ISSN No:-2456-2165

Analysis of Factors Affecting Personal Financial Management with Financial Self Efficacy as Intervening Variable in Students of UPN "Veteran" East Java

Enricho Yoga Aditama[1]
Departement of Management,
Economic and Bussiness Faculty.
UPN "Veteran" Jawa Timur, Indonesia

Yuniningsih Yuniningsih[2]*
Departement of Management,
Economic and Bussiness Faculty
UPN "Veteran" Jawa Timur, Indonesia

Abstract:- Personal finance management is a skill that a person needs, in order to manage their finances in a balanced manner between expenses and income so that later there is no failure in managing their finances. However, there are several factors that can affect whether or not someone is successful in managing their finances. With financial self-efficacy acting as an intermediary variable, the aim of this study was to ascertain the relationship between financial self-efficacy, love of money, and self-control on personal financial management.. This research is quantitative in nature with primary data obtained through distributing questionnaires. The sample in this study used a purposive sampling technique of 100 respondents who were undergraduate students of UPN "Veteran" East Java. Data analysis for this research is supported by SmartPLS 4.0. The findings of this study suggest that self-control, love of money, and financial literacy have an impact on personal financial management. The factors of financial literacy, love of money, and self control on personal financial management can then all be fully mediated by the financial self-efficacy variable.

Keywords:- *Financial Literacy; Love of Money; Financial Self Efficacy; Personal Financial Management.*

I. INTRODUCTION

With the rapid advancement of technology, most people, especially students, are social media users. Social media is one of the gathering places for things that are trending in society. In fulfilling their needs, people tend to make social media as a role model, so that needs become extensive which were originally simple. The number of e-commerce that provides convenience in purchasing and payment can trigger consumptive behavior that may not be balanced with the financial conditions owned.

To avoid consumptive behavior, it is necessary to have skills in managing finances that must be owned by each individual, so that each individual can manage their finances in a balanced manner between expenses and income so that later there is no failure in managing their finances. By doing financial management quickly and precisely, it can make each individual get the maximum benefit from each income they have, so that in the end prosperity in life can be realized.

Consumptive behavior that occurs in students can be influenced by the lack of financial literacy level they have. Because basically with the provision of knowledge of financial literacy can make students wiser in managing their finances.

Observation using an online mini questionnaire conducted to 46 respondents representing students of the National Development University "Veteran" East Java. A problem was found in the form of a percentage of students where they still have not made plans for financial expenses every month. Students also still have the perception that having excessive love for money can have a bad impact. Students still have consumptive behavior patterns, it is shown in the question point of buying an item based on desire with a percentage of 87%. Some students also still do not have high confidence to be able to manage their finances properly. From the pre-survey conducted, it can show that there are still many students who have not paid attention to the importance of managing one's personal finances.

II. LITERATURE REVIEW

A. *Theory of Planned Bheavior*

Ajzen (1991) first proposed the Theory of Planned Behavior (TPB), which is based on the supposition that people behave in rational ways and fully consider the information they have access to in order to act either implicitly or overtly (Ajzen, 2005).

B. *Personal Financial Management*

According to Malinda (2007) Personal financial management is part of the process of achieving a personal goal based on proper and structured financial management (Herlindawati, 2017).

C. *Financial Literacy*

The capacity to comprehend all matters pertaining to finances is known as financial literacy (Yuniningsih & Taufiq, 2019). Financial literacy is something that combines perceptions of everyday conditions such as securities in

ISSN No:-2456-2165

financial assets, credit, securities, insurance, credit, investment in real assets, appreciation in savings and loans, and others (Yuniningsih & Bowo, 2020).

D. *Love of Money*

According to Tang (2008), Love of Money is an individual's behavior in perceiving money, one's understanding of money, and individual desires and aspirations for money (Maghfirah, 2017). According to Sloan (2002), the love of money is symbolized by a person's principles and goals rather than their needs that must be met (Prasetyo & Lestari, 2022).

E. *Self Control*

According to Baumister (2002), self control is an ability to identify, control one's emotions and desires (Andrew & Tharanika, 2017). This can be seen from the way in delaying satisfaction, exerting willpower, and self-discipline.

F. *Financial Self Efficacy*

Forbes and Kara (2010) define financial self-efficacy as a form of personal belief in one's ability to achieve financial goals under the influence of many factors such as personality, social, skills, and, other.

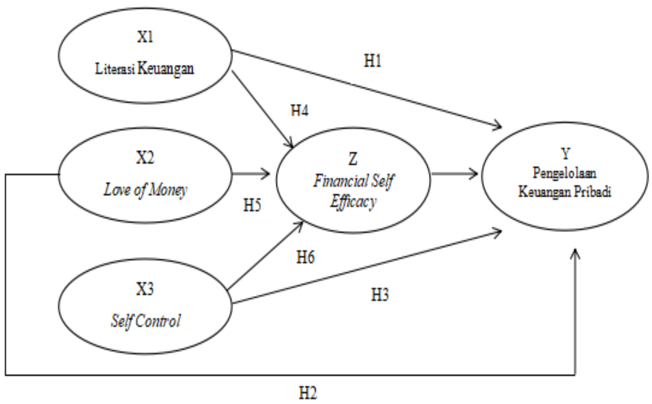

Fig. 1. Conceptual Framework

The study has six hypotheses, which are as follows and are based on the image above:

H1: There is a positive between financial literacy and personal finance management.

H2: There is a positive association between love of money and personal finance management.

H3: There is a positive impact of self control on personal finance management.

H4: The impact of Financial Literacy on Personal Financial Management might be mediated by financial self-efficacy.

H5: The impact of Love of Money on Personal Financial Management might be mediated by financial self-efficacy.

H6: The impact of Self Control on Personal Financial Management might be mediated by financial self-efficacy.

III. RESEARCH METHODOLOGY

This study's primary data were gathered by the distribution of questionnaires to participants via a Google Form link in a quantitative manner. With a population that is an undergraduate student of UPN "Veteran" East Java. Sample collection using purposive sampling technique and get a sample of 100 people with the criteria of being an active student of UPN "Veteran" East Java Strata S1 class 2019-2022, getting pocket money or income on a monthly basis. Likert scale with points 1 (strongly disagree) to points 5 (strongly agree) is the measurement scale used in this study. The data in this study were processed using the Partial Least Square method assisted by the SmartPLS 4.0 program.

IV. RESEARCH RESULTS AND DISCUSSION

❖ *Outer Model Test*

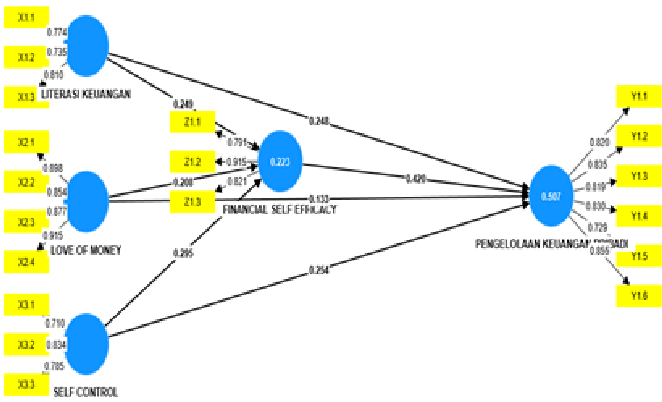

Fig. 2. Outer Model PLS

It can be observed from the data in the aforementioned figure that every indication for the research variable has an outer loading value greater than 0.7. The indicators are all deemed practicable or legitimate for use in research and can be used for further analysis where the data indicates that there are no variable indicators with an outer loading value below 0.7.

G. *Average Variance Extracted (AVE)*

TABLE I. AVERAGE VARIANCE EXTRACTED

Variable	AVE	Description
Financial Self Efficacy	0,712	Valid
Financial Literacy	0,598	Valid
Love of Money	0,786	Valid
Personal Financial Management	0,665	Valid
Self Control	0,606	Valid

Source: Data Processed (2023)

ISSN No:-2456-2165

The AVE value of the financial self-efficacy variable is greater than 0.5, as can be seen from the table above. This demonstrates the strong discriminant validity of each variable.

H. Composite Reliability

TABLE II. COMPOSITE RELIABILITY

	R-Square
Financial Self Efficacy (Z)	0,223
Personal Financial Management (Y)	0,507

Source: Data Processed (2023)

The aforementioned table demonstrates that the composite dependability value across all research variables has a value greater than 0.7. This demonstrates that every variable in the research has achieved the composite dependability, allowing it to be said that all variables have a high level of reliability.

❖ *Inner Model Test*

Examine the results of the Goodness of Fit Test, the Hypothesis Test, and the R-Square value's size in the inner model test. The ability of the independent factors in this study to explain the dependent variable may be seen using the R-Square value.

A. R-Square

TABLE III. R-SQUARE

Variable	Composite Reliability	Description
Financial Self Efficacy	0,881	Reliable
Financial Literacy	0,817	Reliable
Love of Money	0,936	Reliable
Personal Financial Management	0,922	Reliable
Self Control	0,821	Reliable

Source: Data Processed (2023)

The R-Square value for the Financial Self Efficacy variable is 0.223, as can be seen from the table above. By acquiring this value, it can be seen that 22.3% of the variance in financial self-efficacy can be accounted for by financial literacy, love of money, and self control. Additionally, the Personal Financial Management variable's R-Square value was 0.507. These findings suggest that 50.7% of the variance in personal financial management may be accounted for by financial literacy, love of money, and self control.

B. Hypotheses Test

TABLE IV. DIRECT EFFECT & INDIRECT EFFECT

Hyphothese	Original Sample (O)	Samle Mean (M)	Standard Deviation (STVDEV)	T Statistic	P Values
X1 → Y	0,248	0,258	0,100	2,491	0,013
X2 → Y	0,133	0,141	0,063	2.104	0,035
X3 → Y	0,254	0,262	0,076	3,354	0,001
Testing the Indirect Effect(*Indirect Effect*)					
X1 → Z → Y	0,105	0,105	0,051	2.053	0,04
X2 → Z → Y	0,087	0,085	0,042	2.056	0,04
X3 → Z → Y	0,124	0,124	0,059	2.083	0,037

Source: Data Processed (2023)

➢ *Effect of Financial Literacy on Personal Financial Management*

Based on the analysis' findings, it can be concluded that the Personal Financial Management variable is positively and significantly impacted by the Financial Literacy variable. This can certainly be a real picture that financial literacy is an important skill for everyone to have in relation to managing their personal finances. This study supports research by Laily (2016), who discovered a beneficial connection between personal financial management and financial literacy.

➢ *Effect of Love of Money on Personal Financial Management*

According to the findings of the investigation, the love of money variable has a positive and significant effect on personal financial management. This can certainly be evidence that students who have a high love of money and have the perception or view that money is an important thing to survive will be better able to manage their money more wisely and carefully. According to the findings of their research (Wulandari & Hakim, 2015), there is a positive relationship between love of money and personal financial management.

➢ *Effect of Self Control on Personal Financial Management*

According to the investigation's findings, the Self Control variable significantly and positively influences personal financial management. So that it can be said that the self-control possessed by students has a big impact on managing personal finances. Good self-control will result in rational actions that will think about the risks that might occur. The findings of this study are consistent with those of Henutesa (2012), Putra et al. (2013), and Herlindawati (2017), who found a substantial positive association between self-control and personal financial management.

- *Effect of Financial Literacy on Personal Finance Management with Financial self-efficacy variables as Intervening Variables*

The analysis's findings demonstrate that the Financial Self Efficacy variable can significantly and positively moderate the impact of financial literacy on personal financial management. This can happen because students who have good financial literacy are more likely to have the confidence to be able to manage their finances well. Research by Rindivenessia & Fikri (2021) and Puspita & Isnalita (2019), This study's findings are supported by another study, which discovered that financial self-efficacy acts as a mediator in the influence of financial literacy on financial management behavior.

- *Effect of Love of Money on Personal Financial Management with Financial self-efficacy variables as Intervening Variables*

According to the findings of the analysis, the Financial Self Efficacy variable has a positive and significant ability to mediate the effect of Love of Money on Personal Financial Management. This can happen because students who have a high love of money will be more careful in using their money so that this attitude will foster a high sense of confidence that they are sure they can manage the flow of money in and out as well as possible so that their financial management will also be maintained stably.

- *Effect of Self Control on Personal Financial Management with Financial Self Efficacy Variables as Intervening Variables*

According to the study's findings, financial self-efficacy has a favorable and considerable potential to mediate the effect of self-control on personal financial management. This can happen because students who have good self-control are more likely to have confidence that they are able to manage their finances. The findings of this study are further corroborated by research by Utami & Ita (2022), who discovered that the indirect impact was partially mediating the direct effect because it was less powerful but still significant than the direct effect.

V. CONCLUSION

The objective of this study was to examine the relationship between financial self-efficacy and personal financial management in undergraduate students at UPN "Veteran" East Java. Financial self-efficacy was used as an intermediary variable. According to the analysis's findings, financial literacy, love of money, and self control all positively influence undergraduate students at UPN "Veteran" East Java's personal financial management. The variables of financial literacy, love of money, and self control on personal financial management can all be fully mediated by the variable of financial self-efficacy. Through these results, it can be said that respondents already have special attention to managing their finances so that the occurrence of financial failure can be minimized. In this study, there are several variables that are still limited from the findings of previous studies in intervening or mediation-based research models, so that in the future researchers will be able to continue this research model in order to produce more accurate research results. As well as the limitations in this study also lie in the use of the independent variables used, so that in the future researchers can add or test other independent variables to find out other variables that can affect personal financial management.

REFERENCES

[1]. Andrew, A., & Tharanika, K. (2017). Factors Influencing On Saving Behaviour Among University Students. International Journal of Research, 4(17), 861–871. https://edupediapublications.org/journals.
[2]. Forbes, J., & Kara, S. M. (2010). Confidence mediates how investment knowledge influences investing self-efficacy. Journal of economic psychology, 31(3), 435-443.
[3]. Herlindawati, D. (2017). Pengaruh Kontrol Diri, Jenis Kelamin, Dan Pendapatan Terhadap Pengelolaan Keuangan Pribadi Mahasiswa Pascasarjana Universitas Negeri Surabaya. Jurnal Ekonomi Pendidikan Dan Kewirausahaan, 3(2), 158. https://doi.org/10.26740/jepk.v3n2.p158-169.
[4]. Laily, N. (2016). Pengaruh Literasi Keuangan Terhadap Perilaku Mahasiswa Dalam Mengelola Keuangan. Journal of Accounting and Business Education, 1(4). https://doi.org/10.26675/jabe.v1i4.6042.
[5]. Prasetyo, M. R. P., & Lestari, U. P. (2022). Pengaruh Literasi Keuangan , Love of Money dan Minat Investasi di Pasar Modal Terhadap Manajemen Keuangan Pribadi (Studi Kasus Mahasiswa Jurusan Akuntansi Politeknik Negeri Jakarta). Prosiding SNAM PNJ.
[6]. Puspita, G., & Isnalita, I. (2019). Financial Literacy: Pengetahuan, Kepercayaan Diri dan Perilaku Keuangan Mahasiswa Akuntansi. Owner, 3(2), 117. https://doi.org/10.33395/owner.v3i2.147.
[7]. Putra, A., Handayani, S., & Pambudi, A. (2013). Perilaku pengendalian diri pada perilaku manajemen keuangan personal berdasarkan pada teori planned behavior menggunakan pendekatan partial least square. JP FEB Unsoed, 3(1), 309–314.
[8]. Rindivenessia, A., & Fikri, muhammad ali. (2021). The Role of Self-Efficacy and Financial Attitudes as Mediating Variables on the Effect of Financial Knowledge on Financial Behavior. Derivatif: Jurnal Manajemen, 15(1), 125–141.
[9]. Utami & Ita. (2022). Pengaruh Pengetahuan Keuangan dan Kontrol Diri Terhadap Perilaku Pengelolaan Kuengan dengan Financial Self Efficacy Sebagai Variabel Mediasi. 25–11.
[10]. Wulandari, & Hakim, L. (2015). Pengaruh Love of Money, Pendidikan Keuangan di Keluarga, Hasil Belajar Manajemen Keuangan, dan Teman Sebaya Terhadap Manajemen Keuangan Pribadi Mahasiswa. Jurnal Pendidikan Akuntansi, 3(3), 1–6.
[11]. Yuniningsih, Y., & Santoso, B. (2020). Does Family Environment Moderate The Effect of Financial Literacy, Attitudes and Motivation on Investment Interest. ATESTASI: Jurnal Ilmiah Akuntansi, 3(2), 126-132.

[12]. Yuniningsih, Y., & Taufiq, M. (2019). Investor Behavior in Determining Investment on Real Asset. Mix: Jurnal Ilmiah Manajemen, 9(2), 327. https://doi.org/10.22441/mix.2019.v9i2.006
[13]. Henutesa Haning, V. (2012). Perilaku Self-Control dalam Mengelola Keuangan Pribadi: Berdasarkan Theory of Planned Behavior dan Conscientiousness (Doctoral dissertation, Magister Manajemen Program Pascasarjana UKSW).