What is The Financial Behavior Of SMMEs in Surabaya?

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ABSTRACT

This research is to examine the factors that influence financial management behavior. There are several factors examined in this research, namely financial attitudes, financial knowledge and financial technology. This research aims to test whether financial attitudes, financial knowledge and financial technology influence the financial management behavior of culinary MSMEs in Ngagel Rejo Village, Surabaya City. This research focuses on culinary micro businesses. This research uses a quantitative approach and primary data types. The population in this research was 200 micro culinary entrepreneurs in Ngagel Rejo Village, Surabaya City. Determining the sample in this study used a probability sampling method with a sample of 67 respondents. The analytical method used is multiple linear regression with the help of SPSS version 25 software. The results of this study show that financial attitudes, financial knowledge and financial technology have a partially significant effect on financial management behavior. Furthermore, it simultaneously shows that financial attitudes, financial knowledge and financial technology influence financial management behavior. In this study, the independent variable influencing the dependent variable, namely financial management behavior, can explain 47.9%.

Keywords: Financial Attitudes, Financial Knowledge, Financial Technology, Financial Management Behavior

1. INTRODUCTION

Indonesia's economic growth cannot be separated from the role of micro, small and medium enterprises (MSMEs). MSMEs have made many positive contributions to Indonesia, including helping to create more jobs, increasing GDP (gross domestic product) and providing a safety net for low-income people in meeting necessary economic needs. Indonesia has several provinces, one of which is East Java province which has 1,153,576 million MSMEs, some of which are in the city of Surabaya. On that occasion, the Mayor, Mr Eri Cahyadi, was a speaker at a Kompas talk show with the theme "Strengthening the Economy of the City of Surabaya, strengthening MSMEs". The Mayor, Mr. Eri Cahyadi, said that the total MSMEs in the City of Surabaya reached more than 60 thousand or more precisely 60,007 MSMEs. Covers 13. 441 MSMEs are registered with the department and as many as 45,566 MSMEs are registered in the sub-districts (Public Information and Communication Division and Statistics of the Surabaya City Communication and Informatics Service, 2021). However, it can be said that MSMEs in Indonesia are still experiencing various problems, especially difficulties in managing finances (Christian and Fransisca 2020). The problem that often occurs in MSMEs is how to manage finances due to low financial attitudes, financial knowledge and some MSMEs do not have financial reports as a result of which the business profits obtained are not taken into account. With developments over time, MSME problems are also in the form of technological developments which are growing very rapidly, making MSME players have to be able to utilize and adapt to new technology. Description of the phenomenon that occurred, Some business actors experienced losses so that many MSMEs went bankrupt due to the failure to record financial reports by MSME actors. So it can have an impact on poor financial management behavior due to low financial attitudes, financial knowledge and financial technology.

2. RESEARCH METHODS

The approach in this research is a quantitative approach. Quantitative research methods are research methods that are based on the philosophy of positivism, used to research certain populations or samples. Data analysis is quantitative or statistical in nature with the aim of testing predetermined hypotheses (Sugiyono 2019).

The population in this study was 200 culinary micro businesses located in Ngagel Rejo Village, Surabaya City. The sampling technique was carried out using a probability sampling method where samples were taken using simple random sampling carried out randomly using the Slovin formula calculation so that 67 respondents were obtained.

The type of data used in this research is primary data. Primary data is data that is directly obtained from a source

and given to data collectors or researchers. In this research, the data sources used are primary sources and secondary sources. The primary source is the data source which directly provides data to the data collector using measurement tools in the form of a questionnaire or questionnaire, while the secondary source is in the form of required information data in the form of reading books, articles, data from the internet and previous research theses.

Data collection techniques In this research, we used Kueisnoer by giving a set of written questions to respondents in the form of a questionnaire with a Likert scale for each question.

The analytical methods used in this research are data instrument testing, classical assumption testing, multiple linear regression analysis and hypothesis testing using the SPSS version 25 application.
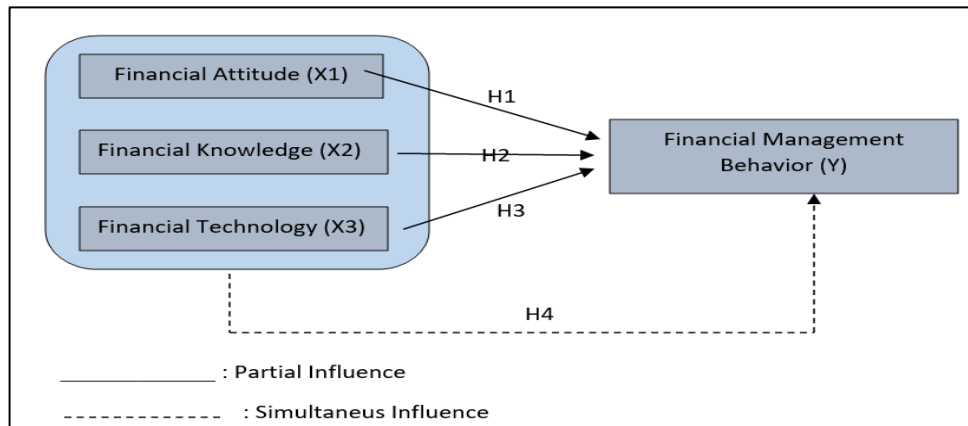

Figure 1 Conceptual Framework

HYPOTHESIS

H1: It is suspected that financial attitudes influence the financial management behavior of culinary MSMEs in Surabaya.

H2: It is suspected that financial knowledge influences financial management behavior among culinary MSMEs in Surabaya.

H3: It is suspected that financial technology has an influence on the financial management behavior of culinary MSMEs in Surabaya sub-districts.

H4: It is suspected that financial attitudes, financial knowledge and financial technology have a simultaneous influence on financial management behavior among culinary MSMEs in Surabaya.

3. RESULTS AND DISCUSSION

3.1 Research Results

3.1.1 Multiple Linear Regression Analysis

Table 1 Results of Multiple Linear Regression Analysis

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,754	1,490		3,862	,000
	Financial Attitude	,182	,100	,243	1,823	.073
	Financial Knowledge	.408	.113	,541	3,625	,001
	Financial Technology	,506	,167	,394	3,026	,004
a. Dependent Variable: Financial Management Behavior						

Based on the table above, it can be seen that the constant value (α value) is 5,754. The financial attitude variable (β value) is 0.182, financial knowledge (β value) is 0.408 and financial technology (β value) is 0.506. So it can be seen

that the multiple linear regression equation is as follows:

$$Y = 5.754 + 0.182x1 + 0.408x2 + 0.506x3 + e \qquad .... (1)$$

A constant value of 5.754 indicates that the variables financial attitude, financial knowledge and financial technology are zero, so the value of financial management behavior is 5.754 assuming that other variables that can influence financial management behavior are considered constant. The regression coefficient value of the financial attitude variable shows that if financial attitude increases by one percent, financial management behavior will increase by 0.182 percent assuming the other variables are constant. The regression coefficient value for the financial knowledge variable shows that if financial attitudes increase by one percent, financial management behavior will increase by 0.408 percent assuming other variables are constant. The regression coefficient value for the financial technology variable shows that if financial attitudes increase by one percent, financial management behavior will increase by 0.506 percent assuming other variables are constant.

3.1.2 Hypothesis Testing

The coefficient of determination is used to determine the magnitude of the independent variables that can be explained by the dependent variable.

Table 2 Coefficient of Determination Test Results (R^2)

Model Summary b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,709a	,502	,479	1,847
a. Predictors: (Constant), Financial Technology, Financial Attitude, Financial Knowledge				
b. Dependent Variable: Financial Management Behavior				

Based on the table above which shows the results of the coefficient of determination test, it is known that the Adjusted R Square value is 0.479 or 47.9%, which means that the independent variables consisting of financial attitudes, financial knowledge and financial technology are able to jointly influence 47.9%. of the dependent variable, namely financial management behavior, while the remaining 0.521 or 52.1% is explained by other variables and factors outside of this research.

Table 3 T Test results

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,754	1,490		3,862	,000
	Financial Attitude	,182	,100	,243	1,823	.073
	Financial Knowledge	.408	.113	,541	3,625	,001
	Financial Technology	,506	,167	,394	3,026	,004
a. Dependent Variable: Financial Management Behavior						

Based on Table 3, the results of the t test on the Financial Attitude variable show a t value of 1.823, which means it is greater than 1.66792 (1.823>1.66792). Meanwhile, the sig value of 0.073 is smaller than 0.10 (0.073<0.10). It can be concluded that the financial attitude variable partially influences financial management behavior. While the results of the t test on the Financial Knowledge variable show a t value of 3.625, which means it is greater than 1.66792 (3.625>1.66792). Meanwhile, the sig value of 0.001 is smaller than 0.10 (0.001<0.10). It can be concluded that the financial knowledge variable partially influences financial management behavior. Last, the results of the t test on the Financial Technology variable show a tcount value of 3.026, which means it is greater than 1.66792 (3.026>1.66792). Meanwhile, the sig value of 0.004 is smaller than 0.10 (0.004<0.10). It can be concluded that the financial technology variable partially influences financial management behavior.

3.1.3 F test

According to (Ghozali, 2018), the simultaneous significance test or often also called the F test is carried out to test whether all independent variables have a joint influence on the dependent variable. The criteria for partial testing with a significance level of F = 0.10 is that if the significance value of the F test is > 0.10 then the independent variable has no effect on the dependent variable. However, if the significance value of the F test is <0.10 then the independent variable has an effect on the dependent variable. The following are the results of the F hypothesis test as follows:

Table 4 F test results

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	217,041	3	72,347	21,200	,000b
	Residual	214,989	63	3,413		
	Total	432,030	66			
a. Dependent Variable: Financial Management Behavior						
b. Predictors: (Constant), Financial Technology, Financial Attitude, Financial Knowledge						

Based on the results of the table above, namely the results of the model feasibility test (F Test), it can be seen that the Fcount value of 21,200 is greater than the Ftable of 2.17 with a significance value of 0.000 which is smaller than 0.10. So it can be concluded that the independent variables, namely financial attitudes, financial knowledge, and financial technology simultaneously or together influence the dependent variable, namely financial management behavior.

3.2 Discussion

3.2.1 The Influence of Financial Attitudes on Financial Management Behavior

Based on the research results, it shows that financial attitudes have a partially significant effect on the financial management behavior of culinary MSME actors in the city of Surabaya. This is because the sig value. the financial attitude variable (X1) is 0.073, which means it is smaller than 0.10 (0.073<0.10) and the t valuecount of 1.823 is greater than ttableamounting to 1.66792(1.823>1.66792). This shows that the hypothesis which states that "It is suspected that financial attitudes have a partial influence on financial management behavior" is accepted. This means that the higher the financial attitude that Culinary MSME business actors have, the better the business actors will have healthy financial management behavior. A good financial attitude can help someone make wise decisions, in decision making it can encourage someone to manage expenses carefully. The results of this research are supported by the results of previous research conducted by Siti Magfirotul Ummah, Jeni Susyanti, A. Agus Priyono (2022) and Maya Novianti, Abdul Salam (2021) which showed the results that there is an influence of financial attitudes on financial management behavior.

3.2.2 The Influence of Financial Knowledge on Financial Management Behavior

Based on results study show that knowledge financepartially significant effect on the financial management behavior of culinary MSME actors in the city of Surabaya. This is because the sig value. the financial knowledge variable (X2) is 0.001, which means it is smaller than 0.10 (0.001<0.10) and the t valuecount of 3.625 is greater than ttable as big as1.66792 (3.625>1.66792). This shows that the hypothesis which states that "It is suspected that financial knowledge has a partial influence on financial management behavior" is accepted. This means that the higher the financial knowledge of culinary MSME entrepreneurs, the higher the development of good financial management behavior. Good financial knowledge helps one understand concepts such as spending, saving and managing financial risks. With good financial knowledge a person can be smarter And informed in make decision about Howallocate its financial resources. The results of this research are supported by the results of previous research conducted by Ayu Candha, Meutia Dewi, Dias Setianingsih (2021) And Marjono Tampubolon, Rahmadani (2022) Which the results show that there is an influence of financial knowledge on financial management behavior.

3.2.3 The Influence of Financial Technology on Financial Management Behavior

Based on the research results, it shows that financial technology has a partially significant effect on the financial management behavior of Culinary MSME actors in the city of Surabaya. This is because the sig value. the financial technology variable (X3) is 0.004, which means it is smaller than 0.10 (0.004<0.10) as well as the t valuecount of 3.026 is greater than ttable of 1.66792 (3.026>1.66792). This shows that the hypothesis which states that "It is suspected that financial technology has a partial influence on financial management behavior" is accepted. This means that the higher the use of financial technology, the greater the financial management behavior of MSME players. Financial Technology being able to easily access banking services, digital payments and other financial services through applications or online platforms can help MSMEs manage their finances more efficiently. The results of this research are supported by the results of previous research conducted by Ana Khofifa, Ika Wahyuni, Ida Subaida (2022) and Defrina Rizqi Lathiifah, Achmad Kautsar (2022) which showed the results that there is an influence of financial technology on financial management behavior.

3.2.4 The Influence of Financial Attitudes, Financial Knowledge and Financial Technology on Financial Management Behavior

Based on the research results, it shows that financial attitudes, financial knowledge, and financial technology simultaneously have a significant effect on the financial management behavior of Culinary MSME actors in the city of Surabaya. This is because the sig value. of 0.000, which means it is smaller than 0.10 (0.000<0.10) and the Fcount value of 21,200 is greater than Ftable of 2.17 (21,200>2.17). This shows that the hypothesis which states that "It is suspected that financial attitudes, financial knowledge and financial technology have a simultaneous influence on financial management behavior" is accepted. These three variables are interrelated and influence a person's financial management behavior simultaneously. A good financial attitude can encourage someone to understand better financial knowledge and use financial technology to support their financial management. In this connection, financial attitudes, financial knowledge and financial technology can complement each other and help individuals develop better financial management behavior to achieve these financial goals. The results of this research are supported by the results of previous research conducted by Fitrah Khairun Nisa, M. Agus Salim and A. Agus Priyono (2020) which shows the results that there is a simultaneous influence of financial attitude and financial knowledge variables on financial management behavior.

4. CONCLUSIONS

From the results of the analysis and discussion that have been explained, the conclusions of this research are that financial attitudes partially influence financial management behavior, is accepted. Then financial knowledge partially influences financial management behavior, is accepted. More over, financial technology has a partial effect on accepted financial management behavior. Last, financial attitudes, financial knowledge and financial technology simultaneously influence financial management behavior, is accepted.

It is hoped that this research will serve as a reference for MSME players to improve their financial welfare. For MSME players to be able to continue to maintain and improve proper financial planning so that can pay more attention to preparing financial budgets and evaluate every transaction in running their business. For future researchers who will develop it, it is hoped that they will be able to add and develop research variables such as income, environmental factors and other variables that can influence financial management behavior both in the culinary sector and other sectors. This study only included a representative population due to time constraints. In this research, it is difficult to allocate time for participation in research because MSME actors often have limited time and are busy with operational activities.

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