial management practices of MSMEs in Serang City. Research findings indicate that decisions on capital allocation, joint capital loans, and profit sharing are often made collectively, with community interests taken into account. Aligns with Prasetyo & Handayani (2022), who stated that local wisdom forms an effective and adaptive informal financial management mechanism. Santoso & Lestari (2023) added that integrating local cultural values into financial practices increases accountability, strengthens social networks, and encourages business sustainability. In Serang City, local culture encourages capital collaboration and joint decision-making, making financial management not only technical but also social and participatory. These cultural values serve as the foundation for informal mechanisms that enable MSMEs to manage risk, build trust among members, and maintain financial stability despite limited resources.

4. Financial Control Strategy

Financial control strategies in traditional businesses in Serang City include separating personal and business cash, maintaining daily records, and maintaining monthly evaluations. This consistent yet straightforward strategy allows business owners to monitor cash flow, evaluate expenses, and make timely financial decisions. These findings align with Putri, Harahap, Sugiarti, and Efendi (2023), who emphasized that simple control strategies can improve the operational efficiency of MSMEs. Furthermore, implementing these strategies, combined with local cultural values, such as deliberation and capital collaboration, strengthens transparency, prevents conflict,

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and facilitates informal reporting to group or community members. The study's findings suggest that financial control need not be complex; simple, consistent mechanisms are sufficient to support business sustainability. This strategy enables business owners to balance personal and business needs, maintain liquidity, and minimize the risk of capital leakage within the unique local cultural context.

CONCLUSION

Based on the research results, financial management in traditional businesses in Serang City, Banten, is significantly influenced by local cultural values. The financial literacy of business owners varies, ranging from basic accounting skills to simple cash bookkeeping. However, all informants implemented adaptive cash bookkeeping mechanisms to manage capital effectively. Indicates that financial literacy is determined not only by formal education but also by local cultural experiences and practices that guide business owners in making financial decisions.

While informal, financial management practices are consistently implemented through daily cash recording, simple budget planning, and monthly evaluations. The integration of local cultural values, such as deliberation, cooperation, and mutual trust, facilitates capital collaboration, shared decision-making, and social accountability. This local culture enables participatory and adaptive financial management, supporting business sustainability within the local social and economic context.

The implemented financial control strategies include separating personal and business cash, daily recordkeeping, and monthly evaluations. These simple mechanisms, when combined with local cultural values, increase transparency, prevent conflict, and facilitate informal reporting. Thus, this study confirms that managing traditional business finances need not be complex; a combination of financial literacy, simple practices, and local cultural wisdom is sufficient to sustain the sustainability, efficiency, and financial stability of traditional businesses in Serang City.

ACKNOWLEDGMENTS

The researchers would like to express their deepest gratitude to all parties who supported the completion of this research. Special thanks go to the traditional business owners in Serang City who shared their time, experiences, and valuable information. We also extend our gratitude to our supervisors, colleagues, and all those who provided input, motivation, and assistance, ensuring the smooth running of this research and contributing to local culture-based financial management.

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