

The Influence of Income, Financial Literacy, Financial Attitudes, Personality and Locus of Control on Financial Management Behavior in MSMEs in Jember

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Article Info	Abstract
<p>Received: June 03, 2024</p> <p>Revised: June 27, 2024</p> <p>Online available: July 15, 2024</p> <p>Keywords: <i>Financial Literacy, MSMEs, Financial Attitudes, Personality</i></p>	<p>This study aims to determine and analyze the influence of income, financial literacy, financial attitudes, personality and locus of control partially and simultaneously on Financial Management Behavior. This type of research uses a Quantitative approach, the population in this study is aimed at MSME actors in Semboro District, Jember, totaling 563 MSMEs. The sample used was 85 respondents using the Simple Random Sampling technique. The analysis tool uses data instrument testing, classical assumption testing, multiple linear regression analysis, coefficient of determination and hypothesis testing using SPSS v.25. The results of the study prove that Income, Financial Literacy, Financial Attitudes, Personality, and Locus Of Control have a significant partial effect on financial management behavior in MSME actors in Semboro District, Jember, as well as Income, Financial Literacy, Financial Attitudes, Personality, and Locus Of Control have a significant simultaneous effect on financial management behavior in MSME actors in Semboro District, Jember.</p>

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INTRODUCTION

In the current era of open markets, economic problems are increasingly difficult, requiring people to continue trying to find solutions to meet their needs. Financial factors are one of the important factors in everyday life and there will definitely be problems in finance, namely with developments that occur in the financial market (Yusnia and Jubaedah, 2017). The development of Micro, Small and Medium Enterprises (MSMEs) in Indonesia has increased from 55.21 million in 2012 and 64.19 million business units in 2018. It can be concluded that the growth in the number of MSMEs in Indonesia increased by 116 percent from 2012-2018 (Yahya et al. .al, 2020). Financial literacy is financial knowledge that is useful for applying understanding of concepts, theories, risks and skills to make effective decisions for everyone's financial well-being. Based on the results of SNLIK which has been carried out with the Financial Services Authority (OJK) in 2022, it shows that the financial literacy index of the Indonesian people is 49.68 percent, an increase compared to 2019 which was only 38.03 percent. Meanwhile, this year's financial inclusion index reached 85.10 percent, an increase compared to the previous SNLIK period in 2019, namely 76.19 percent. This shows that the gap between the literacy level and the inclusion level is decreasing, from 38.16 percent in 2019 to 35.42 percent in 2022.

Table 1. Comparison of Financial Literacy and Inclusion Index

Indeks	2019	2022
Literacy	38,03%	49,68%
Inclusion	76,19%	85,10%
Gap	38,16%	35,42%

Source: Comparison of Financial Literacy and Inclusion Index for 2019 & 2022

Managing finances is a reality that every human being must face in their daily lives, where a person must manage finances well in order to balance income and expenses, be able to meet life's needs and not get trapped in financial difficulties. Financial management behavior has psychological meaning for someone who can influence financial and psychological decisions, including people who are able to regulate their thought patterns and attitudes to make decisions by linking all relevant aspects (Aji et al., 2020). Accounting is a systematic process for producing financial information that can be used for decision making for its users. As long as Micro, Small and Medium Enterprises (MSMEs) still use money as a medium of exchange, accounting is really needed by MSMEs (Risnarningsih, 2017). Financial recording and reporting is very useful for the decision-making process of a business to continue their business (Ningsih et al., 2021). Jember Regency is included in East Java Province. Semboro is one of the sub-districts in Jember Regency which is spread across 6 villages, namely: Rejoagung, Semboro, Sidomulyo, Sidomekar, Pondokjoyo, Pondokdalem. The development of MSMEs in Semboro District, Jember Regency has experienced development since the existence of the MSME center, there are several MSMEs that have opened stalls to become embryos in the economic progress of the community, and several residents have registered to open MSMEs. Semboro District has a superior sector, namely in the culinary sector. According to one of the administrators of BUMDES (Village-Owned Enterprises) in Semboro District, several MSME actors lack financial literacy or understanding of finance, making MSME actors mismanage their finances or have poor financial planning. In enriching the knowledge of MSME actors, financial management and accountability can be better accounted for in the Financial Management Behavior of MSME Actors in Semboro Jember District. The purpose of this research is to determine and analyze the partial and simultaneous influence of Income, Financial Literacy, Financial Attitude, Personality, and Locus of Control on Financial Management Behavior in MSMEs in Semboro Jember District.

METHOD

This type of research is quantitative research that relies on analysis of numerical data from questionnaire answers and other measurable information to explore the relationship between factors that influence the quality of financial reports. This approach focuses on numerical aspects as data, both in the collection process and in the analysis results (Widagdo et al., 2021). This research uses primary data in the form of respondent responses. Primary data was obtained through observation, interviews and distributing questionnaires. When filling out the questionnaire, respondents are given time to consider their responses carefully without any distractions. Primary data is data that directly provides data to data collectors (Sugiyono, 2016). The population in this study were MSMEs in Semboro District, totaling 563 MSMEs. The sampling technique used in this research is Simple Random Sampling. The samples used were 85 samples. The data analysis method used is multiple linear regression analysis which includes data instruments, classical assumption testing and hypothesis testing, the tool used is SPSS v.25.

RESULTS AND DISCUSSION

Validity Test

Table 2. Validity Test Results

No.	Variable	Indicator	R. Count	R. Table	Information
1.	X1	X1.1	0,901	0,213	Valid
2.		X1.2	0,829	0,213	Valid
3.		X1.3	0,842	0,213	Valid
4.		X1.4	0,802	0,213	Valid
1.	X2	X2.1	0,853	0,213	Valid
2.		X2.2	0,842	0,213	Valid
3.		X2.3	0,847	0,213	Valid
4.		X2.4	0,812	0,213	Valid
1.	X3	X3.1	0,842	0,213	Valid
2.		X3.2	0,815	0,213	Valid
3.		X3.3	0,901	0,213	Valid
4.		X3.4	0,726	0,213	Valid
1.	X4	X4.1	0,870	0,213	Valid
2.		X4.2	0,750	0,213	Valid
3.		X4.3	0,748	0,213	Valid
4.		X4.4	0,723	0,213	Valid
1.	X5	X5.1	0,836	0,213	Valid
2.		X5.2	0,774	0,213	Valid
3.		X5.3	0,862	0,213	Valid
4.		X5.4	0,798	0,213	Valid
1.	Y	Y1	0,833	0,213	Valid
2.		Y2	0,915	0,213	Valid
3.		Y3	0,915	0,213	Valid
4.		Y4	0,708	0,213	Valid

Source: Processed Primary Data, 2024

The results of the validity test show that the calculated r-value for each variable indicator Income (X1), Financial Literacy (X2), Financial Attitude (X3), Personality (X4), Locus of Control (X5), and Financial Management Behavior (Y) is greater than r-table is 0.213. Thus, the questionnaire used is declared valid for use as a variable measuring tool.

Reliability Test

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Standart Alpha	Information
Income	0,857	0,70	Reliable
Financial Literacy	0,858	0,70	Reliable
Financial Attitude	0,839	0,70	Reliable
Personality	0,774	0,70	Reliable
<i>Locus Of Control</i>	0,834	0,70	Reliable
Financial Management Behavior	0,867	0,70	Reliable

Source: Processed Primary Data, 2024

The results of the reliability test show that all variables have sufficient alpha coefficients or meet the criteria called reliable, namely $\alpha > 0.70$, so it is appropriate to use the closest point of each variable concept as a measure.

Normality Test

Table 4. Normality Test Result

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		85
Normal Parameters ^{a,b}	Mean	.000000
	Std. Deviation	.04849010
Most Extreme Differences	Absolute	.096
	Positive	.096
	Negative	-.057
Test Statistic		.096
Asymp. Sig. (2-tailed)		.050 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Processed Primary Data, 2024

One Sample Kolmogrov-Smirnov test results show that the value of Asymp. Sig. (2 tailed) in the Unstandardized Residual column is 0.050, meaning it is equal to or greater than the significance level of 0.05 or $0.050 = 0.05$. So it can be concluded that the data from this study is normally distributed.

Multicollinearity Test

Table 5. Multicollinearity Test Results

Variable	Tolerance	VIF	Information
Income (X1)	0,254	3,933	No Multicollinearity
Financial Literacy (X2)	0,205	4,879	No Multicollinearity
Financial Attitude (X3)	0,404	2,476	No Multicollinearity
Personality (X4)	0,282	3,551	No Multicollinearity
Locus Of Control (X5)	0,239	4,189	No Multicollinearity

Source: Processed Primary Data, 2024

After carrying out the test, it can be concluded that if we look at the tolerance value, it is greater than > 0.10 , which means that there is no multicollinearity between the independent variables. If you look at the VIF value, it is smaller than < 10.00 , which means that there is no multicollinearity between the independent variables.

Heteroscedasticity Test

Table 6. Heteroscedasticity Test Result

Coefficients ^a		
Model	t	Sig.
1 (Constant)	.634	.528
Income	1.523	.132
Financial Literacy	-.987	.327
Financial Attitude	-.008	.994
Personality	-1.006	.317
LocusOfControl	1.134	.260

a. Dependent Variable: Abs_RES

Source: Processed Primary Data, 2024

After carrying out the Glejser test, it can be concluded that if we look at the significant values, the values of all the independent variables Income, Financial Literacy, Financial Attitude, Personality and Locus of Control > 0.05, it can be concluded that heteroscedasticity does not occur.

Multiple Linear Regression Test

Table 7. Multiple Linear Regression Test Results

Model	Coefficients ^a		
		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	.080	.718
	Income	.200	.072
	Financial Literacy	.222	.080
	Financial Attitude	.182	.060
	Personality	.291	.076
	<i>Locus Of Control</i>	.160	.077

a. Dependent Variable: Financial Management Behavior

Source: Processed Primary Data, 2024

$$Y = a + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + e$$

$$Y = 0,080 + 0,200X_1 + 0,222X_2 + 0,182X_3 + 0,291X_4 + 0,160X_5$$

1. The constant value (a) has a positive value of 0.080, meaning that the variables income (X1), Financial Literacy (X2), Financial Attitude (X3), Personality (X4), and Locus of Control (X5) already have a positive value, meaning the respondent has carry out good financial management.

2. The variables Income, Financial Literacy, Financial Attitude, Personality, and Locus of Control have a positive coefficient towards Financial Management Behavior (Y) with a positive value. A positive sign means that it shows a unidirectional influence between the independent variable and the dependent variable (Financial Management Behavior).

Coefficient Of Determination Test

Table 8. Coefficient Of Determination Test Results

Model	Model Summary ^b			
	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.941 ^a	.886	.879	.854

a. Predictors: (Constant), *LocusOfControl*, Financial Attitude, Income, Personality, Financial Literacy

b. Dependent Variable: Financial Management Behavior

Source: Processed Primary Data, 2024

The adjusted R square value (coefficient of determination) was obtained at 0.879 or 87.9%, which means that 87.9% of the variables income, financial literacy, financial attitudes, personality, locus of control, and financial management behavior have coefficient values. The remaining 12.1% can be explained by other variables not included in the regression model of this study.

Hypothesis Testing

Table 9. Partial Test Results

Variable	t. count	t. table	Significant	Information
Income	2,774	1,990	0,007	Significant
Financial Literacy	2,765	1,990	0,007	Significant
Financial Attitude	3,047	1,990	0,003	Significant
Personality	3,836	1,990	0,000	Significant
<i>Locus Of Control</i>	2,079	1,990	0,041	Significant

Source: Processed Primary Data, 2024

Based on the table, it can be seen that the independent variables income, financial literacy, financial attitude, personality and locus of control each have a significance value of <0.05 , so it can be stated that all independent variables have a partially significant effect on financial management behavior.

Table 10. Simultaneous Test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	447.723	5	89.545	122.873	.000 ^b
	Residual	57.572	79	.729		
	Total	505.294	84			

a. Dependent Variable: Financial Management Behavior

b. Predictors: (Constant), *LocusOfControl*, Financial Attitude, Income, Personality, Financial Literacy

Source: Processed Primary Data, 2024

It is known that the significance value for the influence of variables X1, calculated is greater than the F-table or $122.873 > 2.330$. So it can be concluded that Income (X1), Financial Literacy (X2), Financial Attitude (X3), Personality (X4) and Locus of Control (X5) simultaneously influence the Financial Management Behavior variable (Y).

The partial influence of income on financial management behavior

This research shows the results that the Income variable (X1) has a partial effect on the Financial Management Behavior variable (Y). This has meaning, with the sales turnover results proving that MSME actors in Semboro District have an appropriate income and MSME actors in Semboro District also have the responsibility to plan their finances in their daily lives. This is in contrast to the analysis (Nurjanah, 2022) which has been carried out showing the results that income does not have a partial and significant influence on the financial management behavior of MSMEs in Bekasi Regency.

The partial influence of financial literacy on financial management behavior

This research shows the results that the Financial Literacy variable (X2) has a partial effect on the Financial Management Behavior variable (Y). This means that the more adequate financial literacy or knowledge about finance that MSME players have, the more it will have a positive impact on the financial behavior of MSME players in managing their finances. Therefore, financial literacy has an important role in carrying out business activities. This is supported by the results of the analysis (Kustiyana., et al, 2021) which has been carried out showing that financial literacy has a partial and significant influence on financial management behavior among MSMEs assisted by the cooperative department and DIY SMEs.

The partial influence of financial attitude on financial management behavior

This research shows the results that the Financial Attitude variable (X3) has a partial effect on the Financial Management Behavior variable (Y). This means that financial attitude is a very important factor in financial management behavior, if financial attitude is not good it will affect how they use and manage money well. This is supported by the results of the analysis (Harahap., et al, 2020) which has been carried out showing that financial attitudes have a partial and significant influence on the financial behavior of MSMEs in Cinere Village.

The partial influence of personality on financial management behavior

This research shows the results that the Personality variable (X4) has a partial effect on the Financial Management Behavior variable (Y). This means that the higher the personality, the higher the financial management behavior. Pradiningtyas and Lukiastuti (2019) emphasize that psychological factors are often key in the financial decision making process. The use of the Big Five types has implications for how to make financial plans and how to use them correctly. Apart from that, personality aspects often influence financial management, because a bad personality can be the cause of poor financial management and vice versa. This is supported by the results of the analysis (Yuhaprizon, 2022) which has been carried out showing that personality has a partial and significant influence on the financial behavior of SMEs at the Shoe and Sandal Center Cibaduyut Bandung and in Ciomas Bogor.

The partial influence of locus of control on financial management behavior

This research shows the results that the Income variable (X1) has a partial effect on the Financial Management Behavior variable (Y). This means that if the right locus of control or self-control is possessed by MSME actors in Semboro District, it will have a good impact on financial management behavior. MSME actors in Semboro District have great work motivation so they can behave financially well and can control themselves to make future financial decisions. This is very important to minimize waste as a business actor. This is supported by the results of the analysis (Budiasni and Ferayani, 2022) which has been carried out showing that locus of control has a partial and significant influence on the financial behavior of MSME actors in the Banyuasri Market Environment in Buleleng Regency.

Simultaneous influence of income, financial literacy, financial attitudes, personality, and locus of control on financial management behavior

This research shows that the values of the five variables, namely Income (X1), Financial Literacy (X2), Financial Attitude (X3) Personality (X4) and Locus of Control (X5) together are factors that influence financial management behavior.

CONCLUSION

Based on the results of this research testing regarding "The Influence of Income, Financial Literacy, Financial Attitudes, Personality, and Locus of Control on Financial Management Behavior among MSME Actors in Semboro District, Jember" it can be concluded as follows:

1. Income partially has a significant effect on Financial Management Behavior. This shows that the income of MSME players in Semboro District is in accordance with their work, the higher their sales, the higher their income will be, the monthly sales turnover they receive can meet their daily needs.
2. Financial Literacy partially has a significant effect on Financial Management Behavior. This shows that the Financial Literacy of MSME players in Semboro

- District is good in creating healthier financial conditions such as saving, the better a person's literacy level, the better they are in terms of financial management.
3. Financial Attitude partially has a significant effect on Financial Management Behavior. This shows that the financial attitude of MSME actors in Semboro District is good in maintaining financial records, financial attitude shows how a person manages their finances, the better their financial attitude, the better their financial management behavior and vice versa.
 4. Personality partially has a significant effect on Financial Management Behavior. This shows that the personality of MSME actors in Semboro District is able to make optimistic decisions in running their business, having clear goals for the future.
 5. Locus of Control partially has a significant effect on Financial Management Behavior. This shows that the Locus of Control of MSME actors in Semboro sub-district is able to solve personal problems, and is confident in their abilities. Having a level of locus of control makes them understand more clearly the self-control of MSME actors in their financial management behavior. MSMEs can run smoothly. Good.
 6. Income, Financial Literacy, Financial Attitude, Personality, and Locus of Control simultaneously have a significant influence on Financial Management Behavior. This shows that these five variables influence Financial Management Behavior.

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