

THE EFFECT OF FINANCIAL KNOWLEDGE, FINANCIAL ATTITUDE AND PERSONALITY ON FINANCIAL MANAGEMENT BEHAVIOR IN COFFEE MSMEs IN ACEH PROVINCE

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Abstract

This research is very important to do because it is necessary to do an in-depth study by combining theoretical and field studies on the factors that influence the behavior of financial management in MSMEs to maximize their contribution in increasing economic potential. The specific purpose of this study was to determine the effect of financial knowledge, financial attitudes and personality on financial management behavior in coffee MSMEs in Aceh Province. This type of associative research is a research that asks the relationship between financial knowledge, financial attitudes, and personality. The technique used is descriptive statistical analysis with SPSS as a data processing tool. This study explains the relationship between financial knowledge, financial attitudes, and personality on financial management behavior in coffee MSMEs in Aceh province. The results of the study are expected that by knowing the relationship between financial knowledge, financial attitudes, personality to financial management behavior, it can improve financial management in MSMEs to be better and be able to become a solution for MSME actors in making financial decisions on the business they are running. The outputs in this study consist of SINTA 5 Accredited National Journal Publications and HKI.

Keywords: *Financial Knowledge, Financial Attitude, Personality, MSME*

1. INTRODUCTION

The existence of micro, small and medium enterprises (MSMEs) has become a crucial driving factor for economic growth. For Indonesia, the discussion about MSMEs has a wider spectrum, because this sector is related to most of the lives of small people. Based on the Law of the Republic of Indonesia No. 20 of 2008 concerning MSMEs, namely according to Article 1, micro-enterprises are productive businesses owned by individuals or individual business entities that have micro-business criteria as stipulated in the law. (Law of the Republic of Indonesia No. 20 of 2008 concerning MSMEs, 2008).

Based on data from the Ministry of Cooperatives (Kemenkop) and MSMEs in 2018, the number of MSMEs was recorded at 64,199,606 or 99.9% of all businesses operating in Indonesia. With details, namely 37.59 million micro businesses, 9.61 thousand small businesses, 13.69 thousand medium-sized businesses and 39.10 thousand large businesses (Kemenkop, 2018). This shows the large role of MSMEs to contribute to the Indonesian economy. Therefore, it is necessary to be empowered and developed which is carried out continuously to maximize the contribution of MSMEs to overcome the problems experienced.

MSME owners have full responsibility for the business they run. The decisions related to the company are entirely in the hands of the owner, including how the financial management behaves. In financial management behavior, there are several things that are thought to influence whether someone will make good or bad financial decisions. Factors that can influence financial management behavior are financial knowledge, financial attitudes, and personality (Kholilah & Rr.Iramani, (2013); Mulyanti, (2017); Alma, (2013). Management behavior as a determinant, acquisition, location, and use of financial resources. Then, financial management behavior describes as a whole as financial decision making, harmonization, individual motives and company goals (Weston J. Fred and Brigham, 1993).

Aceh Province is one of the coffee-producing provinces in Indonesia. The existence of coffee in Aceh has a significant contribution to the regional economy. As for data on the

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development of planted area and plantation coffee production. people in Aceh Province for the last 5 years can be seen in table 1 below.

Table 1. Area, Production and Growth of Coffee in Aceh Province,

Year	Area (Ha)	Production (Tons)	Productivity (kg/Ha)	Production Growth (%)
2014	120,666	44,343 695	44,343 695	-
2015	121.273	47,444	703	6.99
2016	123,443	65,231	717	37.49
2017	123,462	68,464	754	4.96
2018	124.237	70,744	756	3.33
Average	122.616	59,245	725	13.19

Source: Aceh Agriculture and Plantation Service in 2021

The city of Banda Aceh is one area that is dominated by the processing industry, namely food and beverage processing, such as coffee which has become a specialty of drinks and souvenirs from Aceh. Coffee SMEs in the city of Banda Aceh but have entered the national trade. For people in Aceh, especially in Banda Aceh, coffee is synonymous with life, because most of the population in this region depend on coffee for their livelihood. Almost all businesses in this area are MSMEs that have great potential in the advancement of small and medium industries, but on average MSME actors have not been maximal in managing their business finances. Besides that,(Magfirah, 2016).

2.LITERATURE REVIEW

2.1.Behavior of Financial Management

Financial management behavior is a person's ability to manage, namely planning, budgeting, checking, managing, controlling, finding and storing daily financial funds.(Al-Kholilah & Iramani, 2013). Financial management behavior consists of four main aspects, namely controlling expenses, paying bills on time, preparing future budgets and saving. The indicators in this variable, namely the types of financial planning and budgets owned, techniques in preparing financial planning, saving activities, insurance activities, pensions and unexpected expenses, investment activities, credit/debt, and bills, monitoring financial management, and financial management evaluation(Humaira & Sagoro, 2018). According toMien (2015)There are several factors that influence the behavior of financial management, including financial attitudes, financial knowledge, and Locus of Control. Other opinion according toKholilah (2013)There are several factors that influence the behavior of financial management including, Locus of Control, Financial Knowledge, and Income. Then according toSina (2014), personality is one of the significant factors that influence financial behavior. The personality aspect often affects financial management because it is the cause of poor management.

2.2.Financial Knowledge

Yulianti and Silvy (2013) explained that financial knowledge is everything about finances that is experienced or that occurs in everyday life. Financial knowledge can also be defined as a person's mastery of having financial knowledge, it is necessary to develop financial skills and learn to use financial tools. Financial ability is a form of financial behavior in decision making, while financial tools are tools or means used in making personal financial management decisions, such as checks, credit cards, and debit cards.(Ganto et al., 2008).

Financial knowledge has a close relationship with financial literacy or financial education. Financial literacy is individual decision making that uses a combination of several skills, resources, and contextual knowledge to process information and make decisions based on the financial risk of these decisions and the ability to apply them (knowledge and ability)(Andew & Nanik, 2014). Financial knowledge is the basis of a critical factor in making financial decisions. Financial

knowledge is important, not only for individual interests. Financial knowledge is not only able to make a person use money wisely, but also can provide benefits to the economy.

2.3. Financial Attitude

Definition of financial attitude according to Pankow (2003) as quoted by (Ningsih & Rita, 2012) which is defined as a state of mind, opinion, and judgment about finances that are applied to attitudes. Financial attitudes can be thought of as psychological tendencies that are expressed when evaluating recommended financial management practices with some degree of agreement or disagreement. Financial attitudes play an important role in determining one's financial behavior. The financial attitude possessed by a person will help the individual in determining their attitudes and behavior in financial matters, both in terms of financial management, personal financial budgeting, or how the individual's decisions regarding the form of investment to be taken. The more positive the attitude towards financial management, and the greater the knowledge of finance, the more financial management practices that can be applied (Parrotta & Johnson, 1998).

2.4. Personality

According to Yuspin (2007) explains that personality is a set of assumptions about the quality of human behavior along with its empirical definition. Meanwhile, according to Erich Fromm in Alma (2013) Personality is the sum total of inherited or acquired psychic qualities that are characteristic of a person that makes him or her unique. Someone in choosing to behave is basically related to their personality, including in managing their finances. According to Holland as quoted by Sukardi (2004) explains that a person will feel comfortable at work if the work is in accordance with the personality. Based on the opinion of several experts, it can be concluded that personality is a character possessed by someone who is formed from the environment and is unique.

3. RESEARCH METHOD

This research is causal associative research. This type of associative research is research that is asking for the relationship between two or more variables (Sugiyono, 2010). This research takes the form of a causal relationship, namely a causal relationship pattern. This study uses quantitative methods because the data presented are related to numbers that emphasize testing theories through measuring research variables with numbers and analyzing data using statistical procedures. (Indriantoro & Supomo, 1999).

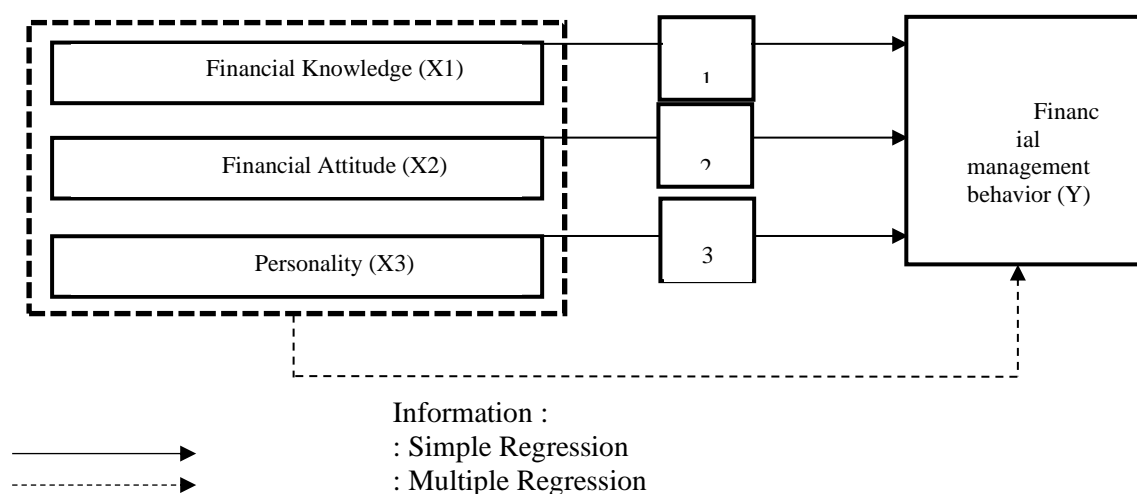
The data collection technique in this study is primary data obtained by field research techniques (Field Research), where in this study the authors visited the Aceh Cooperatives, Small and Medium Enterprises Office which were examined directly to obtain data. The primary data in this study were obtained from the research instrument in the form of a questionnaire. The questionnaire filled out by research respondents, namely the owners of MSME Coffee in Aceh Province. The Likert scale used is a 4-point Likert Scale with the following assumptions:

Answer	Positive	Negative
Strongly Disagree (STS)	4	1
Disagree (TS)	3	2
Agree (S)	2	3
Strongly Agree (SS)	1	4

The analysis used in this study, namely descriptive statistical analysis, aims to provide an overview of the data so that the data is easily understood by everyone who reads it. Then test hypotheses such as simple regression and multiple regression to see the relationship between each independent variable and the dependent variable by using a data processing tool, namely SPSS (Statistical Product and Service Solution). Researchers create a research model in order to facilitate researchers and respondents in understanding the problem of the influence of financial knowledge, financial attitudes and personality on financial management behavior, as follows:

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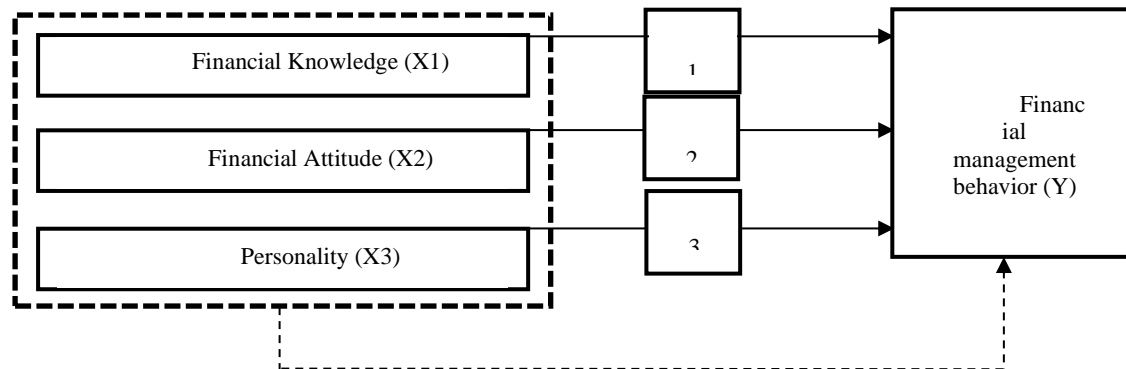
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5.CONCLUSION

After collecting data by distributing questionnaires to coffee SMEs in Aceh and analyzed by descriptive statistical analysis, the results obtained from respondents that there were indicators that had the lowest scores in each variable. Then perform analysis with data processing tools obtained the following results:

1. There is a positive influence between financial knowledge on financial management behavior in MSME Coffee in Aceh. It is proven by the results of simple regression analysis that the t-count value is greater than the t-table value of $6.021 > 1.984$ with a significant level of $0.001 < 0.005$.
2. There is a positive influence between financial knowledge on financial management behavior in MSME Coffee in Aceh. It is proven by the results of simple regression analysis that the t-count value is greater than the t-table value $6.111 > 1.984$ with a significant level of $0.001 < 0.005$.
3. There is a positive influence between financial knowledge on financial management behavior in MSME Coffee in Aceh. It is proven by the results of simple regression analysis that the t-count value is greater than the t-table value of $4.659 > 1.984$ with a significant level of $0.001 < 0.005$.
4. There is a simultaneous positive and significant influence between financial knowledge, financial attitudes, and personality on financial management behavior. This is evidenced by the calculated F value of 16.709 which is greater than the F table value of 2.70 ($16.709 > 2.70$) with a significance value of 0.001 (< 0.05).

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