Analisis PESTEL Pada PT Bank Mandiri (Persero) Tbk

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ABSTRACT

Currently, the banking industry in Indonesia is facing a global economic turmoil that has yet to subside. The purpose of this research is to produce a profile of threats and opportunities for PT Bank Mandiri (Persero) Tbk by using PESTEL analysis. The PESTEL model provides information consisting of political, economic, social and cultural, technological, environmental, and legal factors. Through the application of this analysis, it is recommended that a number of decisions be made by PT Bank Mandiri (Persero) Tbk to optimize its financial performance. The research method used is a combination of meta-analysis and case studies by collecting secondary data from sources related to problems in the banking industry. Furthermore, an analysis of these sources is carried out to show the intensity of research that has been carried out in various countries and industries, especially those that have the potential to show threats and opportunities. This research is expected to assist companies in predicting external opportunities and threats in the future so that companies have strong competitive abilities and can survive in the banking industry.

PENDAHULUAN

Over the last decade, the banking industry in Indonesia has experienced extraordinary disruption, typified by the COVID-19 pandemic and the worldwide turmoil of Russia-Ukraine geopolitical tensions, which have systematically impacted many countries and industries, including the banking industry (Bank Indonesia, 2023). Moreover, the banking industry faces a rising US interest rate (Fed Funds rate) that is expected to last until early 2023, with a longer cycle expected to affect the depreciation of exchange rates in various nations (Bank Indonesia, 2022). In

general, an increase in interest rates affects the bank's cash flow to decrease (Maria et al., 2017). It also increases interest rates, lowers investment incentives, undermines manufacturing, and can eventually delay economic recovery (Craig & Millington, 2017).

The situation in the banking industry got intensified when geopolitical tensions between Russia-Ukraine impacted inflation in several countries (Bank Indonesia, 2022). Russia's invasion of Ukraine will impact the global economy, causing inflationary pressures and significant supply chain disruptions (Bakrie et al., 2022). The world is still facing the Scarring Effect due to the COVID-19 pandemic, which harms the economy (Hutagaol et al., 2022). However, COVID-19 has changed the pattern of transaction activities in society owing to the world's downturn caused by COVID-19 (Bank Indonesia, 2022).

In the banking and financial services industries, digital technology is both a trend and an essential topic of concern (Khuan, 2022). Digital transformation in the financial sector is also like a double-edged sword. According to Liputan6.com, in addition to the benefits of easing the transaction process, the Financial Services Authority (OJK) believes that digitization raises the likelihood of cyber assaults by 86.70%. The potential leakage or misuse of data may pose risks that include operational risk, reputational risk, strategic risk, and legal risk (Abubakar & Handayani, 2022). Banks must also be aware that merely intensifying digital transformation initiatives without corresponding upgrades to technological infrastructure may not result in increased profitability (Nguyen-Thi-Huong et al., 2023). As stated by Doski et al. (2013), numerous banks have been harmed by hacking attempts by individuals (hackers) and have lost millions of dollars, affecting the banks' image and reputation. A report from IBM security stated that the financial services sector was among the top three sectors, besides the health and energy sectors, that suffered losses because of data leaks, which amounted to US $5.85 million (Abubakar & Handayani, 2022). The digital era, ingrained in Indonesian people's lifestyle, particularly in the banking business, must be treated appropriately by financial service institutions to tackle digital banking advances (Maulidya & Afifah, 2021).

Furthermore, the uncertainty of the interest rate rise, the Russia-Ukraine conflict, the post-COVID-19 recovery, and the transformation of the banking industry towards digitalization have required domestic banks to measure the impact. For example, PT Bank Mandiri (Persero) Tbk will increase the process of reviewing business development and finance, particularly concerning prospective debtors' business exposure to Russia and Ukraine (Emelia et al., 2022). Bank Mandiri also recognized the rapid expansion of fintech and digital banks and diversified and changing consumer needs as the top challenges for 2022 (Annual Report PT Bank Mandiri (Persero) Tbk, 2022). Research by Thakor (2020) shows that the fintech opportunity appears to be the biggest in financially developed countries, where banks earn greater rents due to weaker interbank competition.

Forbes published the World's Best Bank 2022 list. Indonesia is one of the 27 countries on the list. Bank Central Asia (BCA) was named the best bank in Indonesia, followed by DBS Bank in second place and Bank Mandiri in third place. The rankings are based on a poll of over 45,000 consumers worldwide in 14 languages, considering general satisfaction and other critical benchmarks such as trust, cost, digital services, and financial advice (Forbes, 2022). The ranking

from Forbes shows that Bank Mandiri, as a government-owned company, has strong competitiveness compared to other privately-owned companies. PT Bank Mandiri itself has banking competitors, as shown in Figure 1.
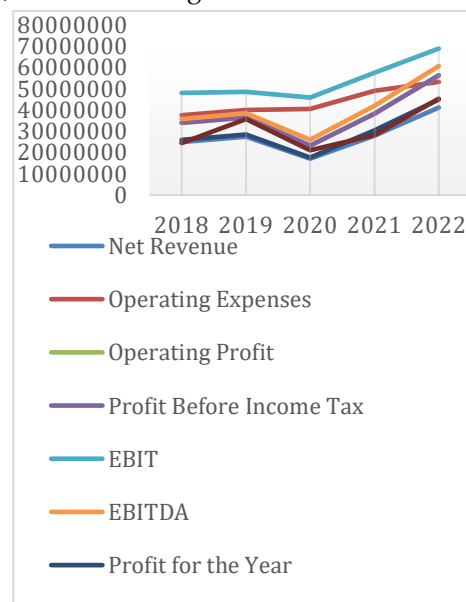

Figure 1 Financial Profiles of PT Bank Mandiri (Persero) Tbk 2018-2022

Table 1 Financial performance PT Bank Mandiri (Persero) Tbk 2018-2022

Description	%	Nominal	2022	2021	2020	2019	2018
Net Revenue	46.89%	13,142,482	41,170,637	28,028,155	17,119,253	27,482,133	25,015,021
Operating Expenses	8.38%	4,119,891	53,260,058	49,140,167	40,646,791	40,076,167	37,566,139
Operating Profit	46.12%	17,727,886	56,168,089	38,440,203	23,176,303	36,451,514	33,905,797
Profit Before Income Tax	46.98%	18,019,305	56,377,726	38,358,421	23,298,041	36,441,440	33,943,369
EBIT	27.35%	16,552,688	77,074,759	60,522,071	53,584,658	67,552,883	51,384,959
EBITDA Margin (%)	2%	(0,03)	1,47	1,50	1,52	1,40	1,43
Profit for the Year	47.14%	14,401,271	44,952,368	30,551,097	17,645,624	28,455,592	25,851,937
Total Comprehensive Income for the Year	60.12%	17,026,621	45,346,542	28,319,921	21,072,455	35,666,668	24,535,188

Source: Processed data (2023)

Figure 1 and Table 1 show that income from operating activities (operating profit) for 2018-2022 tended to increase but experienced a significant decrease in 2020. Profit in 2018-2022 also experienced fluctuations with an increasing tendency. The considerable decline in the

company's profit in 2020 was 38%. It was caused by the high composition of operating expenses (operating expenses) compared to operating profit during the COVID period -19, so in the end, it affected the company's total profit or loss. From these data, Bank Mandiri has started to experience an increase in income again in 2021. This increase continues to date. Although Bank Mandiri has shown positive performance until 2022; in 2023, the IMF published bad news for the world economy, namely cutting global economic growth projections to 2.9% in 2023 (Hutagaol et al., 2022). The IMF speculates that the global deceleration will still overshadow Indonesia's economic growth rate in 2023 (CNBC Indonesia, 2023).

This research analyzes the external environment using the PESTEL model through a PT Bank Mandiri (Persero) Tbk case study based on the above phenomena. Previous research using PESTEL analysis has been reviewed, shown in Table 2. It is found that no previous research has examined the threat factors in the banking industry in 2023. It becomes the gap that this research tries to fill. For this reason, this research aims to produce a profile of threats and opportunities for PT Bank Mandiri (Persero) Tbk so that the company can increase its competitiveness advantage.

Table 2 Previous research with PESTEL analysis in banking and financial industry

No	Author(s), year	Researched industry	Results
1.	Aditira & Anggoro, 2023	banking industry	The findings of this study take into account the difficulties in encouraging emissions trading as well as the involvement of financial institutions in doing so. This study illustrated the complex and linked aspects that affect the adoption and advancement of blockchain technology in Indonesia. Overall, the future of blockchain technology in Indonesia is still uncertain.
2	Yang et al., 2023	financial services industry	According to this study, the COVID-19 pandemic significantly decreased the value of companies. FinTech applications can also lessen the harm that the COVID-19 pandemic does to a company's worth.
3	Hebbar & K, 2022	banking industry	This study examines the foundations and significance of cooperative banks using PESTEL analysis. The results of this study enable us to make suggestions for steady yields, company policies, and operational procedures.
4	Berko et al., 2022a	banking industry	The competition for banks in Ghana was made worse by the rise of international banks in the country's banking sector, spurred on by rivalry among local firms.
5	Faccia & Cavaliere, 2021	banking industry	The PESTEL analysis used in this study revealed that Widiba Bank outperformed its rivals during the four years under consideration, especially in growth. This study aids in pinpointing the crucial success elements for fiercely competitive organizations with a technology focus.
6	Pu et al., 2021	financial services industry	The FinTech industry in Lithuania is just starting to realize its full potential, which means that funding is available to support the anticipated enormous expansion.
7	Thakor, 2020	banking industry	Fintech opportunities are vast in financially developing countries as banks earn higher rents (due to lower interbank competition).
8	Werth et al., 2020	financial services industry	Political factors are essential catalysts for digital transformation in the banking and insurance industries. The insurance industry is experiencing favorable economic conditions despite regulatory and competitive constraints. Union representatives, however, expressed a more negative outlook, predicting that job losses would result from the

			economic crisis. However, the banking industry suffers from the need for firms to stray from their established models and develop new ways to serve clients. Digital change in the banking and insurance industries, particularly in banking, is significantly influenced by social issues.
9	Tan et al., 2017	banking industry	Many national and non-governmental organizations demand financial institutions adopt more socially and ecologically responsible lending practices. Stakeholders are a key influence in Maybank's decision to include sustainability in banking operations. Employees are typically the source of internal driving factors, but pressure from customers, the government, rival businesses, NGOs, and the community are the source of external driving forces. Maybank's sustainable banking agenda, vision, and mission statements are the primary sources of inspiration.
10	Doski et al., 2013	Banking industry	Changes in government politics that occurred caused many citizens to suffer with the loss of human rights and public services and caused business transactions and state finances to decline drastically.

After conducting a meta-analysis of previous studies that utilized PESTEL analysis revealed that research using PESTEL analysis was conducted in three distinct decades: from 2000 to 2010, from 2011 to 2020, and the most recent one from 2021 to 2023. A total of 154 previous studies employed PESTEL analysis across various industry sectors, including (1) Genetic Industry, (2) Extractive Industry, (3) Manufacturing Industry, and (4) Service Industry.

Furthermore, this study applies extensive review using meta-analysis to examine the research using PESTEL analysis that has been conducted in various countries, including Asian countries such as Indonesia, Japan, Saudi Arabia, Malaysia, the Philippines, China, Bangladesh, Korea, Afghanistan, Iran, India, Pakistan, Singapore, Vietnam, and Papua New Guinea. Additionally, studies were conducted in European countries such as France, the Czech Republic, the United Kingdom, Serbia, Turkey, Scotland, Russia, Spain, Italy, Germany, Poland, Bulgaria, Ukraine, Andalusia, Slovakia, New Zealand, Croatia, Azerbaijan, Czech Republic, Latvia, Belgium, and Greece. Moreover, research was carried out in African countries, it is Mozambique, Colombia, Malawi, Ghana, Rwanda, West Africa, and South Africa. And, studies were conducted in American countries, including the United States of America, Canada, Mexico, North America, and Brazil. Lastly, research was also conducted in Australia.

Table 3 Previous Research With PESTEL Analysis on The Industrial Sector in 3 Decades

Decade	Industry Sectors	Authors
2000-2010	**Manufacturing Industry** (food and beverage, processing, and clothing)	Pike & Melewar; Murphy & Landamore
2011-2020		Tan et. al; Sin et. al; Jiang et. al; Ansah et. al; Ulubeyli & Kazanci; Chavez & Sharma; Jha & Sekhar; Aguirre et. al; Mishra et. al; Ranjbari et. al; Weir & Mickovski
2021-2023		Assylbekov, et. al; Casañ et. al; Vardopoulos et. al; Thomson et. al; Dalirazar & Sabzi; González-Aleu et. al; Khare et. al; Ilyas et. al; Oishy & Ahmed; Weaver et. al; Tran et.al
2000-2010	**Services Industry** (Health and medical care, education and training, tourism and hospitality, retail & e-commerce, construction and buildings, transportation and logistics, film and entertainment, finance, and history)	Swadling; Forbes et. al; Kralj; Kocmanová et. Al
2011-2020		Zhang et. al; Balakrishnan et.al; Srdjevic et. al; Maliki et. al; Wu et. al; Sahoo; Godwin; Camillo et.al; Boyd; Moro; Sarwar et. al; Bees & Williams; Mytilinou et. al; Mauree & Geneletti; Fozer et. al; Cincalova; Tan et. al; Coo; Gheibi et. al; Mukhtar et. al; Fam et. al; Ifetayo et. al; Christodoulou & Cullinane; Zahari & Romli; Nandone; Eigner et. al; Mataruna-Dos-Santos et. al; Widhiyaningrum et. al; Widodo et.al; Christodoulou & Cullinane; Syahchari & Maulana; Pourmohammadi et. al; Sergienko et. al; Serfointein &Govender; Romanova et. Al
2021-2023		Debnath et. al; Khan et. al; Yuniati & Jayadi; Abikova & Piotrowicz; Ricci et. al; Deák et. al; Guno et. al; Saudi et. al; Dondokambrey et. al; Štrangfeldová & Mališová; De val et.al; Hartlieb et. al; Zhou et. al; Černá et. al; Kanli et. al; Mital, et. al; Patel & Sinha; Flegr; Allen et. al; Kumar & Mehta; Medne et. al; Morita et.al; Vivek et. al; Tupala; Ramabulana & Maluleke; Sarpa et.al; Foo et. al; Wilson et. al; Dey et. al; Heijer & Coppens; Rikke & Andersen; Varughese et. al; Escobar; Sanny et. al; Tirpáková et. al; Kafeel et. Al
2011-2020	**Genetics Industry** (agriculture and plantation, environment and conservation)	Williams & Figueiredo; Nazari et.al; Mihailova
2021-2023		Parra-López et. al; de la Cruz et al; Rianawati, et. al; Ball; Sakrabani et. al; Maknea et. Al
2011-2020	**Extractives Industry** (energy and	Hussain; Chanda; Zalangera et. al; Parra-López et. al; de Andreas et. al; Islam & Mamun; Ahmadzai & McKinna; Racz et. al; Kordana; Yudha et. al; Achinas et. al; Muntoha & Sudiarno;

natural resources)	Yudha & Tjajono; Koshesh & Jafari; Kordana et. al; Kordana & Słyś; Kanyarusoke; Sinha et. al; Du Plooy & Buys; Tartoor et. Al
2021-2023	Burkynskyi et. al; Hudaya & Huda; Motjoadi et.al; Demirtas et. al; Capobianco et. al; Agyekum et. al; Thomas et.al; Sari et. al; Andriuškevičius & Štreimikienė; Ketuama et. al; Haniffa et. al; Mukelabai et. al; Zoričić et. al; Cholewa et. al; Zafeiriou et. al; Nyarko et. al; Sabale et.al; Sabale et.al; Beckett et. al; Ahmadinia et. al; Soares et. al; Tiwari et. al.

METODE PENELITIAN

Case study research is used in this qualitative study. The data collection process involves searching and examining information about PT Bank Mandiri (Persero) Tbk from data sources related to the issue of threats in the banking industry. Annual reports, financial reports, and earlier research are the data sources used in the qualitative analysis. Instead of comparing the outcomes of various therapies, qualitative research can describe in depth what is happening (Fadli, 2021).

In this investigation, PESTEL analysis was employed. PESTEL analysis, which Aguilar (1967) first introduced, can be used to consider external influences and assess their effects on the business. Political, Economic, Social, and Technological elements of the macro environment, or PESTEL, are divided into these categories (Rufaidah, 2013). The results of the PESTEL analysis are then processed and evaluated using the SWOT analysis matrix table referred to by (Aguilar, 1967; Rufaidah, 2013), which resulted in the EFAS (External Strategic Factor Analysis Summary).

HASIL DAN PEMBAHASAN
Political factors

Geopolitical tensions worldwide have led the global economy to deteriorate again, increasing the potential for a recession and high inflation (Bank Indonesia, 2022). The prolonged conflict between Russia and Ukraine has disrupted commodity supply chains and caused energy and food crises in other parts of the world, worsening global geopolitical issues (Otoritas Jasa Keuangan, 2023).

The geopolitical tensions highlighted in the research signify a global risk that can reverberate across economies. As nations grapple with uncertainties stemming from geopolitical conflicts, the potential for economic downturns and inflationary pressures becomes more pronounced. The specific reference to the Russia-Ukraine conflict underlines the far-reaching consequences of regional conflicts, disrupting commodity supply chains and triggering crises in essential sectors like energy and food. This underscores the intricate interdependencies within

the global economy and the importance for financial institutions to monitor and manage geopolitical risks effectively.

Economic factors

Bank Indonesia decided to increase the BI 7 Days Repo Rate (BI7DRR) to control inflation and stabilize the rupiah exchange rate amid an increase in the US dollar and significant volatility in global financial markets. Furthermore, the "cash is king" tendency coincided with global investors' perception pushing investors to withdraw funds from emerging nations, like Indonesia, into liquid investments and cash equivalents (Bank Indonesia, 2022). Regarding the impact of Gross Domestic Product (GDP) on bank performance across the business cycle, the quality of the lending portfolio deteriorates when the economy grows slowly (recession). It leads to credit losses, lowering bank profitability (Phan et al., 2020).

The decision by Bank Indonesia to increase the BI 7 Days Repo Rate is a strategic move to address inflation concerns and stabilize the national currency, reflecting the challenges posed by external factors such as the volatility of the U.S. dollar and global financial market fluctuations. The research also emphasizes the impact of the "cash is king" phenomenon, indicating that during times of uncertainty, investors tend to retreat to more liquid assets, affecting emerging markets like Indonesia. The cyclical nature of the economy, particularly the relationship between economic slowdowns and the quality of lending portfolios, highlights the intricate connection between macroeconomic conditions and the banking sector's performance.

Social factors

With Bank Indonesia's acceleration of payment method digitization, digital economic and financial transactions will continue to grow fast, and so will the public's acceptance and preference for online purchasing and digital banking advancement (Bank Indonesia, 2022).

Better service quality, service diversity, and ease of access drive the increased public acceptance, preference, and trust in Financial Technology (FinTech) companies over traditional institutions (Thakor, 2020). According to Anand and Mantrala (in Pu et al., 2021), consumer trust in traditional institutions has started to decline due to excessive pricing, service delays, a lack of transparency, a lack of outstanding user experience, the inconvenience of mobile applications, poor customer service, and the credit crisis.

The rapid acceleration of payment method digitization by Bank Indonesia aligns with broader global trends towards a digital economy. This shift not only reflects technological advancements but also indicates changing consumer preferences and behavior. The research underscores that enhanced service quality, diversity, and ease of access are pivotal factors driving the increasing acceptance of digital financial transactions. Additionally, the diminishing trust in traditional financial institutions, as outlined in the research, underscores the importance of these institutions adapting to evolving consumer expectations to maintain their relevance in the digital age.

Technological factors

According to KPMG (in Otoritas Jasa Keuangan, 2022), the banking sector will face dynamic changes in the future, driven by four aspects: data, business models, banking regulations, and information technology adoption. Disruptive technologies related to this include

Artificial Intelligence, Machine Learning, Blockchain, Biometrics, Cloud Computing, the Internet of Things (IoT), Virtual Reality, and Quantum Computing (Otoritas Jasa Keuangan, 2022).

Technology development raises privacy and security issues (Pu et al., 2021). Cyber attacks in finance are 300 times more common than in other industries. According to Degerli (2019), personal data breaches have recently become public, causing losses evaluated not only in financial terms but also in reputational damage. Monitoring and reporting transactions for an unusual activity will require more operational resources and software, significantly increasing the company's operating costs.

Based on data published by Badan Siber dan Sandi Negara (BSSN) in 2022, the most common cyberattack is ransomware or malware that demands a ransom (Laporan Bulanan Publik Hasil Monitoring Keamanan Siber, 2022). Increased competition and technological advancements push traditional financial institutions to upgrade their systems. The banking industry will be forced to invest significantly in innovative technologies (banks already incorporate cloud computing and blockchain) (Anagnostopoulos, 2018).

The anticipated dynamic changes in the banking sector, driven by technological advancements, underscore the need for financial institutions to embrace innovation. The listed disruptive technologies, including Artificial Intelligence, Machine Learning, Blockchain, and others, have the potential to reshape the industry landscape. However, the research also highlights the dual-edged nature of technology, bringing attention to the increased privacy and security concerns, especially in the context of the rising frequency of cyber attacks in the finance sector. The imperative for banks to invest significantly in cutting-edge technologies, while simultaneously addressing security challenges, poses a formidable challenge that requires careful strategic planning.

Environmental factors

Although the banking industry has no direct impact on the environment, there are several indirect environmental effects related to the banking industry (Annual Report PT. Bank Mandiri (Persero) Tbk, 2022). The concept of green banking is becoming very common in the world to protect the earth from harmful practices carried out by humans, as well as demonstrate environmentally friendly practices and reduce the carbon footprint of banking activities (Aldeen et al., 2020).

Taslima et al. (in Aldeen et al., 2020) stated that green banking is an image of corporate social responsibility to keep the world livable without causing harm. Governments protect the environment by establishing various laws, which can be stronger than before, putting pressure on corporations. If an organization fails to comply with these standards, it will have a bad reputation (Berko et al., 2022).

Based on these results, although the banking industry may not have a direct impact on the environment, the research underscores the growing importance of considering environmental implications. The concept of green banking, as discussed, aligns with broader global initiatives promoting sustainability. Banks are increasingly being viewed as contributors to environmental responsibility, and failure to adhere to evolving environmental standards can result in reputational damage. This signals the need for financial institutions to integrate environmental

considerations into their operational frameworks and engage in sustainable practices to align with societal expectations and regulatory requirements.

Legal factors

To support national economic recovery initiatives, the government published laws and regulations aimed at encouraging economic growth. Consequently, Bank Mandiri must consider its economic activities that can be incentivized (*Annual Report PT. Bank Mandiri (Persero) Tbk*, 2022). As Anagnostopoulos (2018) stated, the banking industry often lacks innovation because of its stable market position or complex government regulations. For example, Undang-Undang No. 27 Tahun 2022 on Personal Data Protection ("UU PDP") obliges the bank to adjust its business processes, primarily related to processing, using, protecting, and destroying personal data. For this reason, PT Bank Mandiri (Persero) Tbk must prepare information technology systems and infrastructure to ensure that the bank's operations comply with the provisions of the UU PDP (Annual Report PT. Bank Mandiri (Persero) Tbk, 2022).

The legal framework within which banks operate plays a pivotal role in shaping their strategies and operations. The research points out that government laws and regulations are not only aimed at supporting economic recovery initiatives but also at incentivizing specific economic activities. The mention of Undang-Undang No. 27 Tahun 2022 on Personal Data Protection highlights the evolving legal landscape that banks must navigate. Compliance with such regulations necessitates adjustments in business processes, particularly in the realm of information technology systems. This legal dimension introduces both challenges and opportunities for banks, emphasizing the need for adaptability and strategic alignment with evolving regulatory frameworks.

In conclusion, the discussion section provides a nuanced analysis of the research results, offering insights into the multifaceted challenges and opportunities that the banking industry faces across political, economic, social, technological, environmental, and legal dimensions. It underscores the imperative for financial institutions to adopt a holistic and adaptive approach, balancing innovation with risk management, to thrive in an ever-evolving global landscape.

Table 2 EFAS *(External Factor Analysis Summary)*

Opportunity	Weight	Rating	Score
Government strategic policies that are accommodative, effective, and relevant to the needs of the community	0.07	4	0.28
The rupiah exchange rate in 2022 remains in relatively good condition	0.07	3	0.21
The rapid development of digital banks	0.14	5	0.7
Bank Indonesia continues to accelerate payment system digitization	0.13	5	0.65
New market variations, segments, and trends	0.05	4	0.2
Personal data protection regulations	0.08	5	0.4
Total Score	0.54		2.44
Threat			
Global geopolitical tensions (ongoing war between Russia & Ukraine)	0.05	2	0.1
Increase in BI 7 Days Repo Rate (BI7DRR)	0.11	4	0.44
The shift in people's behavior that is increasingly digital minded	0.11	5	0.55
Green Banking	0.04	1	0.04
Government regulations (PBI No. 24/5/ PBI/2022, PADG No. 24/4/ PADG/2022, dan PADG No. 24/12/ PADG/2022)	0.08	4	0.32
Cybersecurity issues and disruptive technologies	0.07	3	0.21
Total Score	0.46		1.66
Total Score (Opportunities and Threats)	1		4.1

Source: processed data (2023)

EFAS table summarizes the analysis of external factors (opportunities and threats). Based on potential influence on the company's current strategic position, each component is given a weight ranging from 1.0 (most essential) to 0.0 (least essential). Therefore, a factor with a high weight reflects how crucial it is to the company's current and future performance. The total weight of all factors is 1 (one). Additionally, each component will be scored from 5 (excellent) to 1 (poor) based on the company's present reaction to that specific factor. The rating descriptions are 5 for outstanding; 4 for above average; 3 for average; 2 for below average; and 1 for low (Doski et al., 2013). The score is then obtained by multiplying the weights of the factors and respective ratings. The final step is to sum them to get a weighted total score. According to the EFAS table, Bank Mandiri has a decent weighted score (4.1). In other words, Bank Mandiri can effectively adapt to strategic external circumstances.

SIMPULAN

According to the PESTEL analysis, PT Bank Mandiri (Persero) Tbk still needs to consider several threats to survive the global crisis, including political factors affecting the global economy. These political factors can cause recession and inflation triggered by Russia-Ukraine geopolitical tensions. Second, regarding economic issues, an increase in US interest rates might affect Bank Mandiri since it reduces the number of cash flows in banks. Third, there is a change in lifestyle in Indonesian society that has transformed into the digitalization era.

People are now more tech-savvy and prefer to make transactions online. As a result, Bank Mandiri must innovate digital banking to assist its customers in the transaction process. Fourth, regarding environmental factors, Bank Mandiri should examine the concept of green banking, attempting to protect the earth from harmful behaviors. Failure to comply with this standard will influence the company's reputation. Fifth, regarding technological issues, client data security is still an issue that Bank Mandiri must address because the banking sector is still vulnerable. Finally, concerning legal factors, the government changes regulations for economic recovery, and these regulations impact PT Bank Mandiri (Persero) Tbk. Thus, Bank Mandiri needs to pay attention to the economic activities that can be incentivized.

Considering the dynamics of those global and national parameters, this study suggests that PT Bank Mandiri (Persero) Tbk continues to strengthen the growth and improve business synergies with all subsidiaries by considering potential risks and prioritizing Good Corporate Governance (GCG) at every stage of the operations.

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