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Implementation the Role of Digital Technology to Financial Knowledge and Financial Behavior (Case Students STIE Nusantara Sangatta)

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Abstract

This study aims to analyze implementation the role of digital technology to financial knowledge and financial behavior in case students STIE Nusantara Sangatta. This research uses quantitative research. This study uses a non-random sampling technique. The respondents in this study are STIE Nusantara Sangatta students, the number of samples in this study is 158 respondents. Methods of data collection is done by means of observation, questionnaires, and documentation. Data analysis in this study used multiple linear regression test analysis. The results show that financial knowledge has a positive and significant effect on digital financial technology transaction in case students STIE Nusantara Sangatta. Financial behavior has a positive and insignificant effect on digital financial technology transaction in case students STIE Nusantara Sangatta.

Keywords
digital technology; financial knowledge; financial behavior

I. Introduction

Universities have an important role in society as agents of change and reference points. Students become a barometer of the effectiveness of social, economic, and cultural transformation in the wider society because they are the standard of civilization of a country (Triani and Wahdiniwaty, 2020). The problem faced by modern society today is the lack of organizational, managerial, and day-to-day financial control, or what is known as financial literacy. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). The success of leadership is partly determined by the ability of leaders to develop their organizational culture. (Arif, 2019).

Lack of student financial knowledge is one of the main elements that often contribute to this situation (Sandi et al., 2020). Another right is a culture that instills an urge in individuals to consume commodities/services that carry status and authority, which they then show to the public to satisfy their own desires through pleasure.

The continuous development of science can affect various parts of global society. Along with the advancement of science, the development of digital and virtual technology is one of the factors. Combined with many companies that are constantly competing to develop the most advanced technology.

This modern period in which the world is more mobile as mobility is one of the defining qualities, enhancing an individual's ability to deal with financial problems. Therefore, a person's level of financial awareness, especially the millennial generation (young people), will bring an easier life in making financial decisions in one's daily life.

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The 1990s marked the beginning of the recognition and development of behavioral finance in the corporate and academic community. A person's behavior when in the decision-making process encourages its development. Therefore, financial activities should result in accountability when the financial behavior of individuals and businesses can be managed effectively. Behavioral finance is the study of human behavior in financial accounts. Specifically, the influence of psychology on financial decisions (Indrawati, 2021).

As a result of the government's extensive deregulation efforts in the financial sector and the increased accessibility of various financial institutions as a result of increased competition, the financial sector has experienced. Personal financial management is becoming increasingly needed by all circles. The environment is expected to make the most of this opportunity without acting out of emotion. This is where the importance of financial literacy or financial awareness in general lies. Here, financial knowledge refers to understanding financial contracts and financial products, such as investments, savings accounts, loans, and insurance. These financial items are directly related to the management of personal finances in daily life. To cope with individual financial demands, financial literacy is therefore required from a young age.

Students with bad financial habits usually have a tendency to spend their funds on things that are not related to their personal and professional needs. Lack of financial intelligence of students is often cited as one of the main causes contributing to this situation. Another right is a culture that instills an urge in individuals to consume commodities/services that bring position and power, which they will eventually show to the public to satisfy their own desires through pleasure (Sandi et al., 2020).

Students with bad habits usually get money for activities that are not related to their personal or professional needs. It is hoped that these students are smart in managing their finances because there are many teaching resources about corporate finance, in particular, which can be used to study financial management at STIE Nusantara Sangatta.

This study aims to analyze implementation the role of digital technology to financial knowledge and financial behavior in case students STIE Nusantara Sangatta.

II. Review of Literature

2.1 Digital Technology

The growth of the digital age almost every area of people's lives is influenced by the rapid development of technology towards the growth of globalization. If technology is not regulated adequately, there is a risk that its use will become uncontrollable, leading to legal violations. It is now known that the current era relies heavily on technological improvements that can generate efficiencies in various fields without being hindered by financial behavior. Fintech is an innovation in the rapidly growing financial services industry. If it does not play an important role, its existence will not be seen. People who do not have bank accounts already have other digital-based financial accounts, which is one of their functions (Laut and Hutajulu, 2019). Fintech-based payment services are used by Indonesians at a rate of 38%, with loan services coming in second at 31%. This study shows how the Indonesian government can benefit from broader and more effective financial services for payments and loans thanks to the availability of fintech. Beyond national borders Internet technology is one type of technology that has successfully answered these needs.

Paradigm in the digital era and characteristics, digitization of information also undergoes a metamorphosis. Information presented through digital media must be concise, dense, and instant because humans in the digital era tend to know a little about several things, but not with scientific academic principles that are required to be comprehensive and complete because it is boring and uninteresting, language, and materials in digital media tend not to be serious (Karimuddin, 2012).

The advantages of accessing the internet are realized by its users as modern technology advances. Some people believe in the existence of the internet and the use of information technology by micro, small and medium enterprises for business, especially in the era of the ASEAN Economic Community.

The human ability to "talk", communicate, act, and make judgments has changed thanks to digital technology. Every day, we are always connected to various forms of technology, including the internet and mobile phones (Indrawati, 2021). E-commerce includes those that are easily accessible to all users who enjoy E-commerce as a whole refers to the online trading of goods and services. E-commerce is also defined as a business process that connects businesses, buyers and the general public through the use of digital technology. This is done through e-commerce transactions and the exchange or sale of products, services, and information.

2.2 Financial Knowledge

One's financial knowledge then turns into financial skills, which are described as the ability to apply knowledge to everyday life. (Palameta et al., 2016).

The capacity to manage one's own money is defined as having the ability to make accurate decisions in the short term or plan for the financial future based on the current economic situation. The extent to which a person understands, can use, and believe in financial concepts is a measure of their financial knowledge.

Financial knowledge, which can be obtained from one's educational background or environment, is a person's capacity and mastery in his or her understanding of how to manage, manage and respond to risks from current financial resources in order to achieve excellent financial judgment. The five concepts that make up the field of finance are money management, savings and investment, credit and debt management, risk management, and basic knowledge indicators of personal finance.

Education is usually the cause of a person's lack of financial knowledge. consider that education can promote financial literacy, which results in more precise financial assessments (Sandi et al., 2020).

2.3 Financial Behavior

Behavioral finance is the study of how people actually act when making financial decisions, with a focus on how psychology influences the choices made by individuals, businesses, and financial markets. Behavioral finance refers to or leads to financial decisions and actions. A person's finances and well-being can be harmed by a variety of financial behaviors, including delaying payments, failing to budget for future needs, and choosing financial products without conducting market research.

A person's financial behavior can be examined using the four variables of consumption, cash flow management, savings and investment, and credit management.

Numerous academics have surveyed women's financial planning and investment practices to measure their level of financial literacy. Various aspects of human behavior are linked to fiscal management and decision-making, such as the formulation of reliable budget plans and controls, the timing of payments, and the character of savings (Rai et al., 2019).

When preparing a financial plan, one's attitude will be reflected in the stages of setting financial goals, making financial budgets, and making wise financial assessments by utilizing all goods and services offered by organizations in the financial services sector (Arifin, 2017).

The ability to properly handle daily finances based on planning, budgeting, managing, regulating, searching, and storing is known as financial behavior. As a result, studying financial behavior for young adults in research themes will be interesting and important that needs to be investigated from a different perspective. Young adults struggle with significant challenges and have to make complex financial decisions throughout their life cycle (Sundarasen and Rahman, 2017).

Financial knowledge is the more financial management skills, the greater one's financial knowledge. It can be said that having a good understanding of finance affects how you behave in financial behavior.

III. Research Method

This research uses quantitative research. Quantitative research is a systematic scientific study of the parts and phenomena and the causality of their relationships. The purpose of quantitative research is to develop and use mathematical models, theories and/or hypotheses related to a phenomenon (Pandiangan et al., 2022; Tobing et al., 2018).

This study uses a non-random sampling technique. A non-random sampling technique is a sampling technique that uses selected samples based on the subjectivity of the researcher and is not random (Octiva et al., 2018; Pandiangan, 2018). Non-probability sampling is determined by the expertise of the researcher. The respondents in this study are STIE Nusantara Sangatta students, the number of samples in this study is 158 respondents.

Data collection is the procedure of collecting, measuring, and analyzing accurate insights for research using standard validated techniques (Octiva et al., 2021; Pandiangan et al., 2021; Pandia et al., 2018). A researcher can evaluate their hypothesis on the basis of collected data. In most cases, data collection is the primary and most important step for research, irrespective of the field of research. The approach of data collection is different for different fields of study, depending on the required information (Asyraini et al., 2022; Octiva, 2018; Pandiangan, 2015). Methods of data collection is done by means of observation, questionnaires, and documentation.

Data analysis in this study used multiple linear regression test analysis. Multiple linear regression test analysis is a regression model that estimates the relationship between a quantitative dependent variable and two or more independent variables using a straight line (Jibril et al., 2022; Pandiangan et al., 2018; Pandiangan, 2022). Since multiple linear regression analysis allows us to estimate the association between a given independent variable and the outcome holding all other variables constant, it provides a way of adjusting for (or accounting for) potentially confounding variables that have been included in the model.

IV. Result and Discussion

4.1 Respondent Identity

The respondents in this study are STIE Nusantara Sangatta students, the number of samples in this study is 158 respondents.

Most respondents aged 16-20 years who have the highest percentage are 103 respondents or as many as (65.19%), 21-25 years as many as 43 respondents (27.22%), followed by age 26-30 years as many as 5 respondents (18, 81%), and age above 31 years and over as many as 7 respondents 158 respondents or 66.46% of all respondents are female, while 53 respondents or 33.54% of all respondents are male.

4.2 Results of Multiple Linear Regression Test Analysis

Table 1. Results of Multiple Linear Regression Test Analysis
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.950	1.436		4.221	.000
Financial Knowledge	.534	.129	.534	3.561	.000
Financial Behavior	.094	.139	.096	.678	.433

a. Dependent Variable: Digital Financial Technology Transaction

The results show that financial knowledge has a positive and significant effect on digital financial technology transaction in case students STIE Nusantara Sangatta. The results of this study indicate that high financial knowledge of students makes it easier to use digital financial technology transaction innovation products so that they can expand finance in digital form.

Financial behavior has a positive and insignificant effect on digital financial technology transaction in case students STIE Nusantara Sangatta. Increased financial behavior has no role and influence on the use of digital financial technology transaction innovation.

V. Conclusion

The results show that financial knowledge has a positive and significant effect on digital financial technology transaction in case students STIE Nusantara Sangatta. Financial behavior has a positive and insignificant effect on digital financial technology transaction in case students STIE Nusantara Sangatta.

For future researchers, there is an opportunity if they want to conduct similar research or conduct further research, further researchers can include additional variables to help the research progress properly and reveal a deeper impact by comparing it with previous research.

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