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# THE INFLUENCES OF FINANCE KNOWLEDGE, FINANCIAL ATTITUDES, AND PERSONALITY ON FINANCIAL MANAGEMENT BEHAVIORS ON BUILDING MATERIALS MSME

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**Abstract:** This research is motivated by the behavior of financial management, which is considered as one of the essential concepts in economic science, such as the allocation of acquisition and utilization of financial resources. Therefore, who conducted this research to determine financial knowledge, financial attitudes, and personality on financial management behavior in the MSME building materials players in the City of Tasikmalaya. This research design is included in the associative causality research. The subjects used were 75 building materials MSME players. The data collection technique used is primary. Data is obtained directly from the respondent. And the instrument used was a questionnaire. The data analysis technique used is Multiple Linear Regression, which is processed using *software* SPSS. The results showed that financial knowledge, financial attitudes, and personality partially and simultaneously had a significant effect on financial management behavior.

**Keywords:** Financial Attitudes; Financial Knowledge; Financial Management Behavior; Personality

## INTRODUCTION

Up and down movements of economic growth often occur in Indonesia. The country's economic growth is closely related to its people's welfare. Economic growth is used as a benchmark for whether the country is in good condition or not (Hatta, 2020).

There are several roles of MSMEs in Indonesia, including being able to increase the value of the Gross Domestic Product (GDP), providing vast employment opportunities, and absorbing more labor so that the purchasing power and productivity of the country are getting faster. As stated by the Chairman of the Indonesian Micro, Small and Medium Enterprises Association (Akumindo) Ikhsan Ingratubun, he explained and believed that in 2019 MSMEs managed to contribute 65% of Gross Domestic Product (GDP) (Syarizka, 2019). This shows that MSMEs can positively impact the country by helping to maintain the stability of the Indonesian economy. To positively impact the country's economy, MSME actors should have a good insight into finance, including knowledge, financial attitudes, and personality in determining financial management behavior to understand how to regulate the profits to be spent to rotate the capital and profits to be saved.

Financial management behavior is a responsibility that a person has in regulating management functions that serve as the determination, acquisition, allocation, and utilization of financial resources (Siswanti & Halida, 2020). In addition, there is another opinion that financial management behavior is related to cash flow, credit, savings, and investment management (Dew & Xiao, 2011).

In running a business, of course, you will not avoid obstacles or problems. To create the country's economy to become more stable, the capacity of micro, small and medium enterprises must always be developed and empowered to overcome all obstacles experienced by business actors (Rosyadah, 2020).

Business actors have a very high role and responsibility for the sustainability of their business. Business actors are always faced with various choices to advance their business. That's when business actors must make wise and correct decisions.

Seeing the ever-increasing development of the times, it is undeniable that competition in the business world is getting tougher. Thus business actors are required to have the ability to maintain the continuity of their business to remain competitive with competitors. One of the aspects that must be improved in maintaining its business and creating competitive ability is financial management (Rosyadah, 2020).

The problems experienced by MSME actors are related to financial management behavior. The first problem is financial knowledge. Financial knowledge about financial skills and financial tools. The better the financial knowledge, the better the behavior of financial management (Kholilah & Iramani, 2013).

To have financial knowledge, it is necessary to develop financial skills such as preparing a budget, choosing investments, planning insurance, and learning to use financial tools such as credit cards, debit cards, and checks (Humaira & Sagoro, 2018).

One of the constraints and problems of MSME actors that become the main concern is recording or preparing a budget. This means that MSME actors do not regularly register their financial accounts and in detail in their business management. This problem occurs, it can be estimated that there is a lack of insight into preparing a fair and correct budget. This is evidenced by (Humaira & Sagoro, 2018) research that most MSMEs do not keep financial records because they do not know how to prepare a financial budget.

The second problem is financial attitude. In running their business, business actors must have the right attitude in managing their business finances. Because financial attitudes can be considered as psychological tendencies that are expressed when evaluating recommended financial management practices with some degree of agreement or disagreement (Mien & Thao, 2015). Several researchers conclude that economic attitudes have an essential role in determining financial management behavior (Shih & Ke, 2014).

Another aspect that is thought to influence financial management behavior is personality. In this case, the personality aspect of managing finances is needed because each individual has a variety of financial management methods (Sina, 2014).

Many studies that discuss financial management behavior have done it. (Humaira & Sagoro, 2018) conducted research, and (Rosyadah, 2020) obtained the results that financial knowledge, financial attitudes, and personality have a significant effect on financial management behavior. But there is a research gap in the works of research conducted by (Herdjiono et al., 2016) that financial knowledge has no significant effect on financial management behavior.

Thus, this study is intended to determine the effect of financial knowledge, financial attitudes, and personality on financial management behavior in building materials MSME players in Tasikmalaya City.

**METHODS**

The research method used in this research is quantitative. Based on its objectives, this research is a type of associative causal analysis. The type of investigation used is verification research. The population used in this study was 312 MSME building materials in the city of Tasikmalaya. The sampling technique used was simple random sampling—determination of the number of samples using the formula Issac and Michael.

The first stage of data analysis is to perform calculations on descriptive analysis techniques for each variable using the following formula:

$$Percentage\ rate = \frac{n}{N}\ x\ 100\%$$

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Information:
n = Total score of respondents' responses

N = Total ideal score

The formula for the number of ideal scores:

N = number of respondents x highest weight of each statement)

After that, the classical assumption test was carried out, which consisted of the normality test, multicollinearity test, and heteroscedasticity test. The normality test is carried out to test whether, in the regression model, the residual variables have a normal distribution (Ghazali, 2013). The multicollinearity test is carried out to detect whether or not there is a high correlation between the independent variables in a multiple linear regression model (Indrawati, 2015). A good regression model does not show a correlation between the independent variables. The heteroscedasticity test was carried out to test whether there was an inequality of *variance* from the residuals of one observation to another (Ghazali, 2013). A good regression model is that there is no heteroscedasticity.

After that, testing the hypothesis test. The first test is to manage multiple linear regressions using the following formula:

$$Y = \alpha + b_1X_1 + b_2X_2 + b_3X_3$$

Information:
Y = Financial management behavior
$\alpha$ = Constant
b = Regression coefficient (value of increase or decrease)
$X_1$ = Financial Knowledge
$X_2$ = Financial Attitude
$X_3$ = Personality

The second test is the F test, to show whether all the variables *independent* in the model have a joint influence on the variable dependent (Ghazali, 2013).

The third test is the t-test, to know how much power the variable has *independently* on the variable *dependent* (Ghazali, 2013).

Also, the data is tested for the coefficient of determination, which aims to measure how much influence the variable has *independent* on the variable *dependent*, where the coefficient of determination is between zero and one (Ghazali, 2013).

## RESULTS AND DISCUSSION
### Descriptive Analysis Test
At this stage, the calculation of the percentage score for each answer given by the respondent to the existing variables is carried out. Based on the results of the calculations carried out, it can be obtained the classification of percentage assessment. The following classification of assessments can be seen in Table 1.

**Table 1. Classification of Percentage Assessment Criteria**

|   | Percentage | Research Category |
|---|---|---|
| 1 | 25,00% - 43,75% | Very Not Good |
| 2 | 43,75% - 62,25% | Not Good |
| 3 | 62,25% - 81,25% | Good |
| 4 | 81,25% - 100% | Very Good |

Source: Processed data (2021)

The percentage value of each variable is obtained as shown in table 2.

**Table 2. Variable Percentage Result**

|   | Variable | Percentage |
|---|---|---|
| 1 | Financial Knowledge | 72% |
| 2 | Financial Attitude | 79% |
| 3 | Personality | 78% |
| 4 | Financial Management Behavior | 75,20% |

Source: Processed data (2021)

By looking at the results from Table 1 and Table 2, it can be concluded that the financial knowledge variable obtained a percentage yield of 72%. It means that the responses given by all respondents regarding financial knowledge are in the "good" category. For the financial attitude variable, the percentage result is 79%. This means that the responses given by all respondents regarding financial attitudes are included in the "good" category.

On the Personality variable, the percentage result is 78%. it means that the responses given by all respondents about personality are included in the "good" category. As well as the financial management behavior variable, obtaining a percentage result of 75.20%. means that the responses given by all respondents are included in the "good" category. so it can be concluded that all responses from each variable have a "good" category.

**Classic Assumption Test**
In the normality test, the results test are as in table 3.

**Table 3. Normality Test Results**

|   | Unstandardized Residual |
|---|---|
| Asymp. Sig. (2-tailed) | .200 |

Source: Processed data (2021)

Based on table 3, it can be seen that the significance value is 0.200. This shows that the data used is normally distributed because it has a significance value greater than 0.05.

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In the multicollinearity test, the results test are as in table 4.

**Table 4. Multicollinearity Test Result**

| Model | Collinearity Statistics | |
| --- | --- | --- |
| | Tolerance | VIF |
| (constant) | | |
| Financial Knowledge | 0,999 | 1,001 |
| Financial Attitude | 0,920 | 1,087 |
| Personality | 0,920 | 1,087 |

Source: Processed data (2021)

Based on table 4, the results obtained indicate that there is no correlation between the independent variables in a multiple linear regression model. This is indicated because the tolerance value of all independent variables is greater than 0.1 and the VIF value is less than 10.

In the heteroscedasticity test, the results test are as in table 5.

**Table 5. Heteroscedasticity Test Result**

| | Model | t | Sig. |
| --- | --- | --- | --- |
| 1 | (Constant) | -0,364 | 0.717 |
| | Financial Knowledge | 0,337 | 0,737 |
| | Financial Attitude | 1,204 | 0,233 |
| | Personality | 0,190 | 0,850 |

Source: Processed data (2021)

Based on table 5, it was found that all the independent variables used had a significance value greater than 0, 05, so it can be concluded that the regression model in this study does not occur heteroscedasticity.

**Hypothesis Testing**

Multiple linear regression analysis is carried out to determine the variable independent (X) variable and the dependent variable (Y). In this study, an analysis of the variables of financial knowledge (X), financial attitudes (X), and personality (X) on financial management behavior (Y) was carried out.

**Table 6. The Results of Multiple Linear Regression Analysis**

| Model | Unstandardized Coefficients | |
| --- | --- | --- |
| | B | Std. error |
| (constant) | 5,893 | 3,876 |
| Financial Knowledge | 0,654 | 0,132 |
| Financial Attitude | 0,170 | 0,079 |
| Personality | 0,273 | 0,107 |

a. Dependent Variable: Financial Management Behavior

Source: Processed data (2021)

Based on Table 6, we can conclude that all the independent variables used have a unidirectional relationship to the dependent variable. This is because the value obtained has a positive nominal.

In the F-test that has been carried out, the results are as in Table 7.

**Table 7. F-Test Results**

| Model | F | Sig. | Conclusion |
|---|---|---|---|
| 1  Regression | 13,272 | .000 | Significant |
| Residual | | | |
| Total | | | |

Source: Processed data (2021)

Based on Table 7, it can be seen that the significant value obtained is 0,000 or less than 0.05 (F. Sig 0,000 <α 0.05), which means that there is a substantial influence between financial knowledge, financial attitudes, and personality simultaneously towards financial management behavior.

In the t-test that has been carried out, the results are as in Table 8.

**Table 8. T-Test Result**

| Model | B | Sig. | Conclusion |
|---|---|---|---|
| Financial Knowledge | 0,654 | 0,000 | Significant |
| Financial Attitude | 0,170 | 0,035 | Significant |
| Personality | 0,273 | 0,013 | Significant |

Source: Processed data (2021)

Based on Table 8, we can see that the significance value of the financial knowledge variable is 0.000, the significant level is less than 0.05. This implies that there is a substantial influence between financial knowledge on financial management behavior. The results obtained are in line with the research conducted by (Siswanti & Halida, 2020).

The significance level of the financial attitude variable is 0.035, and the significance level is less than 0.05. This suggests that there is a significant influence between financial attitudes on financial management behavior. The results obtained are in line with research conducted by (Humaira & Sagoro, 2018).

The significance level of the personality variable is 0.013, and the significance level is less than 0.05. This suggests that there is a significant influence between personality on financial management behavior. The results obtained are in line with research conducted by (Rosyadah, 2020).

In the coefficient of determination test that has been carried out, the results obtained are as in Table 9.

**Table 9. Determination Coefficient Test Results**

| Model | R Square |
|---|---|
| 1 | 0,359 |

Source: Processed data (2021)

Based on Table 9. we can see that the coefficient of determination is 35.9%. So it can be concluded that the variable financial management behavior can be explained by the variables of financial knowledge, financial attitudes, and personality. Simultaneously, the remaining 64.1% of the financial management behavior variable is explained by other variables outside of this study.

## CONCLUSION

Based on the results of research that has been conducted on the actors of MMSE Building Materials in the City of Tasikmalaya regarding the influence of financial knowledge, financial attitudes, and personality on financial management behavior, the researchers conclude that there is a significant influence between financial knowledge, financial attitudes, and good personality simultaneous or partial to financial management behavior.

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