



THE INFLUENCE OF FINANCIAL LITERACY, FINANCIAL ATTITUDE AND LOCUS OF CONTROL ON FINANCIAL BEHAVIOR ON EMPLOYEES AT MNC FINANCE MEDAN

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Abstract

The aim of this research is to analyze Financial Behavior among employees at MNC Finance Medan, such as Financial Literacy, Financial Attitude and Locus of Control. The population is all employees of MNC Finance Medan. For this research, the population, as sample, consisted of 150 people. Primary data collection was carried out using a questionnaire measured by Likert scale. Secondary data was obtained from direct observation and books related to this research. The results of the data research show that Financial Literacy, Financial Attitude and Locus of Control simultaneously, have a positive and significant effect on the Financial Behavior of employees at MNC Finance Medan. Through testing the coefficient of determination (R²), the value R=0.795 was obtained, which means that there is a close relationship between Financial Literacy, Financial Attitude and Locus of Control on Financial Behavior among employees at MNC Finance Medan, namely 79.5%. Strengthened by the partial significance test results, it is stated that Financial Literacy, Financial Attitude and Locus of Control have a positive and significant effect on Financial Behavior among the employees at MNC Finance Medan.

Keywords: *Financial Behavior, Financial Literacy, Financial Attitude, Locus Of Control.*

1. INTRODUCTION

Financial Behavior/People's financial behavior tends to be consumptive, which occurs in big cities as a result of restrictions which culminates in Work from Home (WFH) During the pandemic, when people were able to be free and leave the house for the first time, people became thirsty for things that had been held back due to restrictions. Resulting in irresponsible financial behavior as a result of consumer behavior such as lack of saving, investment, emergency planning and budgeting funds for the future which are manipulated due to changing mental influences from the pandemic. With people's consumer behavior since the pandemic, Online loans came as a solution for people who needed money to fulfill their desires and still survive today. Online loans offer an easy, fast process, and usually take place online, without requiring a lot of paperwork or complicated processes. Along with the presence of financial/fintech services such as Go-pay, Ovo, Dana and Linkaja. The ease of shopping online with credit systems such as Akulaku, Kredivo and Shopee Paylater also makes it easier to buy the items you want without having to worry about not having money.

Various forms of consumer behavior that occur include shopping at an e-commerce site that offers goods at low prices, promotions and of course an online loan system. Based on the Financial Services Authority (OJK), the value of online loan distribution in August 2023 for the North Sumatra region was IDR 1.48 trillion and when compared with other regions such as South Sumatra IDR 1.01 trillion, South Sulawesi IDR 1 trillion, Lampung IDR 806.92 billion, Bali IDR 801, 44 billion, West Sumatra IDR 732.41 billion, Riau IDR 702.54 billion and East Kalimantan IDR 654.84 billion. Of all regions outside Java, North Sumatra is one of the regions with the highest nominal loan applications. Minister of Finance (Menkeu) Sri Mulyani Indrawati emphasized the importance of understanding financial literacy when making investments. The public must understand the fundamentals of the investment instruments chosen so that they can reduce the potential for losses and fraud. The Minister of Finance revealed that as many as 85 percent of people have used financial services, whether carrying out transactions such as saving and investing. However, financial literacy is still only around 50 percent (kemenkeu.go.id, 2023). Based on this,

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financial literacy is an important factor in increasing the productivity of an organization. The low financial literacy of the Indonesian people will have an impact on financial decisions that will be taken, for example financial losses, problems with spending and consumption that tend to be wasteful, unwise use of credit cards, as well as inappropriate investments. As a result, in aggregate it will have an impact on the Indonesian economy. The financial attitude that a person has can help that individual determine their behavior and attitudes in financial matters, both in terms of financial management, personal financial budgeting, or individual decisions regarding the form of investment and purchasing decisions or other decisions related to Money. When someone can control themselves from within to use money only as needed or use money as needed, they will carry out good financial management behavior.

So the better the individual's Locus of Control and the better their financial management behavior. The pre-survey results illustrate that there are still many employees who choose not to statement 2, namely as many as 70% do not pay their bills on time. Apart from that, it can be seen that those who chose yes in statement 4 which proves that 60% have online loan bills and statement 6 which shows that there is a consumptive nature in employees as much as 63%. Where this can be concluded that there is a consumptive nature and it is true that the use of online loans is even in all groups, such as savings and loan employees. The factors above that influence the level of understanding regarding Financial Behavior of finance employees, such as understanding Financial Literacy, Financial Attitude and Locus of Control that employees have, make it necessary to change employee Financial Behavior. Something that needs to be discussed among corporate psychology and management experts is the Financial Behavior of MNC Finance Medan Employees. It has been proven that many people have discussed Financial Behavior, which can change continuously in accordance with technological changes that develop all the time, this requires the role of Large companies including agencies operating in the financial sector that offer financial services and products. The study of Financial Behavior issues is considered important, because it is felt to be beneficial for individuals, companies or organizations and society in general to increase understanding of finance.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**2.1 Financial Behavior**

Financial Behavior/Good financial behavior can be seen from how the individual manages it his finances. As according to (Asandimitra & Kautsar, 2020), financial behavior is a process of forming a person's financial character through forming behavior in managing the individual's finances, carrying out financial planning by controlling oneself over money. Another opinion According to (Ricciardi, 2000), behavioral finance is a scientific discipline in which the interaction of various scientific disciplines is embedded and continuously integrated so that discussions are not carried out in isolation. Three aspects that influence a person's financial behavior are psychology, sociology and finance. Someone who wants to study financial behavior must have an understanding of aspects of psychology, sociology, and finance.

2.2 Financial Literacy

Financial Literacy/Financial literacy is the ability to read, analyze, manage and communicate finances so that personal financial conditions can be used as well as possible. (Lusardi and Mitchell, 2014) also added, financial literacy consists of a number of abilities and knowledge about finances that a person has to be able to manage or use a certain amount of money to improve their standard of living and aim to achieve prosperity. Understanding the financial implications arising from decisions is fundamental in financial literacy, based on information recognized as an instrument for achieving the expected outcomes. So it can be concluded that Financial Literacy is an understanding of financial management based on oneself or arranging how to manage finances well in everyday life, therefore individuals who do not understand financial literacy for their personal finances sometimes tend to behave consumptively and the higher their literacy. finances will be more precise in determining the use of financial products, especially with a credit system, and will be able to avoid financial risks (Tsalitsa & Rachmansyah, 2016).



2.3 Financial Attitude

In general, according to the Indonesian Dictionary, the meaning of Attitude is the attitude shown by an individual to be able to manage finances well. In line with the opinion of Robbins & Judge in (Ria, 2019), attitudes are evaluative statements both pleasant and unpleasant towards objects, individuals and events. Meanwhile, according to (Muhammad and Nadia, 2018) Financial Attitude or financial attitude is a view of money seen from the psychological aspect which is demonstrated by the ability to control oneself over financial spending, making financial plans, making budgets, as well as actions in making appropriate financial decisions.

2.4 Locus of Control

According to Rotter (Suwarsi & Budiarti, 2011) that: "Locus of Control is an individual's control over their work and their belief in their own success. This locus of control is divided into two, namely internal locus of control which characterizes a person as having the belief that they are responsible for their work behavior in the organization." Erdoğan (Kutani, Mesci & Ovdur, 2011) that: "Locus of Control includes the idea that individuals throughout their lives, analyze events as a result of their behavior or they believe that these events are the result of chance, fate or forces beyond their control." From the definitions above, it can be concluded that Locus of Control is the belief in controlling events within oneself and from outside oneself.

H1 : Influence Financial Literacy (X1) Against Financial Behavior (Y)

Financial Literacy/financial literacy is an understanding and financial concepts that include basic financial knowledge, loans, investments and financial protection. In research (Meli Ameliawati, 2018) it is said that there is a significant positive influence of Financial Literacy on Financial Behavior. If someone has knowledge about finances, they will also have the ability to plan and manage personal finances.

H2: The Influence of Financial Attitude (X2) on Financial Behavior (Y)

Will ability money management based on a view of money. Judging from the psychological aspect, it is demonstrated by the ability to control oneself over financial expenses, financial plans, budgets, as well as how to make appropriate financial decisions such as considering before shopping or setting aside for other needs, as well as considering factors to determine the financial decisions to be taken. Several research results say that Financial Attitude influences Financial Behavior, and the analysis results show that Financial Attitude has a positive influence on Financial Behavior. As in research (Prihartono, M. Rizky et al, 2018) the results are that Financial Attitude has a positive effect on Financial Behavior.

H3 : The Influence of Locus of Control (X3) on Financial Behavior (Y)

An ability to control something by consciously knowing the risks and insight into one's own finances so that one is able to measure risks and carry out planning before making decisions, in this case spending money. The results of this research support the thinking of Erdoğan (Kutani, Mesci & Ovdur, 2011) that Locus of Control encompasses the idea that individuals throughout their lives, analyze events as a result of their behavior or they believe that these events are the result of chance, fate or forces beyond their control.

3. RESEARCH RESULTS AND DISCUSSION

The results of the analysis of the data obtained found that the P-Values value was $0.000 < 0.05$ (significant), which means that communication has a significant positive effect on employee performance. This indicates that the communication carried out by employees means that the better the communication carried out, the better the employee performance will be. The validity test results for each item in the Financial Literacy variable were declared valid. Based on the data above, it is known that the Financial Literacy variable, where there are 4 statement items (X1.1 to The validity test results for each item in the Financial Attitude variable are declared valid. Based on the data above, it is known that the Financial Attitude variable, where there are 4 statement items (X2.1 to The validity test results for each item in the Locus of Control variable were declared valid. Based on the data above, it is known

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that the Locus of Control variable, where there are 4 statement items (X3.1 to). The validity test results for each item in the Financial Behavior variable are declared valid. Based on the data above, it is known that the Financial Behavior variable, where there are 6 statement items (Y1 to Y6), all of which have a calculated r value $\geq r$ table of around 0.160. Judging from the value *Cronbach's Alpha* on variables *Financial Literacy* of 0.807. Variable *Financial Attitude* with value *Cronbach's Alpha* of 0.853. Variable Locus of Control Value *Cronbach's Alpha* of 0.686 and Value *Cronbach's Alpha* the Financial Behavior Variable is 0.801. Data processing using SPSS from the four variables used in this research has a *Cronbach's Alpha* value ≥ 0.60 , so that responses or answers from the results of distributing questionnaires in this study can be used because the test results are reliable or reliable.

Normality testing uses a one sample Kolmogorov-Smirnov test on residual equality with the test criteria if the probability value is > 0.05 then the data is normally distributed and if the probability value is < 0.05 then the data is not normally distributed. Based on table 4.13, it can be seen that the Kolmogorov Smirnov Z value is 1,630 and the significance is 0.010 ($0.010 > 0.05$), that is, with a result of more than 0.05, which means the residual data is normally distributed so it is suitable for use. Based on the results of the heteroscedasticity test via the Glejser test, it can be seen that sig. each variable has a value of more than 0.05. and it can be said that this shows that heteroscedasticity does not occur in the regression model in this study. and the independent variables can be stated as not experiencing heteroscedasticity. Based on the SPSS output results in the table above, it can be concluded that the tolerance value at *Financial Literacy* of 0.560, *Financial Attitude* of 0.402, *Locus of Control* of 0.374.

The results of these calculations show that all independent variables have a tolerance value of more than 0.10, which means there is no correlation between the independent variables, so this regression model is good. While the VIF value at *Financial Literacy* of 1.786, *Financial Attitude* of 2.488, and *Locus of Control* as big as 2,672 shows that all independent variables have a VIF value < 10 so that this regression model is good and there is no multicollinearity and meets the data normality requirements. Constant (β_0) = 3,137. This shows that if the variables *Financial Literacy* (X1), *Financial Attitude* (X2) and *Locus of Control* (X3) are 0 or there is no increase, then *Financial Behavior* (Y) is the same as 3,137. Multiple Linear Regression Test Results: Coefficient X1 (β_1) = 0.474. This means that the *Financial Literacy* variable (X1) has a positive effect on customer satisfaction of 0.474. This means that every time there is an increase in the *Financial Literacy* variable (X1) while the other variables are constant or 0, then *Financial Behavior* (Y) will also increase, and vice versa if *Financial Literacy* (X1) decreases then *Financial Behavior* (Y) will decrease.

Coefficient X2 (β_2) = 0.271. This means that the *Financial Attitude* variable (X2) has a positive effect on customer satisfaction of 0.271. This means that every time there is an increase in the *Financial Attitude* variable (X2) while the other variables are constant or 0, *Financial Behavior* (Y) will increase, and vice versa, if *Financial Attitude* (X2) decreases, *Financial Behavior* (Y) will decrease. Coefficient X3 (β_3) = 0.370. This means that the *Locus of Control* variable (X3) has a positive effect on customer satisfaction of 0.370. This means that every time there is an increase in the *Locus of Control* variable (X3) while the other variables are fixed or 0, *Financial Behavior* (Y) will increase, and vice versa, if *Locus of Control* (X3) decreases, *Financial Behavior* (Y) will decrease. The results of the ANOVA test using the F-test in Table 4.17 show that the calculated F value is 83,352 and the significance level (0.000), with $df_1 = 3$ and $df_2 = 146$ then the F value table is 0.06, where $F_{count} > F_{table}$ ($83,352 > 0.06$).

With these results it means that H_0 is rejected and H_a is accepted, which means that simultaneously there is a positive and significant influence from the independent variables, namely *Financial Literacy*, *Financial Attitude* and *Locus of Control* on the dependent variable, namely *Financial Behavior*. The results of the t statistical test show the following results: The *Financial Literacy* variable has a positive and significant effect on *Financial Behavior*. This can be seen from the significant value of *Financial Literacy* $0.000 < 0.05$, and the t count value (5.340) $>$ t table value (1.976), which means it has an effect. If the *Financial Literacy* variable is increased by one unit, *Financial Behavior* will increase by 0.474 units. The *Financial Attitude* variable has a positive and significant effect on *Financial Behavior*.

This can be seen from the significant value of $0.000 < 0.05$, and the tcount value $(3.709) > t_{table}$ value (1.976) , which means it has an effect. If the Financial Attitude variable is increased by one unit, Financial Behavior will increase by 0.271 units. The Locus of Control variable has a positive and significant effect on Financial Behavior. This can be seen from the significant value of responsiveness $0.003 < 0.05$, and the tcount value $(3.053) > t_{table}$ value (1.976) , which means it is influential. So if the Locus of Control variable is increased by one unit, customer satisfaction will increase by 0.370 units. An R value of 0.795 means that the relationship between Financial Literacy, Financial Attitude and Locus of Control on Financial Behavior is 79.5%. This means that the relationship between variables is relatively close. Adjusted R Square of 0.624 means 62.4% of the factors Financial Literacy, Financial Attitude, and Locus of Control. Meanwhile, the remaining 37.6% can be explained by other factors not examined in this study. Standard Error of Estimated (Standard Deviation) means measuring the variation from the predicted value. In this study the standard deviation was 2.4262. The smaller the standard deviation means the better the model.

4. CONCLUSION

Based on the results of the discussion in the previous chapters, the conclusions that researchers can make to answer the research questions in this study are as follows:

1. From the results of data analysis using the SPSS method, it can be concluded that Financial Literacy (X1) has a significant effect on Financial Behavior (Y) in MNC Finance Medan employees.
2. From the results of data analysis using the SPSS method, it can be concluded that Financial Attitude (X2) has a significant effect on Financial Behavior (Y) of MNC Finance Medan employees.
3. From the results of data analysis using the SPSS method, it can be concluded that Locus of Control (X3) has a significant effect on Financial Behavior (Y) of MNC Finance Medan employees.

Based on the calculation of the coefficient of determination, the relationship between Financial Literacy, Financial Attitude and Locus of Control on Financial Behavior among MNC Finance Medan employees is close. This can be seen from the results of the determinant test (R^2), Adjusted R Square is 0.795 which means 79.5%. Adjusted R Square of 0.624 means that 62.4% of Financial Behavior can be explained by Financial Literacy, Financial Attitude and Locus of Control. Meanwhile, the remaining 37.6% can be explained by other factors not examined in this study.

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IMAGES, GRAPHICS, AND TABLES

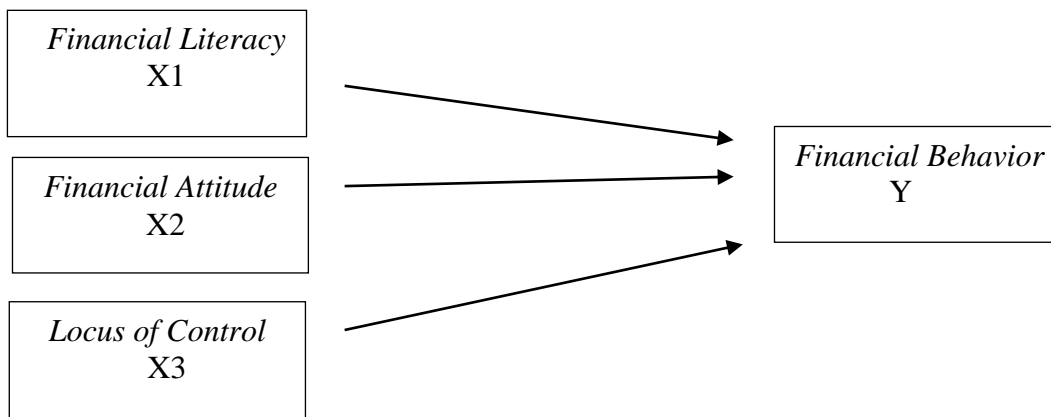


Figure 1 Conceptual Frameworkl

Table 1. Validity Test Results of Financial Behavior Instruments (X1)

Variable	Items	rcount	rtable	Information
<i>Financial Literacy</i>	X1.1	0.925	0.160	Valid
	X1.2	0.924	0.160	Valid
	X1.3	0.925	0.160	Valid
	X1.4	0.923	0.160	Valid
<i>Financial Attitude</i>	X2.1	0.923	0.160	Valid
	X2.2	0.925	0.160	Valid
	X2.3	0.924	0.160	Valid
	X2.4	0.924	0.160	Valid
	X2.5	0.924	0.160	Valid
	X2.6	0.923	0.160	Valid
<i>Locus of Control</i>	X3.1	0.925	0.160	Valid
	X3.2	0.925	0.160	Valid
	X3.3	0.925	0.160	Valid

	X3.4	0.925	0.160	Valid
<i>Financial Behavior</i>	Y1	0.923	0.160	Valid
	Y2	0.924	0.160	Valid
	Y3	0.925	0.160	Valid
	Y4	0.927	0.160	Valid
	Y5	0.925	0.160	Valid
	Y6	0.924	0.160	Valid

Table 2 Reliability Test Results for all Variables

Variable	Items	Cronbach's Alpha
<i>Financial Literacy</i>	4	0.807
<i>Financial Attitude</i>	6	0.853
<i>Locus of Control</i>	4	0.686
<i>Financial Behavior</i>	6	0.801

Table 3 Multiple Linear Regression Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3,137	1,024		3,062	,003		
	<i>Financial Literacy</i>	,474	,089	,359	5,340	,000	,560	1,786
	<i>Financial Attitude</i>	,271	,073	,294	3,709	,000	,402	2,488
	<i>Locus of Control</i>	,370	,121	,251	3,053	,003	,374	2,672

Table 4 Test Results Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		150
Normal Parameters	Mean	0
	Std. Deviation	2.40167514
Most Extreme Differences	Absolute	0.133
	Positive	0.133
	Negative	-0.09
Kolmogorov-Smirnov Z		1.63
Asymp. Sig. (2-tailed)		0.01
a. Test distribution is Normal.		

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Table 5 Simultaneous Test (F-Test)

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1471,975	3	490,658	83,352	,000a
	Residual	859,438	146	5,887		
	Total	2331,413	149			

Table 6 Results of Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,795a	,631	,624	2.4262