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FINANCIAL SELF-EFFICACY MEDIATES THE INFLUENCE OF FINANCIAL LITERATURE AND ATTITUDE ON FINANCIAL MANAGEMENT BEHAVIOR

by
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ABSTRACT

The purpose of this study is for knowing the influence of literacy finance and attitude finance on managing finance and what self-efficacy is capable to moderate the influence of literacy finance and attitude finance on management finance. The researcher is interested in studying about behavior management finance personal to students Major Accountancy Warmadewa University's Faculty of Economics and Business Class year 2019. Ideally, Warmadewa University student Class of 2019 has been getting many subjects about accountancy finance nor management finance and already experienced manage finance during studying so that can be a fundamental knowledge to increase their behavior management finance wisely. The research population is 504 people. The researchers use the Slovin formula because in the withdrawal sample, quantity must be representative so that the results study could be generalized and the calculations are not needed table amount sample, however, could be conducted with formulas and simple calculations so that the amount sample of 100 people. Data collection in This study uses a research instrument in the form of a questionnaire. This research uses the Partial Least Square (PLS) analysis method. This result shows that literacy finance and attitude finance did not take an effect on financial management behavior. Furthermore, financial self-efficacy take positive effect and significant on financial management behavior, literacy finance takes an positive effect and significant on financial self-efficacy, while attitude finance did not take an effect on financial self-efficacy. The results also show that financial self-efficacy is able to mediate the effect of financial literacy on financial management behavior, but financial self-efficacy is not able to mediate the effect of financial attitudes on financial management behavor.

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1. INTRODUCTION

In this pandemic era, the financial aspect is an important thing for people all over the world to think about, including in Indonesia, because of the unstable economy since the pandemic in March 2020, this condition is predicted to continue with the spread of the third wave of the virus which is expected to occur in early 2022. With the pandemic, the impact given is very large, namely the number of layoffs of workers, reduction in employee operating hours, and the turnover obtained from several companies to small traders has decreased, which has an impact on family income (Tatik, 2021). Thus, people are forced to manage their finances as best they can to survive in the midst of a pandemic emergency, Sundarasen et al. (2016) explain the importance of someone having a financial understanding to help financial management in order to minimize the occurrence of unwanted events such as being in debt. Yep et al. (2018) also said that by implementing good financial planning and balancing with financial knowledge, the expected wishes will be realized while preventing problems. This means that the strategy of financial understanding and financial management is one of the efforts to achieve financial prosperity. Financial management itself is the control and financial plan of each individual (Dyah, 2021), according to Yuesti et al. (2020)

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said that in 2020 the level of consumption and people's lifestyles will increase more when they have money than saving behavior, moreover, almost all aspects are experiencing rapid development, such as fashion in clothing, technology, vehicles, and property. This means that with the existence of a pandemic that cannot be predicted when it will stop, therefore the community should be able to manage finances as well as possible to prevent unexpected events.

Young people are included in one of the right targets for financial education because they are considered more able to be directed and disciplined. However, several studies also exist which show that there is no significant difference between students who have taken financial management lessons and those who have never received such instruction. This is due to the unpreparedness of these young people or students in the practice of managing finances because their finances still come from free sources, such as parents. Therefore, wise and appropriate personal financial management must start as early as possible, starting at a young age because it is one of the important forces in Indonesia's demographic composition.

In recent years, the practice of financial management in young people has received serious attention from various organizations such as the government, financial institutions, universities, and so on (Mien and Thao, 2015). Students are one of the components of society with a fairly large number which of course will contribute and have a major influence on the economy in a country. However, they often enter the world of college without having responsibility for the resources and careful management of their own personal finances (Borden et al., 2008). In addition, in line with the progress of science and technology, which continuously increases, the development of higher human needs can trigger financial problems.

Financial management behavior in everyday life cannot be separated from the existence of financial literacy, where the higher a person's level of financial literacy, the better the person's financial management behavior (Laily, 2013). Lack of knowledge about finance will result in losses that will be experienced by the individual himself. Sohn et al. (2012) define financial literacy as knowledge and skills that are important to overcome financial challenges and decisions in everyday life. The community will be able to deal with financial situations and transactions experienced in daily life by having financial literacy. The results of Chen & Volpe's (1998) research show that students with low levels of financial literacy are more likely to choose the wrong financial decisions compared to students who have higher levels of financial literacy.

Financial attitude itself is the influence of routine in how an individual does or deals with good or bad finances from the point of view of oneself and others (Yap et al., 2018). This is in accordance with research from Ameliawati & Setiyani (2018) which results that financial attitudes have a positive and significant effect on financial management behavior, in contrast to the results of research from Sri Mulyati & Ravika Permata Hati (2021) which results that there is no partial influence between attitudes finance on financial management.

2. LITERATURE REVIEW

Theory Behavior Planned (Theory of Planned Behavior)

The theory of planned behavior (TPB) or also known as the theory of planned behavior is a development of the theory of reasoned action (TRA). TRA, also known as the theory of reasoned behavior, was first developed by Ajzen and Fishbein in 1980. According to the theory of reasoned action (TRA), the decision to perform a certain behavior is the result of a rational process. Several behavioral options are considered and the results are assessed, then a decision is made to do or not to do something (intentions). The intention to perform a behavior is determined by two basic determinants, namely self-determination and social influence. Self-determinants are attitudes towards behavior and social influence determinants are subjective norms.

The theory of planned behavior explains how certain behaviors can be predicted through the determinants of that behavior (Dharmmesta, 1998). The theory of planned behavior refers to the theory that states that behavior is a function of salient information or beliefs about the behavior. People can have various kinds of beliefs about behavior, but when faced with a particular event, only a few of these beliefs arise to influence behavior.

The theoretical approach used to explain financial management behavior in this study is the theory of planned behavior (TPB). The theory of planned behavior is considered important in predicting behavior; in this study is financial management behavior. Based on this theory, behavior is influenced by the environment, where the environment referred to in this study is income. Then the subjective norm in this study is financial education in the family.

Hypothesis

H1: Financial literacy affects financial management behavior.
H2: Financial attitude affects financial management behavior.
H3: Financial self-efficacy has an effect on financial management behavior.
H4: Financial literacy affects financial self-efficacy.

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H5: Attitude affects financial self-efficacy.
H6: Financial Self-Efficacy mediates the effect of Financial Literacy on Financial Management Behavior
H7: Financial Self-efficacy mediates the effect of financial attitudes on Financial Management Behavior

3. RESEARCH METHOD

The population of this research is active students majoring in accounting, Faculty of Economics and Business, University of Warmadewa Batch 2019 because students have taken financial accounting and financial management courses with a total of 504 people. The researcher uses the Slovin formula because in sampling, the number must be representative so that the research results can be generalized and the calculations do not require a table of the number of samples, but can be done with simple formulas and calculations. The Slovin formula for determining the sample is as follows:

$$\text{n} = \frac{N}{1+(N.e^2)}$$

Description:
n = Total Sample
N = Total Population
E = 10% leeway for inaccuracy due to sampling error which is still tolerable or desirable.
The following is the sample calculation using the Slovin formula :

$$\text{n} = \frac{504}{1+(504 \times 0.1^2)}$$

n = 83.44 samples rounded up to 100 samples research .

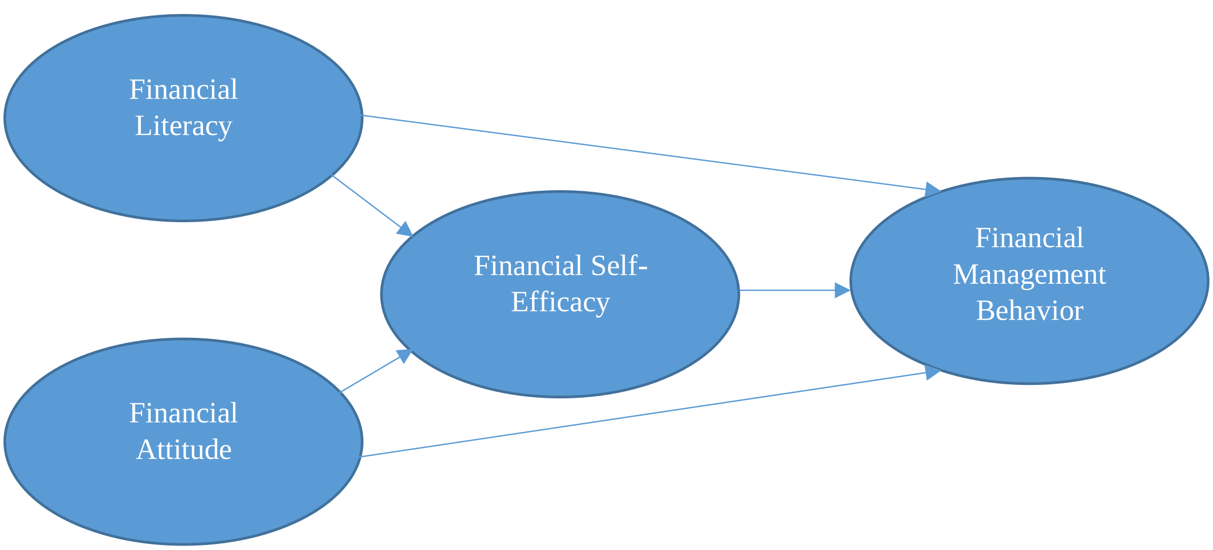
Data collection in this study used a research instrument in the form of a questionnaire. This study uses the Partial Least Squere (PLS) analysis method which is a structural equation model (SEM) with the use of the WarpPLS version 7 application, namely by testing a) Outer model includes convergent validity, discriminant validity, and reliability (Composite Reliability) b) Inner model used is the Goodness of Fit Mode, and c) Test the hypothesis.

4. RESULTS AND ANALYSIS

Hypothesis Test Results

Evaluation of the Outer Model (Outer Model)

As for the measurement model to test the validity and reliability, coefficient model determination and coefficient track for the equation model, can be seen in Figure 1 below:



The stages of analysis used are as follows.
1) Convergent Validity

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Convergent Validity is used to measure the magnitude of the correlation between constructs and latent variables by measuring the item value of the indicator score with the variable score calculated by PLS. The individual reflection size can be seen from the standardized loading factor value. The standardized loading factor describes the magnitude of the correlation between each measurement item or indicator and its construct.

Table 1
***Load factor* value**

	M	X1	X2	Y
M.1	0.880			
M.2	0.889			
M.3	0.871			
M.4	0.879			
M.5	0.888			
X1.1		0.898		
X1.2		0.903		
X1.3		0.885		
X1.4		0.918		
X1.5		0.880		
X2.1			0.843	
X2.10			0.867	
X2.11			0.862	
X2.12			0.856	
X2.13			0.862	
X2.2			0.841	
X2.3			0.891	
X2.4			0.895	
X2.5			0.864	
X2.6			0.868	
X2.7			0.847	
X2.8			0.879	
X2.9			0.838	
Y.1				0.912
Y.2				0.918
Y.3				0.917
Y.4				0.942
Y.5				0.878
Y.6				0.929
Y.7				0.905
Y.8				0.945

Source: Data processed, 2022

The loading factor value shown in Table 1 is already bigger from 0.7 to could be declared ideal which means the indicator said to be valid measures the construct.

2) Discriminant Validity

Discriminant Validity was evaluated through cross loading, then compared the average variance extracted (AVE) value with the square of the correlation value between constructs or by comparing the square root of AVE with the correlation between constructs.

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Table 2
***Discriminant Validity* Test Results**

Variable	**Average Variance Extracted (AVE)**	**Square root of average variance extracted (AVE)**
M	0.777	0.603
X1	0.804	0.647
X2	0.744	0.554
Y	0.844	0.712

Source: Data processed, 2022

The data in Table 2 shows the AVE measurement value is greater than 0.5 and the square root of the average variance extracted (AVE) value is greater than the AVE value. So it can be stated that the model has a good discriminant validity value.

The second way to find out the goodness of discriminant validity is to compare the cross-loading values.

Table 3
***Cross loading* value**

	M	**X1**	**X2**	**Y**
M.1	**0.880**	0.693	0.703	0.777
M.2	**0.889**	0.693	0.676	0.715
M.3	**0.871**	0.733	0.690	0.749
M.4	**0.879**	0.682	0.670	0.755
M.5	**0.888**	0.702	0.701	0.837
X1.1	0.738	**0.898**	0.721	0.739
X1.2	0.722	**0.903**	0.735	0.755
X1.3	0.716	**0.885**	0.695	0.684
X1.4	0.718	**0.918**	0.709	0.737
X1.5	0.667	**0.880**	0.652	0.660
X2.1	0.573	0.658	**0.843**	0.666
X2.10	0.678	0.656	**0.867**	0.725
X2.11	0.690	0.704	**0.862**	0.725
X2.12	0.688	0.649	**0.856**	0.696
X2.13	0.615	0.650	**0.862**	0.671
X2.2	0.674	0.641	**0.841**	0.679
X2.3	0.708	0.706	**0.891**	0.747
X2.4	0.679	0.694	**0.895**	0.774
X2.5	0.665	0.704	**0.864**	0.707
X2.6	0.669	0.726	**0.868**	0.758
X2.7	0.679	0.665	**0.847**	0.706
X2.8	0.739	0.655	**0.879**	0.770
X2.9	0.681	0.683	**0.838**	0.691
Y.1	0.842	0.749	0.763	**0.912**
Y.2	0.806	0.718	0.756	**0.918**
Y.3	0.818	0.724	0.757	**0.917**
Y.4	0.799	0.765	0.805	**0.942**
Y.5	0.771	0.681	0.722	**0.878**

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Y.6	0.805	0.744	0.768	**0.929**
Y.7	0.763	0.721	0.763	**0.905**
Y.8	0.797	0.763	0.779	**0.945**

Source: Data processed, 2022

The data in Table 3 shows that the cross-loading value of each variable indicator has a correlation coefficient that is greater than that of constructs from other blocks. This means that the model has good discriminant validity.

3) Composite reliability

Composite reliability is an indicator used in measuring a construct to measure the internal consistency of the measuring instrument. Reliability shows the accuracy, consistency, and accuracy of a measuring instrument in using measurements.

Table 4
***Composite reliability* value**

Variable	Cronbach's Alpha	Composite Reliability
M	0.928	0.946
X1	0.939	0.954
X2	0.971	0.974
Y	0.974	0.977

Source: Data processed, 2022

The data in Table 4 shows the value of Cronbach's alpha and composite reliability > 0.6. So it can be stated that the construct used is consistently used as a measuring tool.

Structural Model Evaluation (Inner Model)

1) Inner Model

The inner model is measured using several criteria, namely R^2 for endogenous latent variables.

Table 5
***R-square* value**

	R Square	Information
M	0.729	Enough Strong
Y	0.851	Strong

Source: Data processed, 2022

The results of the analysis of the R^2 value obtained from the calculation results show a diverse distribution. Table 5 presents the calculation results obtained by using the SmartPLS software version 3.6, namely the R^2 value. The result of the R^2 value of 0.729 for Financial Self-Efficacy is quite strong, and the R^2 value of 0.851 for Financial Management Behavior is quite strong.

2) The next inner model assessment is to measure the relevance of predictions (Q2).

$Q2 = 1 – [(1 – R1^2) (1 – R2^2)]$
$Q2 = 1 – [(1 – 0, 729) (1 – 0, 851)]$
$Q2 = 1 – 0.041$
$Q2 = 0.959$

Based on the calculation results, the Q2 value of 0.959 means that 95.9 percent of the variation of the Financial Management Behavior variable is expressed by variations in Financial Literacy, Financial Attitudes, Financial Education and Financial Self-Efficacy, while the remaining 4.1 percent of variations in factor value changes. Others that are not included in this research model.

3) Hypothesis test

Hypothesis testing is done by comparing the p-value with a significant level of 5 percent. If the p-value is lower than the 5 percent significant level, it means that the hypothesis is supported or accepted. The results of the calculation can be seen directly from the results of the path coefficient test.

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Table 6
Hypothesis Test Results Influence Direct

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
M -> Y	0.411	0.076	5,441	0.000
X1 -> M	0.298	0.144	2.070	0.039
X1 -> Y	0.016	0.087	0.180	0.857
X2 -> M	0.279	0.189	1,479	0.140
X2 -> Y	0.247	0.135	1,830	0.068

Source: Data processed, 2022

(1) The Effect of Financial Literacy on Financial Management Behavior
The resulting Original Sample (O) value is positive with a value of 0.857. T Statistics value is 0,180 with P Values 0,857. T Statistics values are less than 1.96 and P Values are greater than 0.05. These results indicate that financial literacy has no effect on financial management behavior.

(2) Financial Attitude Influences on Financial Management Behavior
The resulting Original Sample (O) value is positive with a value of 0.247. The T Statistics value is 1,830 with P Values of 0.068. T Statistics values are less than 1.96 and P Values are greater than 0.05. These results indicate that financial attitudes have no effect on financial management behavior.

(3) Effect of Financial Self-Efficacy on Financial Management Behavior
The resulting Original Sample (O) value is positive with a value of 0.411. The T Statistics value is 5, 441 with P Values of 0,000. T Statistics values are greater than 1.96 and P Values are less than 0.05. These results indicate that financial self-efficacy positive and significant effect on financial management behavior.

(4) The Effect of Financial Literacy on Financial Self-Efficacy
The resulting Original Sample (O) value is positive with a value of 0,298. T Statistics value is 2,070 with P Values 0,039. T Statistics values are greater than 1.96 and P Values are less than 0.05. These results indicate that financial literacy has a positive and significant effect on financial self-efficacy.

(5) The Effect of Financial Attitude on Financial Self-Efficacy
The resulting Original Sample (O) value is positive with a value of 0.279. T Statistics value is 1,479 with P Values 0,140. T Statistics values are less than 1.96 and P Values are greater than 0.05. These results indicate that financial attitudes have no effect on financial self-efficacy.

Table 7
Hypothesis Test Results Influence Not Direct

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
X2 -> M -> Y	0.115	0.081	1,421	0.156
X1 -> M -> Y	0.123	0.060	2.051	0.041

Source: Appendix 6, processed data (2022)

(1) The Effect of Financial Literacy on Financial Management Behavior through Financial Self-Efficacy
The resulting *Original Sample* (O) value is positive with a value of 0, 123. The value of *T Statistics* is 2.051 with *P* Values of 0.041. *T Statistics* values are greater than 1.96 and *P Values* are less than 0.05. These results indicate that financial self-efficacy was able to mediate the influence of financial literacy on financial management behavior.

(2) The Influence of Financial Attitude on Financial Management Behavior through Financial Self-Efficacy
The resulting *Original Sample* (O) value is positive with a value of 0.115. The *T Statistics* value is 1, 421 with *P Values* 0, 156. *T Statistics* values are less than 1.96 and *P Values* are greater than 0.05. These results indicate that financial self-efficacy is not able to mediate the effect of financial attitudes on financial management behavior.

CONCLUSION

1) The results of this study indicate that financial literacy has no effect on financial management behavior.

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2) The results of this study indicate that financial attitudes have no effect on financial management behavior.
3) The results of this study indicate that financial self-efficacy has a positive and significant effect on financial management behavior.
4) The results of this study indicate that financial literacy has a positive and significant effect on financial self-efficacy.
5) The results of this study indicate that financial attitudes have no effect on financial self-efficacy.
6) The results of this study indicate that financial self-efficacy is able to mediate the effect of financial literacy on financial management behavior.
7) The results of this study indicate that financial self-efficacy is not able to mediate the effect of financial attitudes on financial management behavior.

Suggestion

For further researchers who will research or develop similar research, the authors suggest conducting research by adding variations to the sample used.

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