Effect of Financial Attitudes, Financial Knowledge, Locus of Control, and Financial Self-Efficacy to Financial Management Behavior in Millennial Generation

Ervina Lukesi, Erna Reta Rahadjeng, Novita Ratna Satiti
Management Department, Universitas Muhammadiyah Malang, Indonesia
Corresponding E-mail: ervinalk@gmail.com

Abstract

This research aims to review the influence of financial attitude, financial knowledge, mission control, and financial self-efficacy in the millennial generations in Mojolangu. Included in this study as many as 100 respondents purposive sampling method. Sampling technical data to the analysis in this study using multiple linear regression. Based on test results obtained, financial knowledge of financial attitude, locus of control, and financial self-efficacy in partially significant and positive behavior on financial management. The Independent variable most dominant in contributing to the behavior of financial management is the attitude of financial variables.

Keywords: Financial Attitude, Financial Knowledge, Locus of Control, Financial Self-Efficacy, Financial Management Behavior

Abstrak

Penelitian ini bertujuan untuk mengkaji pengaruh financial attitude, financial knowledge, mission control, dan financial self-efficacy pada generasi milenial di Mojolangu. Termasuk dalam penelitian ini sebanyak 100 responden dengan metode purposive sampling. Teknik pengambilan sampel data untuk analisis dalam penelitian ini menggunakan regresi linier berganda. Berdasarkan hasil pengujian diperoleh hasil bahwah, pengetahuan keuangan tentang sikap keuangan, locus of control, dan self-efficacy keuangan secara parsial signifikan dan berperilaku positif terhadap pengelolaan keuangan. Variabel independen yang paling dominan berkontribusi terhadap perilaku pengelolaan keuangan adalah variabel sikap keuangan.

Kata kunci: *Sikap Keuangan, Pengetahuan Keuangan, Locus of Control, Self-Efficacy Keuangan, Perilaku Manajemen*

INTRODUCTION

Economic development in today's increasingly demanding man to manage his finances well and carefully. The increasing human needs, the attitude of consumerism, and lifestyle make someone needs

to control himself in the manage finances. Good financial management will help in controlling expenditure or allocation of funds from the money he received. The income and expenditure must be treated carefully for someone to gain the balance between the income he obtained what he remove, to obtain the welfare of both present and future.

Flows between income and expenditure of money are needed for management that can manage that balance is maintained. It is then necessary financial management behavior that that person has the awareness to plan, manage, search, save, and even budget expenditures. Such behavior will be achieved if a person knows about finance and its impact if you use the money without any calculation. The behavior of financial management is very important because each individual has different needs, such as setting up a pension, investment planning, insurance, credit, and saving. Such knowledge can be acquired through formal or non-formal education. Formal education can be through school, college, or join seminars. The behavior of financial management is an issue that is being widely discussed lately. This is because it relates to consumer behavior in Indonesian society. They tend to think short-term and shop only based on their desire because many people have sufficient income but are still experiencing financial problems. Such consumer behavior and surveyed much highlighted by several agencies, one of which is Snapcart Research Institute.

Table 1. Consumer Behavior

No.	Age group	Percentage
1.	The millennial generation (20-34 years)	50%
2.	Generation Z (15-19)	31%
3.	Generation X (35-44)	16%
4.	Baby Boomers (age 45 years and above)	2%

Source: *www.pressrelease.kontan.co.id*

The latest survey conducted by the research institute Snapcart in January 2018, revealed that Indonesian citizens shoppers and consume goods. This consumer behavior does not occur on spending only offline but online shopping is also in vogue Indonesian. Survey Snapcart in the table above mentions that the consumer behavior based online shopping is the millennial generation group whose age ranges between 20 years to 34 years. Research Snapchat is possible because the millennial generation better understands the use of today's technology. Goods that are far to be found, it is now much easier to get to shop in the marketplace. The consumptive millennial generation is arguably a generation that utilizes the virtual world and gadgets as a source of income. The income obtained such examples become creator Youtube or selling in the online shop. If surfing the internet like Youtube is not uncommon for YouTube creators are from this millennial generation. The group is the generation that has begun to work or first graduate. That age usually has their income, which makes no worry to spend money.

The millennial generation is also considered to be unprepared in the face of development technology is primarily concerned with financial problems. In this current era, a lot of fintech (non-cash financial products based on technology) facilitates the payment plus a lot of cashback or promo offer. So that the millennial generation who initially did not Aada budget be compelled to transform and buy because there are clear advantages, worse if you get into debt because of the style of life that is beyond its ability. According to BPS-Statistics Gender Thematic (2018), the characteristics of generation millennial can be determined by year of birth between the years 1980 to 2000, they are close to social

media, has a creative soul, efficient, have a passion, and productive, and want a fast-paced and open-minded. One of the properties wanted a fast-paced among the millennial often feel lazy motion but wanted to quickly get something. This is what makes the consumptive nature is increasing because they are willing to pay an extra fee to have Yag they want without looking for it themselves out. And all that's just in one hand, namely via the internet and gadgets.

The distribution of the millennial generation in Java, the most one of them is in East Java. East Java is one of the provinces that are in the top two in Indonesia, reaching 12.3 thousand people according to how many of the millennial generation can not be separated from digital technology. Besides, many immigrants from outside the province migrate or assume a science, because the number of universities in East Java spelled out a lot that 548 colleges, which makes a lot of students coming out of East Java to carry out science in East Java. Therefore, the amount of the millennial generation in East Java is increasing. The distribution of the millennial generation in Java, the most one of them is in East Java. East Java is one of the provinces that are in the top two in Indonesia, reaching 12.3 thousand people according to how many of the millennial generation can not be separated from digital technology. Besides, many immigrants from outside the province migrate or assume a science, because the number of universities in East Java spelled out a lot that 548 colleges, which makes a lot of students coming out of East Java to carry out science in East Java. Therefore, the amount of the millennial generation in East Java is increasing.

The increasing number of population aged 20-34 years indicates the productive population. This is evidenced by the increasing PRDB (Gross Domestic Regional Product). PRDB increased from the previous year which was followed by PRDB per capita. In 2018 increased to 5.50%, thus the potential for people to save money in the financial services sector be great. Increased per capita PRDB resulted in more varied financial needs and increasing. Fulfillment of the financial needs should be able to take advantage of financial products and services but the public consumption of Malang in a larger group of non-food items. This situation means a lack of awareness of individuals in managing the finances (malangkota.bps.go.id, 2019) Malang has five districts, including the District Kedungkandang, breadfruit, Klojen, Blimbing, and Lowokwaru. Lowokwaru District is one of the densely populated districts of the millennial generation, there are as many as 69 592 people. Partly drawn from Lowokwaru District is in the Village Mojolangu for the research sample. Mojolangu Village of the research sample because it is a densely populated region of the millennial generation, there are about 8,886 people.

Based on the exposure of researchers interested in studying How to influence the behavior of the financial management of the millennial generation, especially in Malang. Therefore, researchers took the title "InfluenceFinancial Attitudes, Knowledge Finance, Control Center, and Self-Efficacy Against Financial Management Behavioral Finance ".

LITERATURE REVIEW

Amanah et al (2016), which examines the influence of financial knowledge, financial attitude, and external locus of control on personal financial management on student behavior S1 Telkom University. This research was conducted by distributing questionnaires to 200 students at S1 Telkom University. The results showed that the attitude of financial knowledge and financial influence on the behavior of personal financial management while external locus of control does not affect the behavior of personal financial management. However, financial knowledge, financial attitude, and external locus of control influence the behavior of personal financial management simultaneously. Research

conducted by Herdijiono and Damanik (2016) examined the effect of financial attitude, financial knowledge, and parental income on financial management in Student Merauke behavior. The analysis technique used is the analysis of correspondence with the Chi-Square test or chi-square. Samples used that there are 382 0rang. Research results are financial attitude affects the behavior of financial management, Financial Knowledge does not affect the behavior of financial management, and Parental income does not affect financial management behavior.

Subsequent research by Rizkiawati and Asandimitra (2018) examines the influence of income, gender, age, financial literacy, financial attitudes, locus of control, and financial self-efficacy on the behavior of financial management Surabaya citizens. The analysis technique used is using multiple linear regression with data collection using the questionnaire. The results showed that income, gender, age, financial knowledge, and financial attitudes did not affect the behavior of financial management. While the variable locus of control and financial self-efficacy significantly influence the behavior of financial management. Further research was conducted by Priharono and Asandimitra (2018) who studied the effect of income, learning, higher education, financial knowledge, financial literacy, financial attitude, and the locus of control on financial management behavior. This research is quantitative data collection techniques using a questionnaire that was distributed to 264 respondents from students. Data analysis techniques using multiple regression analysis with results showing that income, financial attitude, a financial literacy affects the behavior of financial management. While financial knowledge, locus of control, and learning, higher education does not affect the behavior of financial management.

Subsequent research is research conducted by Kholilah and Iramani (2013) who studied the effect of financial knowledge, the control center, and the income of the behavior of financial management in the public Surabaya. This research is quantitative data collection techniques using a questionnaire that was distributed to 104 respondents in Surabaya. Mechanical analysis using Structural Equation Modeling on AMOS. It was found that there was no direct effect on the behavior of Financial Management with Finance and Revenue knowledge. Nguyen *et al* (2015) research showed that the attitude of finance positive effect on personal financial management behavior. Financial literacy has a positive influence on the behavior of private financial management. While the locus of control is not able to mediate the relationship between financial knowledge of the behavior of personal financial management. Research conducted by funds Damanik (2016) shows that someone who has a good financial attitude tends to be wiser to financial behavior when compared to someone with a bad financial level. Financial attitudes influence determining the financial behavior of a person and can lead someone to organize finances. Through a good financial attitude then someone will be good anyway in taking decisions related to financial management. This study aims to influence attitudes toward finance, financial knowledge, the control center, and self-efficacy financial to financial management behavior. The hypothesis in this study can be illustrated with the following framework:

H1: *Financial attitudes, knowledge, finance, control center, and Financial Self Efficacy positive effect on the behavior of financial management in the millennial generation in the Village Mojolangu.*

H2: *The variables that most influence the behavior of financial management in the millennial generation Village of Mojolangu*
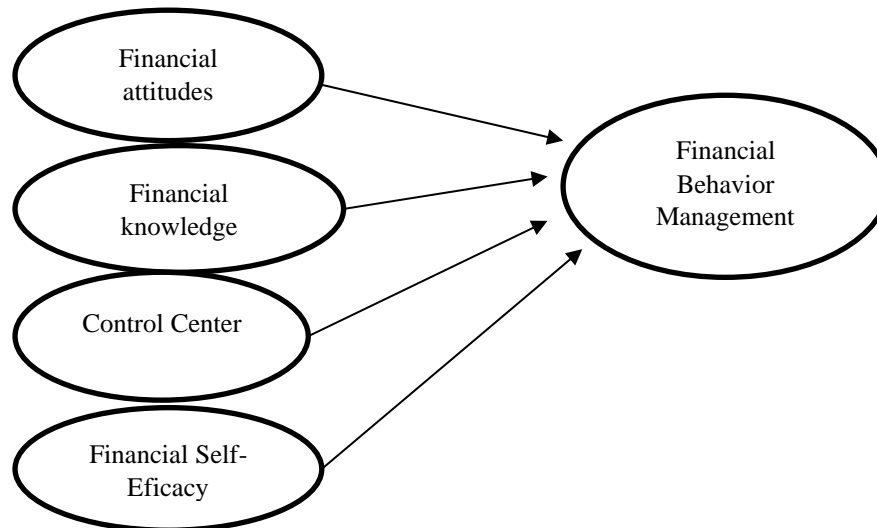
Figure 1. Conceptual Framework

RESEARCH METHOD

This study used quantitative research methods. According to Sugiyono (2017), quantitative research is a research method that is based on the philosophy of positivism, which is used to research in the population or a particular sample, data collection using the instrument of research, analysis of quantitative data/statistics, to test the hypothesis that has been set, the sample was taken as many as 100 respondents between 20-34 years of age characteristics, has managed money per month, and is in the region Mojolangu. The sampling technique in this study using purposive sampling method, the sampling technique with certain considerations were deemed to provide information that could help. The sampling method using the formula Slovin, because the population is known.

This study uses one dependent variable and four independent variables studied, namely which dependent behavior of financial management, and the independent variable is the attitude of finance, financial knowledge, control centers, and financial self-efficacy. This study was measured using the questions contained in the questionnaire using a Likert scale that measured 1 to 5, where the categories used are strongly agreed, agree, neutral, disagree, and strongly disagree. The type of data in this research is quantitative data and sources of data used are primary data obtained from the answers to the questionnaire that was distributed to the respondents. Data collection techniques in this study using a questionnaire or questionnaires. Data analysis techniques used there are the first two descriptive analyses as measured by specific assessment scale range. And the second using multiple linear regression which includes validity, reliability, classic assumption test, the coefficient of determination, hypothesis testing (t-test and f), and the last test of the dominant.

RESULTS AND DISCUSSION

Based on the analysis of behavioral description obtained descriptions of financial management at millennial generation based on calculations using multiple linear regression using SPSS obtained the following results:

Table 2. Results of Multiple Linear Regression Analysis

Dependent variable	Variables	Regression Coefficients	T-count	*p-value*	Information
Behavior Financial Management (Y)	constants	1,196			
	Financial attitudes (X1)	.352	3130	0,002	Significant
	Financial knowledge (X2)	0189	2,267	0,026	Significant
	Control Center (X3)	0.372	2,361	0,020	Significant
	Financial Self-Efficacy (X4)	0.257	2,506	0,014	Significant

$$Y = 1,196 + 0.352 \, X1 + 0,189X2 + 0,372X3 + 0.257X4$$

a = Constant value is 1,196, meaning that if no change of attitude variables finance, financial knowledge, control centers, and financial self-efficacy (the value of X1, X2, X3, and X4 is 0), then the behavior of financial management in the generation millennial in Mojolangu there is 1,196.

b1 = coefficient of regression attitude of finance is 0.352, meaning that any increase attitudinal variables finance (X1) of 1 unit on the assumption that the variables of financial knowledge (X2), the control center (X3), and financial self-efficacy (X4) and a constant (a) is 0, then the variable behavior of financial management will also be increased by 0.352. It shows that the financial attitude variable supplied positively contributes to the generation of financial management of millennial behavior.

b2 = coefficient regression financial knowledge is 0.189, meaning that any increase in variable financial knowledge (X2) is 1 unit, assuming that the attitude variable finance (X1), the control center (X3), and financial self-efficacy (X4) and constants (a) is 0, then the variable behavior of financial management (Y) will also be increased by 0.189. It shows that financial knowledge variables supplied positively contribute to the generation of financial management of millennial behavior.

b3 =   The regression coefficient control center is 0.372, meaning that any increase in the variable control center (X3) by 1 unit, assuming that financial attitude variable (X1), financial knowledge (X2), and financial self-efficacy (X4) and the constant (a) is 0, then the variable behavior of financial management (Y) will also be increased by 0.372.

b4 =   The regression coefficient financial self-efficacy is 0.257, meaning that any increase in variable financial self-efficacy (X4) by 1 unit, assuming that the attitude variable finance (X1), financial knowledge (X2), the control center (X3), and the constant (a) is 0, then the variable behavior financial management (Y) will also be increased by 0.257

Financial attitudes significance value is 0.002 <0.05, which indicates that H1 Ho accepted and rejected. This means that financial attitude positive and significant effect on the behavior of financial management. That is because each respondent has a good mindset regarding financial and respondents can respond with a positive financial so that they can manage the finances well. Besides, the average consumer managing money Rp 1,000,000 and Rp 2,000,000 thus more frugal in the use of money, it is appropriate to answer the questionnaire statement "I have always been thrifty in using the money" the average answer agree and strongly agree. This is in line with research conducted by Herdijiono and Damanik (2016) and also in line with research Mien and Thao (2015) which shows that there is a significant relationship between financial attitudes and behavior of financial management. Due to a positive financial attitude a person will tend to have a more prudent financial behavior.

The significant value of financial knowledge is 0.026 <0.05, which indicates that H1 Ho accepted and rejected. This means that the financial knowledge and significant positive effect on the behavior of financial management. This is despite the respondents in this study come from backgrounds different but have good financial knowledge. The results of the study are still able to prove the hypothesis that financial knowledge a significant effect on the behavior of financial management. It is also in line with research by Rizkiawati and Asandimitra (2018), Kholilah and Iramani (2013), and Herdijiono and Damanik (2016) which shows that financial knowledge does not affect the behavior of financial management.

The significant value of the control center is 0,020 <0.05, which indicates that H1 Ho was accepted and rejected. This means that the control center positive and significant effect on the behavior of financial management. It proves respondents in this study looked at what happened in their own lives can be controlled and capable of resolving its financial problems, resulting in fairly good financial management. The results of this study were able to prove the hypothesis that central control significantly influences the behavior of financial management. It is also in line with research conducted by Ida and Dwinta (2010) which indicates that the control center (locus of control) does not affect the behavior of financial management. The significant value of financial self-efficacy is 0.014 <0.05, which indicates that H1 Ho accepted and rejected. This means that financial self-efficacy and significant positive effect on the behavior of financial management.

CONCLUSION

In this study, it can be concluded that behaviors financial management of the group of men better than women in the study group. The millennial generation has worked more concerned about managing their finances because they covered themselves. Andfinancial behavior-based managed money per month depending on the portion of the money is managed. Test results showed that financial attitudes, knowledge, finance, control centers, and financial self-efficacy significantly influence the behavior of financial management at millenial generation in Malang. It shows though arguably consumptive millennial generation but they are still conscious of good financial management. They still have no awareness of saving, budgeting, and processing income and expenditure well. The most dominant variable in influencing the attitude of finance. Financial attitudes in this study that best describe the financial behavior of the millennial generation as in the perception of respondents agree to use the money for the future but also feel that the tap-month revenue is still lacking. This illustrates that the millennial generation should be able to control its finances.

REFERENCES

Amanah, E., Rahadian, D. & Iradianty, A., 2016. The Influence Of Financial Knowledge, Attitude And External Financial Locus Of Control On Personal Financial Management Behavior Case Study Of Bachelor Degree Student In Telkom University. E-Proceedings Of Management, Iii (2), Pp. 1228-1235.

Andrew, V. &. LN, 2014. Demographic Factors And Knowledge Relationships With Behavioral Finance Finance Private Employees in Surabaya. *Finesta*, 2 (2), Pp. 35-39.

Asandimitra, NL & Rizkiawati, N., 2018. Demographics, Financial Knowledge, Financial Attitude, Lotus Of Control, And Financial Self Efficacy Against Public Financial Management Behavior Surabaya. *Journal of Management Studies*, Vi (3), Pp. 93-104.

Judge, IM, 2017. Effect of Financial Knowledge, Income, And inancial Management Financial Attitude Toward Behavior On Embroidery Employers Tasikmalaya. *Siliwangi University of Management Journal*, 6 (2).

Herdjiono, I. & Damanik, LA, 2016. Effect of Financial Attitude, Financial Knowledge, Parental Income Against Financial Management Behavior. *Journal of Theory and Applied Management*, Ix (3), Pp. 226-241.

Kholilah, NA & Iramani, 2013. Study of Public Financial Management Behavior In Surabaya. *Journal Of Business And Banking*, 3 (1), Pp. 69-80.

Martono, M., 2010. *Quantitative Research Methods: Content Analysis and Secondary Data Analysis*. Jakarta: King Grafisindo Persada.

Orton, L., 2007. Financial Literacy: Lessons From International Experience. *Canadian Policy Research Networks,* Pp. 1-54.

Prihartono, RD & Asandimitra, N., 2018. Analysis Factors Influencing Behavior Financial Management. *International Journal of Academic Research in Business and Social Sciences*, 8 (8), Pp. 309-326.

Rajna, A., Sharifah, EW, Al Junid, S & Moshiri, H., 2011. Financial Management Attitude And Practice Among The Medical Practitioners In Public And Private Medical Service In Malaysia. *International Journal Of Business And Management*, 6 (8).

Rita, MR & Kusumawati, R., 2010. Influence of Socio-Demographic Variables Financial And Characteristics Of Attitude, Subjective Norm and Behavioral Control Using Credit Card. Pp. 109-128.

Rizkiawati, NL & Asandimitra, N., 2018. Influence of Demographics, Financial Knowledge, Attitude Financial, Locus Of Control And Financial Self-Efficacy Against Public Financial Management Behavior Surabaya. *Journal of Management Science*, 6 (3), Pp. 93-107.

Robb, CA &. WAS, 2011. Financial Knowledge And Best Practice Behavior. *Journal of Financial Counseling And Planning*, 22 (1), Pp. 60-70.

Sina, PG & Noya, A., 2012. Influence of Spiritual Intelligence Toward Personal Financial Management. *Journal of Management,* XII (2), Pp. 171-188.

Stephen Robbins, SP & Judge, T., 2008. *Organizational Behavior*. Books 3 Ed. Jakarta: Salemba Empat
Sugiyono, 2015. Metode Penelitian. Bandung: CV Alfabeta.

Tang, N. &. BA, 2016. Self-Esteem, Financial Knowledge And Financial Behavior. *Journal of Economic Psychology*, Volume 54, pp. 164-176.