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Consumptive Behavior and Self-Efficacy towards Financial Management with Financial Literacy as an Intervening Variable

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Abstract

The crucial objective of this research is to measure the impact of consumptive behavior, self-efficacy and financial literacy on people's financial management. This research technique is qualitative research. The population of this research is young workers in Bandung with purposive sampling technique with the acquisition of 32 questionnaire data samples. The benchmark used is male or female, aged 17-35 years, already working, and domiciled in Bandung. The results of the study show that consumptive behavior has no positive effect on financial management. Self-efficacy has a positive effect on financial management and self-efficacy on financial management with financial literacy as an intervening variable has a positive influence on young workers in Bandung.

Keywords
Consumptive behavior; self-efficacy; financial management, financial literacy

I. Introduction

The transformation of consumption patterns in the current industrial revolution has a major impact on people's attitudes in all their views of life. Especially in view of desire. The availability of E-Commerce services that are easy to be accessed by anyone, a desire that was originally simple has become widespread. Today's needs are not only for clothing, food and housing. In terms of self-expression, especially for young people, spending just to hang out in a cafe or a walk in a mall is a common thing to do. This behavior has an impact on personal financial management because it is difficult for young people to be able to suppress attitudes in spending their money.(Putri & Lestari, 2019)argues that personal financial management is one of the most basic competencies needed by modern society because consumer choices from day to day will affect one's financial security and standard of living. Financial difficulties can arise if there is an error in financial management.

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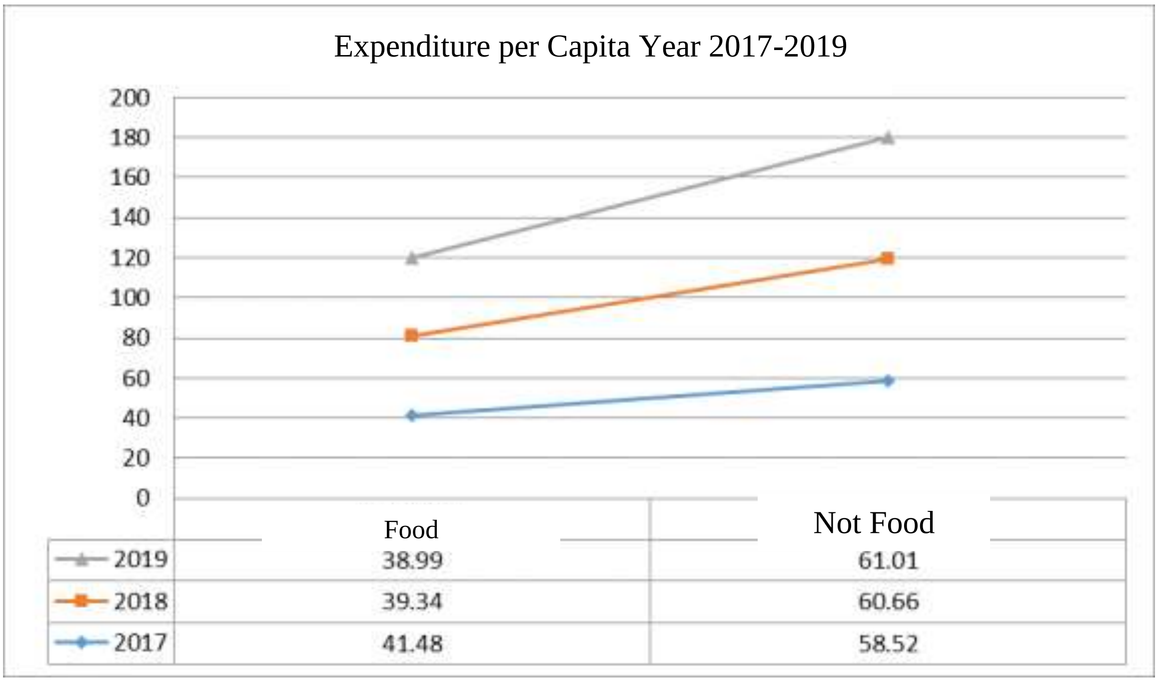


Source: Bandung Central Statistics Agency

Figure 1. *Bandung City Consumption and Expenditure Report*

Based on the picture above, it can be seen that consumption expenditure for food in urban areas, especially in Bandung City from 2017 – 2019 is facing shrinkage. On the other hand, non-food consumption in Bandung proves that the people of the Bandung area spend more money on things other than wants.

Lely Cristanti, Dwi Iga Luhsasi (2021)describes that lifestyle will have an impact on changing behavior about the way a person consumes. Consumptive behavior can lead to high negative consequences in individuals who have the habit of shopping at the mall, watching movies and the like which are not good enough so that it is difficult to regulate themselves or the desire to spend money and aspects of the amount of individual monthly spending.

Currently, there has been a lot of research thatraised related to self-efficacy, including financial efficacy. Financial self-efficacy is a person's sense of belief in his capacity to manage his finances well and to achieve his financial goals(LAILI RIZKIAWATI & ASANDIMITRA HARYONO, 2018). according to the opinion of(Singh et al., 2019), explains that self-efficacy as a mediating variable has an effecton financial management behavior, while research(Ismail et al., 2017), explains thatself-efficacy has no effect on financial management behavior.

Financial statements are basically a source of information for investors as one of the basic considerations in making capital market investment decisions and also as a means of management responsibility for the resources entrusted to them (Prayoga and Afrizal 2021) . Financial performance is a measuring instrument to know the process of implementing the company's financial resources. It sees how much management of the company succeeds, and provides benefits to the community. Sharia banking is contained in the Law of the Republic of Indonesia No.21 of 2008 article 5, in which the Financial Services Authority is assigned to supervise and supervise banks. (Ichsan, R. et al. 2021)

Another aspect that affects financial management is financial literacy.(Lusardi & Mitchell, 2014) states that financial literacy consists of several skills and knowledge about finances that are owned by a person to be able to manage or use a certain amount of money to improve their standard of living and aim to achieve prosperity. With a financial description that a person has, it can help him achieve financial goals that have been managed to raise his standard of living comfort from the economic field of the current era and in the future era. There are four indicators used to measure financial literacy according to(Aribawa, 2016)including basic knowledge of individual finance,savings, insurance and capital.

Table 1. Previous Journal

No	Research Title	Research result	Comparative Analysis	
			Equality	**Difference**
1.	Nurul Amalia Putri, Diyan Lestari (2019) : The Effect of Lifestyle and Financial Literacy on the Management of Young Workers in Jakarta	Partially, financial literacy has a positive effect on financial management	Using the independent variable of financial literacy and the dependent variable of financial management	Researchers use other independent variables, namely lifestyle and different research objects
2.	Novi Ratna Sari, Agung Listiadi (2021) The Influence of Financial Literacy, Financial Education in the Family, Pocket Money on Financial Management Behavior with Financial Self Efficacy as an Intervening Variable	Financial literacy does not have a positive effect on financial management behavior directly or through self-efficacy and self-efficacy is positively related to financial management behavior	Using the independent variable financial literacy financial self-efficacy (self-efficacy) with the dependent variable financial management	Researchers use other variables, namely pocket money and financial education as well as different research objects
3.	Indah Lely Cristanti, Dwi Iga Luhsasi, Destri Sambara Sitorus (2021): Covid-19 Pandemic: Influence of Consumptive Behavior and Mental Accounting for Financial Management of Fkip Uksw . Students	Shows that consumptive behavior has no positive effect significant to financial management	Using the independent variable of consumptive behavior with the dependent variable of financial management	Researchers use other variables, namely mental accounting and different research objects

4.	Dwi Iga Luhsasi (2021): Financial Management: Financial Literacy and Student Lifestyle	Shows that financial literacy affects financial management	Using the independent variable of financial literacy with the dependent variable of financial management	Researchers use other variables, namely lifestyle and different research objects
5.	Wahyu Rumbianingrum, Candra Wijayaangka (2018) : The Effect of Financial Literacy on MSME Financial Management	Shows that financial literacy has a good effect on financial management	Using the independent variable of financial literacy with the dependent variable of financial management	Researchers use different research objects

Sourced from above, destinationwhat the researcher wants to achieve is to determine the effect of consumptive behavior, self-efficacy and financial literacy on the financial management of young workers in Bandung.

II. Review of Literature

2.1 Financial Management

Financial management is a component of individual financial management activities which is a way for an individual to meet the needs of life through activities to manage financial bases in an organized and analytical way.(Putri & Lestari, 2019).Skills in managing personal finances are needed by all people, especially for the active activities of young people who are productive. This makes it easier for young people to make wise financial decision options and control financial spending appropriately. Financial management must be tried obediently, so that the long-term goal of financial independence for young people can be better planned and resolved.

2.2 Consumptive behavior

Consumptive behavior is a consumption activity that is not based on needs but on desires and happiness alone. Consumptive behavior begins to arise when there is a change in the pattern of consumption attitudes that are illogical or just because of the emotional aspect. In a theoretical way, consumptive behavior is influenced by aspects of custom, social, individual and psychology(Dewi & Sunarto, 2017). The philosophy of customer attitude in this study applies that the activities of young workers in sorting, buying, using objects and services must be based on their needs, not on desires. This, when applied, is intended to prevent productive people from being consumptive.

Development is a systematic and continuous effort made to realize something that is aspired. Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired. In addition, development is also very dependent on the availability of natural resource wealth. The availability of natural resources is one of the keys to economic growth in an area. (Shah, M. et al. 2020)

2.3 Self Efficacy

Self-efficacy is an intellectual belief that individuals can organize and control their behavior so that they become more competent. Having good self-control skills, especially in terms of managing finances, can help individuals manage their finances. Order and self-control are needed so that a person is able to carry out his life activities in accordance with financial skills so that he is free from the risk of future losses.

2.4. Financial Literacy

Financial management must be based on a description of finance or referred to as financial literacy (Sari & Listiadi, 2021). The aspect of people not planning their finances well and exploring a lifestyle that does not match their abilities is one of them due to a lack of financial insight. Financial literacy can be referred to as financial insight that intends to achieve prosperity, described by(Lusardi & Mitchell, 2014). This expertise includes planning for future financial health, the existence of savings or investment funds and good financial spending decisions on a daily basis.

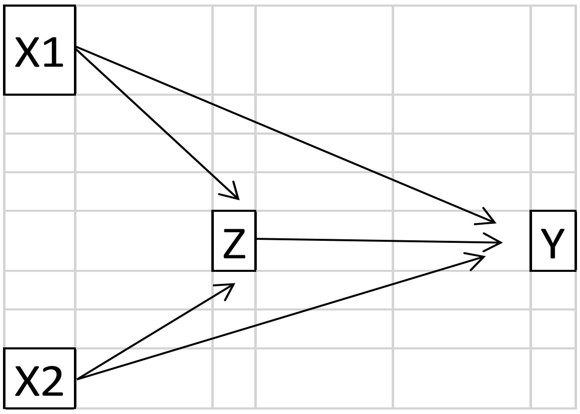
2.5. Hypothesis

H1: Consumptive behavior affects financial management
H2: Self-Efficacy affects Financial Management
H3: Financial Literacy has an effect on Financial Management

III. Research Method

This study uses a qualitative research method with the method of collecting information using a questionnaire. Measurements in this research were carried out using a Likert Scale. Opinion of(Sugiyono, 2016)The Likert scale is used to measure the actions, opinions, and assumptions of a person or group of people regarding social events. The subject of this research is the Young Workers in Bandung. The sample collection method used purposive sampling with the provision that the respondents were already working, domiciled in Bandung and the age of the young workers was around 17-35 years. As a result, a total sample of 32 respondents was obtained.

This research has a target to analyze the effect of the dependent variable which includes Consumptive Behavior (X1) and Self-Efficacy (X2) on the independent variable, namely Financial Management (Y) with the presence of the mediating variable, namely Financial Literacy (Z). The relationship between variables is interpreted as follows:



Source: By Researchers (2022)

***Figure 2**. Relationship between Variables*

In this research, the writer uses Smart PLS 3 software analysis with Outer Model Measurement, Inner Model Analysis, and Hypothesis Testing.

IV. Results and Discussion

In this study, there are characteristics of 32 respondents who created information from distributing questionnaires using Google Forms with the following data:

4.1 Gender

Based on the information compiled from the questionnaire, then the reflection of the number in general is the sex percentage of Young Workers in Bandung:

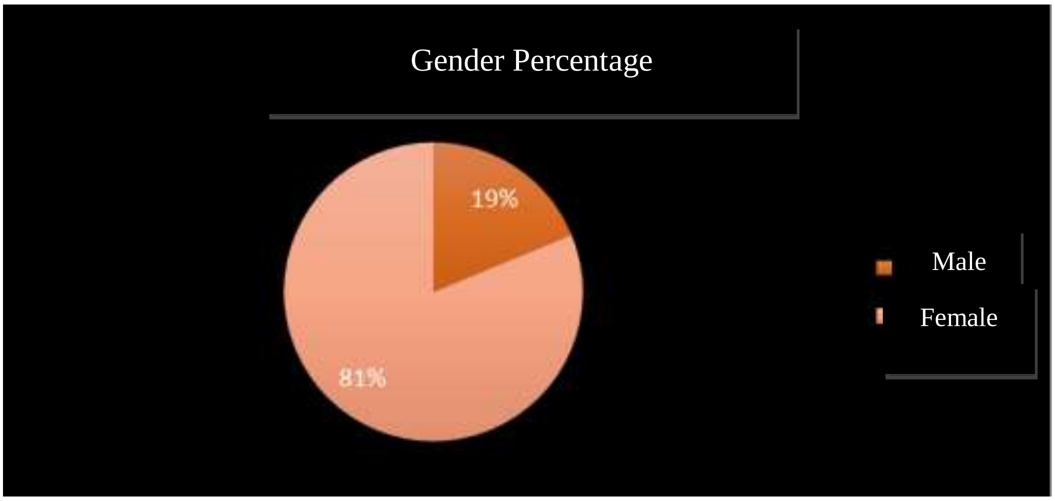


***Figure 3.** Respondent's Gender Data*

From diagram 2.1 above, it shows that the female gender is 81% (26 answers from 32 questionnaire respondents) and 19% male (6 answers from 32 questionnaire respondents). It can be concluded that the respondents of young workers in Bandung are more dominantly female.

4.2 Age

Based on the benchmarks set in the collection of samples, namely the age range of 17-35 years, the following is the percentage result of the respondent's age as follows:

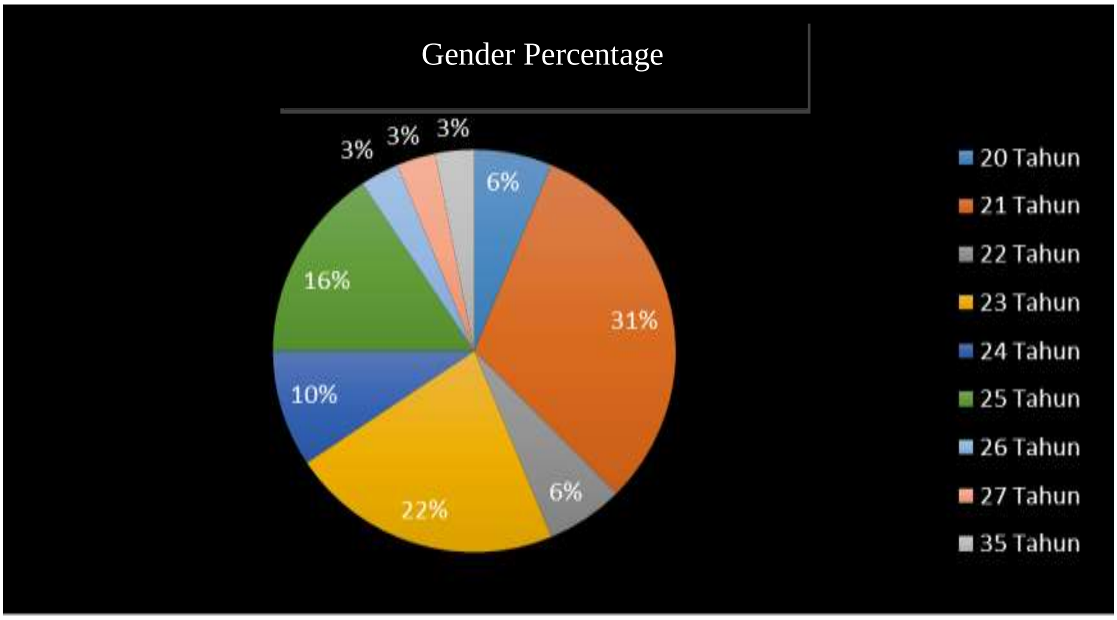


Figure 4. *Respondent Age*

From diagram 2.2 above, the age with the most respondents is 21 years at 31% (10 respondents), followed by 23 years at 22% (7 respondents), 25 years at 16% (5 respondents), 24 years at 10% (3 respondents), 20 years worth 6% (2 respondents), 22 years worth 6% (2 respondents), 26, 27, and 35 years worth 3% with 1 respondent each. This ensures that the age of the young workforce in Bandung fits the research benchmark.

4.3 Outer Model Measurement

In the measurement of the outer model, it is tried with the intention of looking at the validity and reliability of a model. The data that has been obtained from the questionnaire for each variable is processed using the SmartPLS3 application and then calculated to establish its validity and reliability. From the measurement of the outer model to be observed from the influence of Factor Loading, Average Variance Extracted (AVE), Discriminant Validity, and Composite Reliability.

a. Factor Loading

*Factor Loading*is an early stage in measuring the validity of a model. Factor Loading has a requirement that it is mandatory > 0.7 so that an indicator can be said to be valid. If it does not meet the requirements, it must be removed from the model. Meeting the first criteria will affect the AVE value. Analysis of the data measurement is processed as follows:

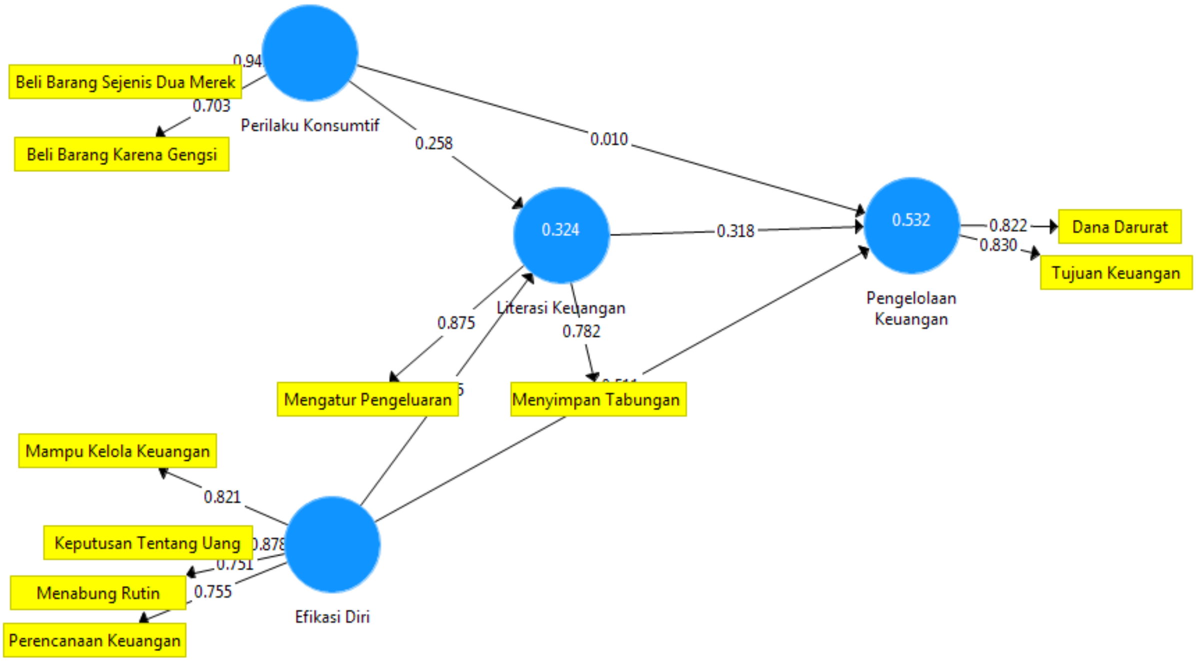


Figure 5. *Outer Loading Model Algorithm Results*

Based on Figure 3.1 above, it is evident that each latent variable has an indicator that fulfills the conditions for factor loading > 0.7. As a result, the model in the initial step is considered valid and there is no change in the model due to the deletion of indicators.

b. Average Variance Extracted (AVE)

AVE is the value used in testing convergent validity because the value received from the output convergent validity(P Panca et al., 2017).The AVE number in this research is > 0.5, and the results of this study on each latent variable have a value > 0.5. Furthermore, the AVE results from this study:

Table 2. Average Variance Extracted (AVE) Value

Construct	***Average Variance Extracted (AVE) Value***
X1 Consumptive Behavior	0.691
X2 Self Efficacy	0.645
Z Financial Literacy	0.688
Y Financial Management	0.682

As shown in table 3.1, the AVE value does not have a convergent validity case because all variables have an AVE value > 0.5, then we can then test the problem model related to discriminant validity.

c. Discriminant Validity

*Discriminant validity*This can be analyzed from the cross loading table, this output is used to measure discriminant validity. At this level, 2 benchmark values will be processed, including the cross loading value and the correlation value between latent variables. It can be observed in the following table:

Table 3. Discriminant Validity Value

Indicator	Self Efficacy (X2)	Financial Literacy (X3)	Financial Management (Y)	Consumptive Behavior (X1)
X2. ED1	0.821	0.460	0.538	0.322
X2. ED3	0.878	0.513	0.623	0.090
X2. ED4	0.751	0.261	0.503	0.190
X2. ED5	0.755	0.358	0.490	-0.212
Z. LK1	0.566	0.875	0.525	0.147
Z. LK3	0.242	0.782	0.433	0.420
X1. PK4	0.207	0.342	0.167	0.942
X1. PK5	-0.092	0.136	0.125	0.703
Y. POK3	0.620	0.358	0.822	0.357
Y. POK4	0.495	0.600	0.830	-0.060

From table 3.2 above, it can be observed that the value of cross loading on the variable Consumptive Behavior (X1) with two measurement indicators, each of which has a value > 0.7, namely X1.4 = 0.942 and X1.5 = 0.703. The value of the self-efficacy variable (X2) with four measurement indicators, each indicator has a value > 0.7, namely X2.1 = 0.821, X2.3 = 0.878, X2.4 = 0.751, and X2.5 = 0.755. The value of the Financial Literacy variable (Z) also has each indicator value > 0.7 with two measurement indicators, namely Z.1 = 0.875, and Z.3 = 0.782. And the value of the Financial Management variable (Y) as measured by two indicators with the value of each indicator > 0.7 also like Y.1 = 0.822 and Y.2 = 0.830. Of all the variables, each indicator has a value > 0.7 which means the model in this study is said to be valid.

d. Composite Reliability

*Composite Reliability*is the last stage of construct validity test in measuring the outer model to test the undimensionality of the model used in this measurement. To measure this undimensionality by using composite reliability and Cronbach's alpha with an output value of > 0.7.

Table 4. Composite Reliability Value

Construct	Composite Reliability
X1 Consumptive Behavior	0.814
X2 Self Efficacy	0.878
Z Financial Literacy	0.815
Y Financial Management	0.811

The results from table 3.3 above show the value of the Consumptive Behavior variable = 0.814, the Self-Efficacy variable = 0.878, the Financial Literacy variable = 0.815, and the Financial Management variable = 0.811. This means that all variables have a value > 0.7, then all variables are said to be reliable.

4.4 Inner Model Measurement

Inner model is a structural model, based on the value of the road coefficient, looking at how much influence the latent variables have with bootstrapping calculations, Rahmad Solling Hamid, SE, MM, Dr. Suhardi M Anwar, Drs., (2019). This measurement is carried out by evaluating the R-Square value and significance.

Table 5. R Square output

a. R-Square . Value

	R Square	R Square Adjusted
Financial Literacy_Z	0.324	0.278
Financial Management_Y	0.532	0.481

Based on the results of the analysis in table 3.4, the R Square value of the simultaneous influence of X1 and X2 on Y is 0.532 with an adjusted r-square value of 0.481. So it can be explained if all constructs (X1 and X2) simultaneously affect Y by 0.481 or 48.1%. Therefore, the Adjusted R Square is more than 33%, so the influence of all constructs X1 and X2 on Y is strong.

The R Square value of the simultaneous effect of X1, X2 and Y on Z is 0.324 with an adjusted r-square value of 0.278. So, it can be explained that all exogenous constructs (X1, X2 and Y) simultaneously affect Z by 0.278 or 27.8%. Because Adjusted R Square is less than 33%, the effect of all exogenous constructs X1, X2 and Y on Z is weak.

4.5 Hypothesis Testing

Hypothesis testing on the PLS SEM model intends to identify the effect of exogenous variables on endogenous variables. This research was conducted by looking at the value of T-Statistics and the value of P-Values. The research hypothesis can be claimed to be accepted if the T-Statistics value > t table (1.701) with a significance level of P-Values < 0.5.

Following are the results of the analysis of hypothesis testing:

Table 6. Output P Value

Patch Coeffecient	T Statistics (|O/Stdev|)	P Values	Results
Self Efficacy_(Variable X2) -> Financial Literacy_(Variable Z)	3.085	0.002	Received
Self Efficacy_(Variable X2) -> Financial Management_(Variable Y)	3.023	0.003	Received
Financial Literacy_(Variable Z) -> Financial Management_(Variable Y)	1.865	0.063	Rejected
Consumptive Behavior_(Variable X1) -> Financial Literacy_(Variable Z)	1.554	0.121	Rejected
Consumptive Behavior_(Variable X1) -> Financial Management_(Variable Y)	0.052	0.959	Rejected

Based on the results of the analysis of table 3.5, hypothesis testing for each - each latent variable relationship is as follows:

1. Hypothesis Testing for Consumptive Behavior Variables (X1) on Financial Management Variables (Y)
   The test results show the T-Statistics Value for the Consumptive Behavior Variable (X1) to the Financial Management Variable (Y) which is 0.052 < T - Table (1.701) with P - Value 0.959 > 0.05. Based on this value, the hypothesis is rejected and proves that the Consumptive Behavior Variable (X1) has a negative effect on the Financial Management Variable (Y).
2. Hypothesis Testing of Self Efficacy Variable (X2) Against Financial Management Variable (Y)
   The test results show the T-Statistics Value for the Self-Efficacy Variable (X2) on the Financial Management Variable (Y) which is 3,023 > T-Table (1,701) with P - Value 0.003 < 0.05. . From these results, it can be stated that the hypothesis is accepted and proves that the self-efficacy variable (X2) has a significant effect on the financial management variable (Y).
3. Hypothesis Testing of Financial Literacy Variable (Z) Against Financial Management Variable (Y)
   The test results show the T-Statistics value for the Financial Literacy Variable (Z) on the Financial Management Variable (Y) which is 1.865 > T-Table (1.701) with a P-Value of 0.063 > 0.05. Based on this value, the hypothesis is rejected and proves that the Financial Literacy Variable (Z) has a negative effect on the Financial Management Variable (Y).
4. Hypothesis Testing for Consumptive Behavior Variables (X1) on Financial Literacy Variables (Z)

The test results show the value of T-Statistics for the Consumptive Behavior Variable (X1) to the Financial Literacy Variable (Z) which is 1.554 > T-Table (1.701) with a P-Value of 0.121 > 0.05. Based on this value, the hypothesis is rejected and proves that the Consumptive Behavior Variable (X1) has a negative effect on the Financial Literacy Variable (Z).

5. Hypothesis Testing for Self-Efficacy Variables (X2) on Financial Literacy Variables (Z) The test results show the value of T-Statistics for the Self-Efficacy Variable (X2) on the Financial Literacy Variable (Z) which is 3,085 > T-Table (1,701) with P-Values 0.002 < 0.05. Based on this value, it is declared Accepted and proves the Self-Efficacy Variable (X2) has a positive influence on the Financial Literacy Variable (Z)

4.6 Variable Test

Hypothesis Testing for Consumptive Behavior Variables (X1) on Financial Management Variables (Y) with Financial Literacy Variables (Z) as Intervening Variables

Based on hypothesis testing, the Consumptive Behavior Variable (X1) has a negative effect on the Financial Literacy Variable (Z) and the Financial Literacy Variable (Z) has a negative effect on Financial Management (Y). based on this statement the hypothesis testing in this study was rejected. Which means, the Consumptive Behavior Variable (X1) has a negative effect on the Financial Management Variable (Y) with the Financial Literacy Variable (Z) as the Intervening Variable.

Hypothesis Testing of Self-Efficacy Variable (X2) on Financial Management Variable (Y) with Financial Literacy Variable (Z) as Intervening Variable

Based on hypothesis testing, the Self-Efficacy Variable (X2) has a positive effect on the Financial Literacy Variable (Z) and the Financial Literacy Variable (Z) has a negative effect on Financial Management (Y). Thus the hypothesis testing in this study is accepted, which means that the Self-Efficacy Variable (X2) has a positive influence on the Financial Management Variable (Y) with the Financial Literacy Variable (Z) as the Intervening Variable.

V. Conclusion

From the results of the test analysis can be concluded as follows:

1. Proven Consumptive Behavior does not have a positive effect on Financial Management.
2. Self-efficacy has a positive effect on Financial Management.
3. Self-Efficacy on Financial Management with Financial Literacy as an intervening variable has a positive influence on Young Workers in Bandung.

One of the efforts to support young people in financial management to be more orderly and according to their goals is to increase their self-confidence (self-efficacy) to be able to manage money and have a plan to save money regularly for the long term.

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