The Effect of Financial Attitudes on Financial Behavior with Financial Self-Efficacy as a Mediating Variable

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A R T I C L E I N F O

A B S T R A C T

Individuals need to manage and make decisions on their personal finances in order to meet their needs and have good financial behavior for good financial goals. Financial self-efficacy theory was studied to see the effect of financial attitudes on financial behavior. This study was conducted with the aim of: a) to determine the effect of financial attitudes on financial behavior in Management Students of UPN "Veteran" East Java; b) to determine the effect of Financial Self Efficacy on financial behavior in UPN "Veteran" East Java management students; c) to ascertain how Financial Self-Efficacy can act as a mediator between financial attitudes and financial behavior in UPN "Veteran" East Java management students. In this study, a Likert scale is used as a measurement tool in a quantitative approach method. This research technique is Partial Least Square (PLS). The sample was taken by random sampling technique with the number of samples determined by the slovin formula with an error rate of 10%. Data information used in the study, namely primary data and secondary data obtained from first sources specifically collected through questionnaires. The population of this study was 1639 UPN Veteran East Java Management Students from batches 2019 to 2022.

INTRODUCTION

Along with the times from time to time, financial science continues to develop. However, the development of financial science is not only related to financial theory but even related to its practice in the real world such as those related to personal finance.. Particularly in the current Revolution 4.0 era, people need to be financially literate. The ability to handle money sensibly and maintain a balance between income and expenses is what is meant by intelligence. To make the most of money and reap its benefits, one must possess the necessary knowledge and abilities in financial matters. Knowledge and understanding related to finance is needed by every individual, because with knowledge and understanding related to this matter aims to make short-term and long-term decisions in meeting their life needs. Human needs and desires continue to grow, so that many ways are done to obtain these needs and desires, which require individuals to work to earn income so that they can meet their daily needs, and the income that has been obtained needs to be managed so that it can be utilized or used for future needs.

so that individuals need to manage and make decisions on their personal finances with the aim of meeting needs both now and in the future. Students are often faced with challenges in managing their finances, especially for students who are not used to managing their own finances. This can affect their financial well-being, and in the long run can affect their ability to complete their studies.

According to a survey conducted by Bank Indonesia in (2021), as many as 52% of university students experience difficulties in managing their finances. This can be a serious problem for university students because they are usually still dependent on financial support from parents or scholarships. Difficulty managing finances can lead to serious financial problems such as debt, unpaid bills, and lack of funds for daily needs. Therefore, it is very important for college students to learn how to manage their finances well.... In addition, a survey conducted by the Central Bureau of Statistics BPS (2020) shows that as many as 38.2%.

students have difficulty in meeting basic needs such as food, transportation, and other personal needs. This is due to various factors such as the higher cost of living, lack of adequate sources of income, and problems in financial management. Difficulties in meeting basic needs can have a detrimental impact on students' physical and mental health. Therefore, it is very important for students to understand how to manage their finances well and effectively, and find additional sources of income if possible. Based on interviews with 94 management students of UPN "Veteran" East Java, 78 students have not been able to manage their finances, because they have strong financial support from their parents. The inability to manage finances can cause financial problems such as lack of funds for basic daily needs. Good financial behavior is needed to achieve good financial goals, but poor financial attitudes will affect poor financial behavior as well, this will be an obstacle to achieving financial success, especially for UPN "VETERAN" EAST JAWA management students, based on data from the official website of UPN Veteran jatim in each year from 2019 to 2022 the

number of UPN "VETERAN" EAST JAWA management students is 1639 students, this is the object of the author's research this time (BAKPK upnvjatim).

In the context of boarding houses, the cost of rent and daily expenses can be a considerable burden for students. For example, based on data obtained from Mamikos.com in (2023), the cost of renting a boarding room in Surabaya ranges from Rp 500,000 to Rp 2,500,000 per month while based on a survey released by Salary Explorer in 2023, the average salary of employees in Indonesia was found to be Rp 3,070,000 per month. In addition, students also need to spend money on food, transportation, and other needs. These costs can vary depending on the location of the boarding house, the facilities provided, and the availability of boarding rooms. In addition, students also need to spend money on other needs such as food, transportation, books and stationery, and other personal needs. The high cost of living can be a burden for students, especially for those who have limited sources of income. Therefore, students need to pay attention to managing their finances well and wisely in order to meet their living needs without experiencing serious financial difficulties.

THEORETICAL REVIEW

Ajzen and Fishbein (1980) first proposed the Theory of Reasoned Action (TRA), and it was updated with the Theory of Planned Behavior (TPB) by Ajzen (1991). Ajzen (1991) defines the Theory of Planned Behavior as a theory that emphasizes th A person's behavior is not only dependent on their intentions; there are also other factors that are outside the control of the individual. A person acts with an intention or goal. Three factors, attitude, subjective norms, and perceptions related to behavioral control, determine an individual's intention to behave.

Albert Bandura menciptakan social cognitive theory based on the idea that both social and cognitive processes are essential to understanding human emotions, actions, and motivation. A person's belief that they are capable of completing a task is referred to by financial self-efficacy theory, which is also known as social learning theory and social cognitive theory. According to Puspita & Isnalita (2019). According to the social cognitive theory, people are active, thinking beings who use their cognitive abilities to describe events, make predictions, and decide which course of action to follow.

According to Okky Dikria (2016) in his research, financial behavior is a financial attitude that is measured by how a person responds to money and their responsibility for finance. Healthy financial behavior can be seen from individual attitudes also related to financial literacy, Additionally, there is a correlation between financial literacy and financial management: the greater a person's level of financial literacy, the better their financial management. Students should understand the importance of financial management since it is vital to have sound financial judgment in order to maintain prosperity in the present and the future, the sooner one has high financial intelligence, the more prosperous one's life will be. This personal financial management must be carried out with discipline so that planned finances can be realized to achieve previously planned goals. Consumptive behavior among students is currently one of the most

interesting topics to discuss. Students are often the marketing target of various industrial products, partly because of their impressionable characteristics, thus encouraging the emergence of various symptoms in buying behavior. This consumptive behavior can be seen from the way they are willing to spend their money to fulfill wants rather than needs. Students are more concerned with their money to buy various branded goods to follow the latest trends and be recognized by their friends, rather than to buy campus equipment. This phenomenon illustrates that they still do not understand about planning and managing their finances, where their income tends to be used up for consumption activities only. This then causes a number of other reckless financial practices, like not investing, saving, planning emergency funds, or creating long-term budgets. Knowledge about financial management for students is important because it is needed in everyday life to be able to balance income and expenses in accordance with student needs.

METHODOLOGY

This observation takes a quantitative approach, with a measurement scale using a Likert scale. This research technique is Partial Least Square (PLS), a statistical technique which helps solve specific problems in the data. This research uses stratified random sampling techniques.. The Slovin formula with a 10% error rate is used to calculate the number of samples. Performing multiple regression analysis is an alternative to this analysis. The primary and secondary data used in this study were specifically gathered from the first source using a questionnaire that included the necessary questions. The population of this study was 1639 UPN Veteran East Java Management Students from batches 2019 to 2022. Results obtained from questionnaire answers

questionnaire answers distributed to UPN Veteran Management students in East Java as many as 94 respondents.

RESULTS AND DISCUSSION
Outlier Evaluation

A multivariate outlier analysis is required because, although the data analyzed does not exhibit any outliers at the unvariate level, the observations may nevertheless become outliers when combined. Outliers are observations or data that possess distinctive qualities that make them stand out from other observations and manifest as extreme values for a single variable or combined or multivariate variables.

Table 1. Residual Static

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	9.6059	92.3803	47.5000	16.61536	94
Std. Predicted Value	-2.281	2.701	.000	1.000	94
Standard Error of Predicted Value	5.423	13.904	9.175	1.945	94
Adjusted Predicted Value	10.5763	92.5064	47.7166	17.37757	94
Residual	-46.04330	39.95329	.00000	21.63554	94
Std. Residual	-1.961	1.702	.000	.922	94
Stud. Residual	-2.250	1.961	-.004	1.006	94
Deleted Residual	-65.56349	54.00843	-.21661	25.89926	94
Stud. Deleted Residual	-2.311	1.997	-.004	1.015	94
Mahal. Distance	3.974	**31.637**	13.851	6.177	94
Cook's Distance	.000	.182	.013	.024	94
Centered Leverage Value	.043	.340	.149	.066	94

According to the second outlier test table, the respondent data's Mahal Distance Maximum value is 31.637. This value is less than the Mahal Distance Maximum outlier, which is determined by 36.123. This indicates that there are no outliers in the data, indicating that it is of good quality and can be processed further with 94 respondents.

Outer Loadings

Based on the outer loading table, the relationship model of variables and indicators in the measurement model for Reflective variables—that is, variables, Financial Attitudes, Financial Self-Efficaciousness, and Financial Behavior—is established.

Table 2. Outer Loadings

Outer Loadings

	FINANCIAL SELF EFFICACY (Z)	PERILAKU KEUANGAN (Y)	SIKAP KEUANGAN (X)
X.1			0,751
X.2			0,829
X.3			0,730
X.4			0,736
Y.1		0,788	
Y.2		0,822	
Y.3		0,822	
Y.4		0,091	
Y.5		0,802	
Z.1	0,624		
Z.2	0,701		
Z.3	0,866		
Z.4	0,757		
Z.5	0,748		

The correlation between indicators and variables is known as factor loading; if it is higher than 0.5 or the p-values are significant, the indicator is considered valid and a measure of the variable.

Cross Loadings

Measurement of indicator validity can also be seen from the Cross Loading table.
Table 3. Cross Loadings

	FINANCIAL SELF EFFICACY (Z)	PERILAKU KEUANGAN (Y)	SIKAP KEUANGAN (X)
X.1	0,606	0,599	0,752
X.2	0,680	0,709	0,829
X.3	0,590	0,554	0,730
X.4	0,665	0,630	0,735
Y.1	0,649	0,784	0,573
Y.2	0,686	0,822	0,665
Y.3	0,665	0,826	0,711
Y.5	0,656	0,803	0,699
Z.1	0,624	0,503	0,558
Z.2	0,700	0,611	0,559
Z.3	0,865	0,746	0,742
Z.4	0,757	0,599	0,640
Z.5	0,748	0,565	0,584

On the other hand, the correlation value between the construct or variable and its indicator (blue color) is higher than the correlation value with other indicators when looking at the cross loading results in the table above. Because the indicators in the construct/variable indicator block (blue color) are superior to the indicators in other blocks, all constructs and latent variables already have strong discriminant validity.

Construct Reliability and Validity

Table 4. Construct Reliability and Validity

Construct Reliability and Validity				
	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
FINANCIAL SELF EFFICACY (Z)	0,793	0,809	0,859	0,553
PERILAKU KEUANGAN	0,824	0,826	0,883	0,654
SIKAP KEUANGAN (X)	0,759	0,764	0,847	0,581

The amount of indicator variance that the latent variable contains is indicated by the Avarage Variance Extracted (AVE) value, which is the next measurement model. For latent variables, convergent AVE values larger than 0.5 also suggest strong validity adequacy. It is evident from the Average Variance Extracted (AVE) value for each construct (variable) in reflective indicator variables. If each construct has an AVE value greater than 0.5, a good model is needed. The test's validity is demonstrated by the AVE values for the constructs

(variables) of financial behavior, self-efficacy, and attitude, all of which have values greater than 0.5.

Analysis of PLS Models
Testing of the Inner Model (Structural Model)

The R-Square value, a goodness-of-fit model test, is used to evaluate the structural model. The R-square value in the latent variable equation shows the results of inner model testing. The R2 value indicates the extent to which the endogenous variables (dependent / dependent) in the model can be explained by the exogenous variables (free / independent) in the model.

Table 5. R Square

R Square		
	R Square	**R Square Adjusted**
FINANCIAL SELF EFFICACY (Z)	0,697	0,694
PERILAKU KEUANGAN	0,734	0,729

R2 is equal to 0.697. According to one interpretation, the model accounts for 69.70% of the phenomenon or issue surrounding financial self-efficacy. While errors and other variables not included in the model (apart from financial attitude) account for the remaining 30.30%. This indicates that financial attitudes account for 69.70% of the variation in financial self-efficacy, while other variables account for 30.30%.

R2 has a value of 0.734. According to one interpretation, the model accounts for 73.40% of the phenomenon or issue related to financial behavior. While errors and other variables not included in the model (apart from financial attitudes and financial self-efficacy) account for the remaining 26.60%. This indicates that 73.40% of financial behavior is influenced by financial attitudes and financial self-efficacy, whereas 26.60% is influenced by factors other than these two factors.

Hypothesis Test

Interpretation of PLS Data Result:
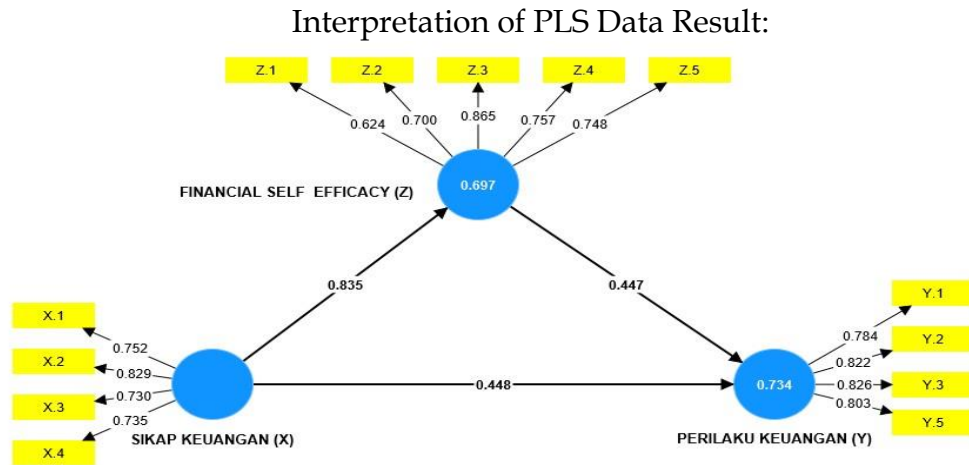
The magnitude of the path coefficients above the arrow line connecting the exogenous and endogenous variables, as well as the factor loading value for each indicator situated above the arrow between the variable and the indicator, are visible from the PLS output image above. Furthermore, the amount of R-Square that lies exactly inside the endogenous variable circle is also visible. Additionally, the following table displays the inner model's T-statistic values and coefficient results for hypothesis testing.

Table 6. Path Coefficients

Path Coefficients					
Mean, STDEV, T-Values, P-Values					
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
SIKAP KEUANGAN (X) -> PERILAKU KEUANGAN (Y)	0,448	0,45	0,095	4,712	0,0000

Based on the above table, the following hypothesis can be deduced: Hypothesis 1: Financial Attitudes have a Significant Positive effect on Financial Behavior, with a path coefficient of 0.448 and p-values of 0.000 and α = 0.05 (5%) smaller than each other.

Table 7. Specific Indirect Effect

Specific Indirect Effects					
Mean, STDEV, T-Values, P-Values					
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
SIKAP KEUANGAN (X) -> FINANCIAL SELF EFFICACY (Z) -> PERILAKU KEUANGAN (Y)	0,373	0,368	0,087	4,276	0,000

Hypothesis 2: Financial Attitudes have a Significant Positive effect on Financial Behavior through Financial Self Efficacy with a path coefficient of 0.373 where the pvalues = 0.000 is smaller than the α = 0.05 (5%) value.

The Effect of Financial Attitudes on Financial Behavior

Financial attitudes have a positive and significant impact on the financial behavior of management students at UPN "Veteran" East Java, according to the results of data processing using PLS. This conclusion can be accepted. This shows that the right financial attitude can influence the behavior of UPN "Veteran" East Java Management Students in managing their finances in everyday life so that it becomes very effective. managing their finances in everyday life so that it becomes very effective. The results of this study indicate that in the financial attitude variable, the indicator that has the most influence on financial behavior based on the most dominant loadings factor value is increasing the amount of money in savings every month. Meanwhile, the most dominant loading factor value on the financial behavior variable is recording expenses and spending. because savings are money that has high liquidity so that it can be the first foundation when there is an unexpected urgent need.

In addressing financial problems, increasing the amount of savings per month certainly has a big influence on Management Students in managing finances, because the more money they save each month indicates that their financial management is very good so that they can set aside more money to put into savings rather than being used for non-priority and non-urgent shopping expenses. The results of the discussion of this study explain that increasing the amount of savings will affect the high selectivity in the financial management of Management Students of UPN "Veteran" East Java.

From the results of this study it can be concluded that financial attitudes have a significant effect on the financial behavior of UPN Veteran Management students in East Java reinforced by research conducted by Siska Widyaningrum and Sri Lestari Kurniawati (2018) showing that Financial Attitudes have a substantial impact on the financial behavior. Potrich's (2016) study came to the same conclusion: financial attitude variables have a positive and significant effect on financial management behavior variables, as demonstrated by Saraswati and Mursali (2021) and similar research.

The Effect of Financial Attitudes on Financial Behavior through Financial Self Efficacy

Based on the results of data processing using PLS, the result that Financial Attitudes have a positive and significant effect on the Financial Behavior of Management Students of UPN "Veteran" East Java through Financial Self Efficacy can be accepted.

This means that the right financial attitude of UPN "Veteran" East Java Management Students is able to produce financial confidence and knowledge for them so that their behavior in managing their finances in everyday life can be accepted. behavior in managing their finances in everyday life is very good.

The results of this study indicate that in the financial attitude variable, the most dominant indicator of financial behavior based on the loadings factor value

is increasing the amount of money in savings every month. the most dominant loading factor value on the financial self-efficacy variable is the ability to face financial challenges. While the most dominant loading factor value on the financial behavior variable is recording expenses and spending. So that by increasing the amount of savings per month accompanied by the ability to face financial challenges, of course, it can control personal spending to be more in accordance with the priority scale and prefer to put money into savings rather than being used for less useful shopping expenses. The results of the discussion of this study explain that by increasing the amount of savings and accompanied by the ability to face financial challenges will affect the high selectivity in financial management of Management Students of UPN "Veteran" East Java.

From the results of this study it can be concluded that financial attitudes through financial self-efficacy have a significant effect on the financial behavior of UPN Veteran Management students in East Java reinforced by research conducted by Siska Widyaningrum and Sri Lestari Kurniawati (2018) showing that Financial Attitudes have a significant influence on Financial Behavior. Herawati, et al (2018) show that financial self-efficacy has a significant effect on Financial Behavior and Saraswati and Mursali (2021) show that financial attitude variables have a positive and significant effect on financial management behavior variables.

CONCLUSIONS AND RECOMMENDATIONS
Based on the analysis and discussion results, it can be concluded that financial attitudes, through mediation, have a positive influence on financial behavior in UPN Veteran Management students in East Java. East Javan UPN Veteran Management students' financial behavior is positively impacted by Financial Self-Efficacy.

FURTHER STUDY
The results were obtained from the answers to questionnaires distributed to UPN Veteran Management students in East Java as many as 94 respondents. This study found that financial attitudes are positively correlated with financial behavior in management students of UPN "Veteran" East Java.

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