

Analysis of the Impact of Financial Knowledge, Financial Attitudes and Personality on Financial Management Behaviors in Creative Industries

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ABSTRACT

The creative industry in Indonesia currently has a positive contribution to the economy in Indonesia and is one of the driving forces for economic growth in Indonesia. The problem that often occurs in creative industries is their financial management behavior which is related to the lack of financial knowledge, financial attitudes and personality of creative industry players. The purpose of this study was to analyze the Financial Management Behavior of creative industry players in Malang Raya by relating the problems of financial knowledge, financial attitudes, and personality of the creative industry players. This type of research is descriptive quantitative with research subjects are creative industry players in Malang Raya with a sample of 60 creative industries. The method of data collection was done by interviewing, distributing questionnaires and documentation. Data analysis in this study was carried out with the help of Smart PLS3 software by testing the outer model and inner model, after tabulating the data with the Excell software. The results of this study indicate that the financial management behavior of creative industry players in Malang Raya is quite good, only in the preparation of financial reports there are still many who have not done it. Meanwhile, financial knowledge, financial attitudes, and personality of creative industry players in Malang Raya are good. Other results of this study indicate that the financial attitudes and personality of creative industry players in Malang Raya have a significant positive influence on their financial management behavior. Meanwhile, the financial knowledge of creative industry players in Malang Raya does not have a significant influence on their financial management behavior. The variable that most dominantly influences the financial management behavior in creative industry players in Malang Raya is the personality variable of the creative industry players. These results indicate that the personality aspect is the dominant factor affecting the success of creative industry players in their financial management behavior.

Keywords: *financial knowledge, financial attitudes, creative industries*

1. INTRODUCTION

The creative industry in the form of micro, small and medium enterprises is one of the driving forces for economic growth in Indonesia. This is based on information from the Ministry of Cooperatives and SMEs, the contribution of the creative industry in Indonesia has made many contributions in terms of absorption of the national workforce so as to reduce unemployment. On the other hand, the creative industry's

contribution to the national macro economy is an increase in the National GDP (Gross Domestic Product), and increasing national foreign exchange.

The facts of the contribution of labor absorption and the growth in the number of creative industries in Malang Regency and Malang City continue to show good growth, as shown in Figure 1.

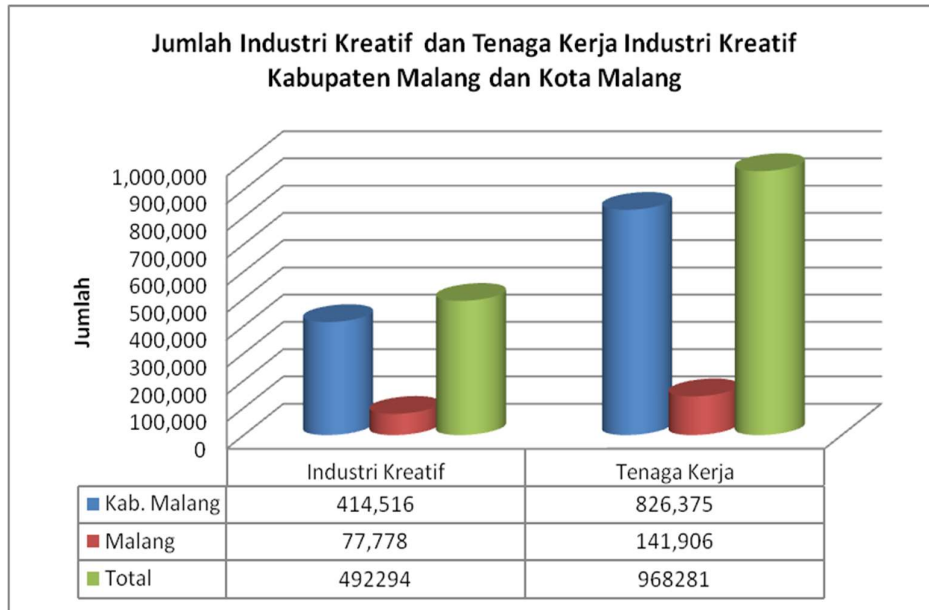


Figure 1. Graph of the number of creative industries and creative industry workers in Malang

Source : <http://diskopukm.jatimprov.go.id>

The number of creative industries in Malang Regency and Malang City also contributes to the regional economy, where the number of creative industries in Malang Regency reaches 414,516 and is able to absorb a workforce of 826,375 while in Malang City the number of creative industries is 77,778 and is able to absorb a workforce of 141,906. So that the accumulated number of creative industries in Malang Regency and Malang City reached 492,294 creative industries and was able to absorb 968,281 workers. This shows that the role of the creative industry is very important because in addition to being able to provide regional economic growth, it can also reduce unemployment by creating jobs and it is hoped that it will continue to grow. So that the empowerment of the creative industry must always be developed even though in the process there are still various problems and obstacles faced, especially in terms of financial management behavior in creative industry players.

The most important concept in the discipline of financial management is the financial management behavior which is related to the problem of the effectiveness of managing company fund allocations [1]. In general, problems that often occur in financial management behavior in the creative industry are related to weak financial knowledge, financial attitudes and personality owned by creative industry players. The determining factor of financial knowledge of creative industry players is mastery of financial tools and financial skills. Financial skills are techniques in determining policies related to financial management behavior, starting from planning funding sources, investment allocations, and selected insurance plans in order to secure assets owned. Meanwhile, financial

instruments are the means to choose from in making financial management decisions such as debit, credit, and check cards [2].

Another issue that affects the financial management behavior of creative industry players is related to their financial attitudes. In general, creative industry owners have unfavorable attitudes about finances, as indicated by weak motivation in upgrading their competence in managing their business finances.

A person's psychological aspects can also have an impact on financial management behavior, especially related to one's personality. A person's personality type can affect how to manage their finances. Many researchers, such as [3] found that personality aspects can also have an impact on individual success in managing their business finances.

Based on the explanation above, we are interested in conducting an analysis of the Financial management behaviour in creative industry players in Malang Raya by relating the problems of financial knowledge, financial attitudes, and personality of the creative industry players. The formulations of the problems in this study are: First, whether financial knowledge has a significant influence on the financial management behavior of creative industry players in Malang Raya; Second, whether financial attitudes have a significant influence on the financial management behavior of creative industry players in Malang Raya; Third, whether personality has a significant influence on the financial management behavior of creative industry actors in Malang Raya; Fourth, among financial knowledge, financial attitudes, and personality, which variable is more dominant in

influencing the financial management behavior of creative industry players in Malang Raya.

1.1. Financial Management Behavior

According to [4] also stated that financial management behavior is the alignment of individual motives and company goals in making financial decisions so that fund management effectiveness is created.

The problem that is generally faced by creative industries related to financial management behavior is the problem of financial knowledge of creative industry players both in terms of financial skills and mastery of financial tools [2]. Meanwhile, according to [5] mean that financial management behavior is very related to the effectiveness of funding management, where the flow of funds must be directed according to the plan that has been made and decided. Several indicators that can be taken include various types of financial planning and budgeting, financial planning preparation techniques, saving activities, insurance activities, pensions and expenses. unexpected, investment activities, credit or debt, claims, controls in financial management, and financial management evaluation.

1.2. Financial Knowledge

Financial knowledge is defined as individual mastery of many things regarding financial matters, financial skills and financial tools [6]. Individuals who have adequate financial knowledge have a better impact on financial management behavior, such as paying bills according to a specified time, accounting for financial expenses every month, and setting aside funds for preparation of urgent conditions. Meanwhile, according to financial knowledge, it can be interpreted as someone's mastery of matters related to finance, which consists of financial skills and financial tools. Where some knowledge, among others, is related to knowledge of financial management, financial planning, expenditure and income, assets and money, interest rates, credit are several indicators that can be used [7].

In the research of [2] which examines the problem of financial knowledge, it is stated that financial skills are a technique in order to determine the right decision making in financial management behavior, so that this financial knowledge will affect a person's financial management behavior.

1.3. Financial Attitude

According to [8] defines that financial attitudes are conditions of thoughts, opinions and judgments related to personal finance that are applied to financial attitudes. Financial attitude can be defined as an application in implementing financial principles with the aim of creating and maintaining value in making decisions and managing funding sources properly and appropriately. Orientations regarding personal finances, financial assessments, debt philosophy and money security can be used as indicators [7].

1.4. Personality

According to [3] defines personality as a trait that exists in every individual who has been awakened in an existing environment. Each individual in making choices in work is also basically in accordance with their personality, including being an entrepreneur. In this case, entrepreneurship has a character that is brave to take risks, confident, has a future orientation, has a spirit of leadership and orientation to tasks and results. Where self-confidence, ability to lead, future orientation and the courage to take risks are used as indicators [9].

Conceptual work in showed by Fig. 2. Based on theoretical study and previous studies, the hypothesis in this study and previous study are as follows:

- H1: Financial knowledge has a significant positive influence on the financial management behavior of creative industry players in Malang Raya
- H2: Financial attitudes have a significant influence on the financial management behavior of creative industry players in Malang Raya
- H3: Personality has a positive influence on the financial management behavior of creative industry players in Malang Raya
- H4: Personality is the dominant variable in influencing the financial management behavior of creative industry actors in Malang Raya.

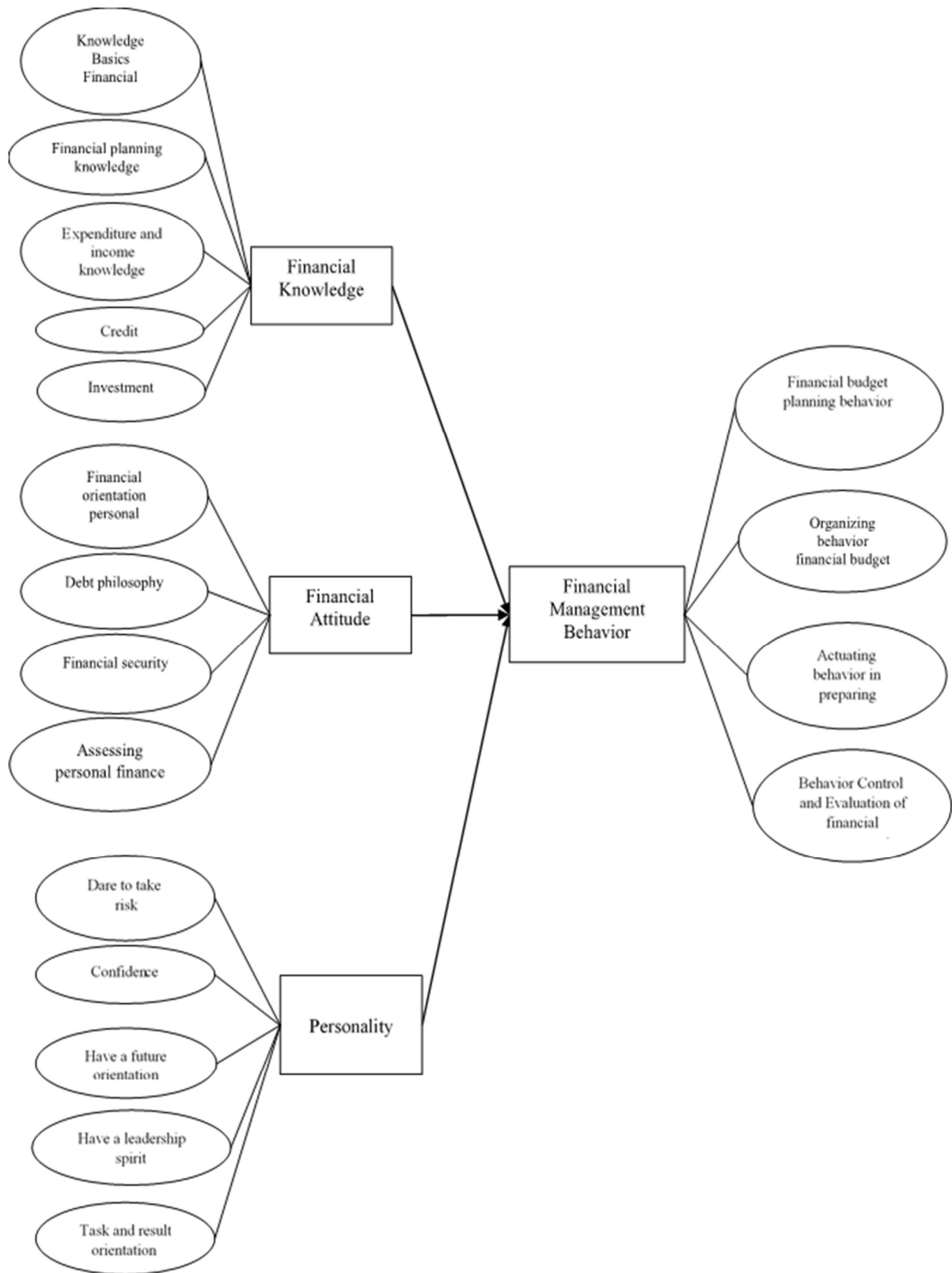


Figure 2. Conceptual Frame Work

2. METHOD

This type of research is explanatory research with a quantitative approach. This type of research is descriptive quantitative with research subjects are creative industry players in Malang Raya with a sample of 60 creative

industries. The method of data collection was done by interviewing, distributing questionnaires and documentation. Data analysis in this study was carried out with the help of Smart PLS3 software. The operational definition of the variables used in this study is as shown in table 1.

Table 1. Operational Definition of Variables

No.	Variable	Concept	Indicator
1	Financial Management Behavior	The behavior carried out by people in managing their finances is from the psychological aspect and the habits of each individual	Financial budget planning behavior
			Organizing behavior financial budget
			Actuating behavior in preparing financial budgets
			Behavior Control and Evaluation of financial management
2	Financial Knowledge	Financial knowledge related to knowledge of financial management, financial planning, expenses and income, assets and money, interest rates, credit	Knowledge Basics Financial management
			Financial planning knowledge
			Expenditure and income knowledge
			Credit
			Investment
3	Financial Attitude	Financial attitude is a condition of thoughts, opinions and judgments related to personal finance that are applied to financial attitudes	Financial orientation personal
			Debt philosophy
			Financial security
			Assessing personal finance
4.	Personality	The characteristics that exist in each individual who has been built in the existing environment are related to being brave to take risks, having confidence, having a future orientation, having a spirit of leadership and orientation to tasks and results.	Dare to take risk
			Confidence
			Have a future orientation
			Have a leadership spirit
			Task and result orientation

3. RESULTS AND DISCUSSION

3.1. Results of Data Validity and Reliability Analysis

Based on the results of the analysis of the validity and reliability of the construct using the Smart PLS 3 software, the results of the data validity test are as shown in figure 3. Based on figure 3, it shows that the correlation coefficient (rho_A) of all variable indicators in this study

is more than 0.7, this shows that all variable indicators in this study are valid.

Meanwhile, when viewed from the data reliability test using Smart PLS 3, the results are shown in figure 4.

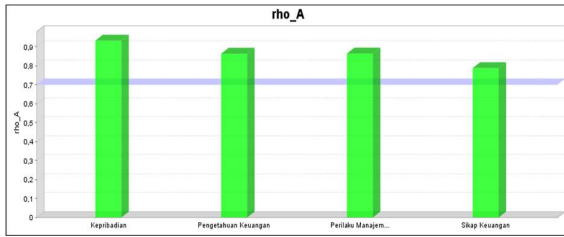


Figure 3. The graph of the validity test

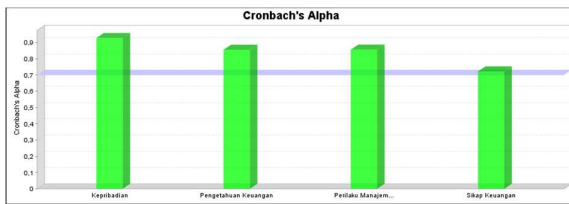


Figure 4. Reliability test graph

Based on figure 4 above, it shows that the Cronbach Alpha value of all variable indicators in this study is more than 0.7, this shows that all variable indicators in this study are reliable (consistency).

3.2. Results of Statistical Analysis Data on the Relationship of Research Variables

The results of statistical analysis of data on the relationship between the variables of financial knowledge, financial attitudes, and personality to financial management behavior using Smart PLS 3 software, obtained the regression coefficient value of each independent variable (X) on the dependent variable (Y) as shown in Figure 5.

Based on the path diagram, it shows that the largest regression coefficient value is the regression coefficient value of the influence of X3 (Personality) on Y (Financial management behavior) of 0.519. While the value of the regression coefficient from the influence of X1 (Financial Knowledge) and X2 (Financial Attitude) on Y (Financial Management Behavior) is -0.025 and 0.341, respectively.

Then when viewed from the path diagram to see the significance between the independent variables (X1, X2, and X3) on the dependent variable (Y) through both straping it is shown as in fig.6

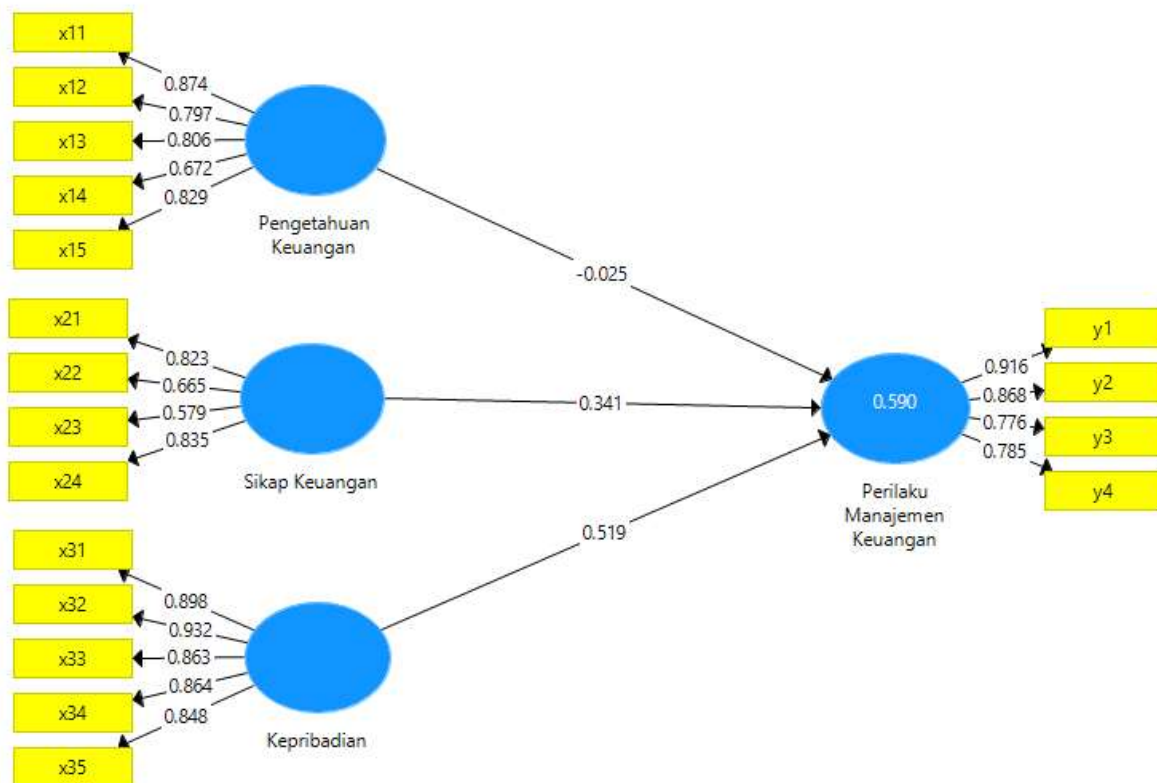


Figure 5. Path diagram of the regression coefficient values

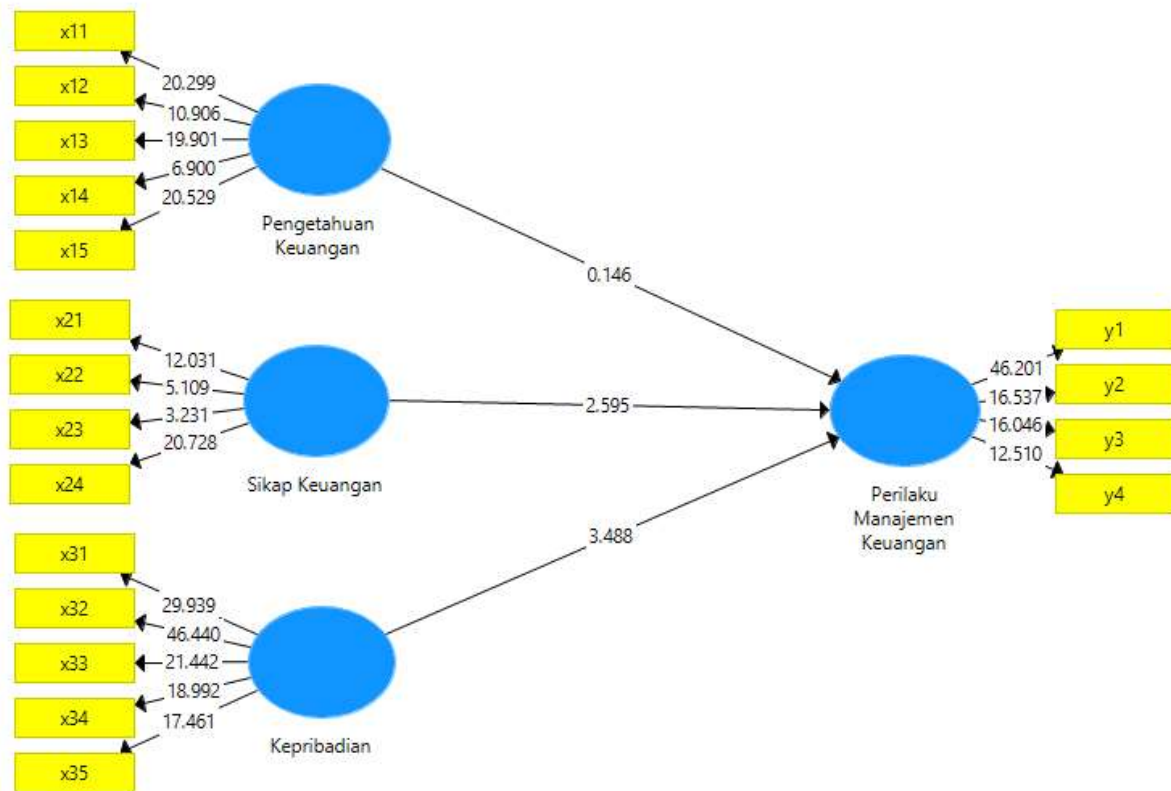


Figure 6. Significance value path diagram

Based on the path diagram above, it shows that the significance of variable X1 (Financial Knowledge) on Y (Financial Management Behavior) has a statistical value of 0.146 and is smaller than $t_{table} = 1.96$, this shows that variable X1 (Financial Knowledge) has no influence. which is significant to Variable Y (Financial Management Behavior). Then for variables X2 (Financial Attitudes) and X3 (Personality) to Y (Financial Management Behavior) have a statistical value of 2.595 and 3.488 which is greater than the t_{table} of 1.96. This shows that the variables X2 (Financial Attitudes) and X3 (Personality) partially have a significant influence on Y (Financial Management Behavior).

3.3. The impact of financial knowledge on the financial management behavior of creative industry players in Malang Raya.

Based on the results of statistical data analysis with the Smart PLS software above, it shows that the financial knowledge of creative industry players in Malang Raya does not have a significant influence on the financial management behavior of creative industry players in Malang Raya. This is because based on a survey of creative industry players in Malang, it finds the fact that creative industry players generally know about the basics

of financial management, financial planning, expenditure and income, credit, and investment, but in their financial management behavior in general they rarely compile His business financial statements are based on the reason that he does not have time and is too busy to manage his business which is managed independently by the owner. Besides that, most creative industries in Malang Raya are home industries whose managerial is still family-friendly and are still managed traditionally, so that in their financial management behavior they rarely pay attention to the preparation of their financial reports, compile their financial budgets, and evaluate their financial management. run its business operations every day.

The results of this study are in line with a research survey conducted by [10], which states that the majority of creative industry players rarely make bookkeeping in running their businesses, on the other hand, creative industry players rarely plan and prepare financial budgets that will be used in running their businesses. Creative industry players should always make bookkeeping related to budget planning, implementation, and control in their finances so that the creative industry's financial management can be efficient and effective. This different fact is because the awareness of creative industry players is still very low regarding bookkeeping in their business management, especially in preparing their business budget planning. The reason for the weak understanding

of creative industry players in making budget planning is based on the understanding of creative industry players so far that even though they do not plan their business financial budgets, there is no negative impact on the sustainability of their businesses, so that financial budgeting is considered not very important.

This result contradicts the research of [5] and [1]. According to [5] state that the factors that influence financial management behavior in the younger generation are financial attitudes and financial knowledge so that they will have an impact on the development of their business in the future, while [1] shows factors that influence financial management behavior, namely literacy of personal financial knowledge and financial attitude.

3.4. The impact of financial attitudes on the financial management behavior of creative industry players in Malang Raya.

Based on the results of statistical data analysis output with the Smart PLS software above, it shows that the financial attitudes of creative industry players in Malang Raya have a significant positive influence on the financial management behavior of creative industry players in Malang Raya. This is due to his financial attitude related to motivation in increasing his ability to manage his business finances. The stronger financial attitudes of creative industry players by motivating themselves to upgrade competencies in financial management will have an impact on the increasing behavior of their financial management by making arrangements related to business budget planning, evaluation and control in their finances so that the creative industry financial management can be efficient and effective and industrial performance creative is well maintained, and can have competitive competitiveness.

In addition, the benefits of good financial attitudes from creative industry players will have an impact on good financial management behavior in preparing a business financial budget that can be used in making various future business projections, for example predicting future cash flow needs, controlling costs, measuring and increasing productivity, which in turn can support an effective and efficient production process [11].

The results of this study are also in line with the results of research by [8], [7], and [12] which state that financial attitudes have a significant positive influence on financial management behavior. This shows that the better the financial attitude of creative industry players, the better the financial management behavior of the creative industry will be.

3.5. Personality impact on financial management behavior of creative industry players in Malang Raya.

Based on the results of statistical data analysis with the Smart PLS software above, it shows that the personality of creative industry players in Malang Raya has a significant positive influence on the financial management behavior of creative industry players in Malang Raya. This shows that the better the personality aspects of the creative industry actors in Malang Raya will have an impact on the better the management behavior of creative industry players in Malang Raya. This is because aspects of personality such as self-confidence, having the courage to take risks, having a future orientation, and having a leadership spirit will influence the success of creative industry players in managing their finances while running their business.

This study is also in line with [9] study which revealed that personality aspects also influence the success of business actors in managing their finances. According to [9] also found that there were personality differences between women regarding retirement savings and risk tolerance in their financial management behavior. This is highlighted by [3] research that a person's psychological factor is one of the key factors in the process of making financial management decisions. With the big five type approach, it is found that a person's personality will have an impact on how a person makes financial plans and applies them correctly in their financial management behavior. Finally, the personality aspect often affects a person's financial management behavior in running his business and can be the cause of the business management being good or bad.

3.6. The most dominant variable influencing the financial management behavior of creative industry players in Malang Raya.

Based on the results of statistical data analysis with the Smart PLS software above, it shows that the most dominant variable influencing financial management behavior in creative industry players in Malang Raya in this study is the personality variable of the creative industry players. This is indicated by the coefficient value in the path diagram on the Smart PLS output above for the personality variable of 0.519 (significant) and higher than the regression coefficient value for the variable financial attitude and financial knowledge, which is 0.341 and -0.025.

These results indicate that personality aspects such as self-confidence, risk taking, future orientation, and leadership are the dominant factors affecting the success of creative industry players in their financial management behavior in terms of making arrangements related to business budget planning, evaluation and control in their finances. so that the financial

management of the creative industry can be efficient and effective and can have competitive competitiveness.

This result is in line with research conducted by [12] and [9] which states that the personality aspect is the dominant factor in determining whether creative industry players can carry out their financial management behavior properly or not. This is because personality is a psychological tendency that applies when evaluating the practices contained in financial management whether or not it is good and one of the aspects that can affect success in managing finances.

4. CONCLUSION

Based on the results of the discussion in this study, it can be concluded as follows; First, the financial knowledge of creative industry players in Malang Raya does not have a significant influence on the financial management behavior of creative industry players in Malang Raya, this is because creative industry players in Malang found the fact that creative industry players generally know about the basics of management, finance, financial planning, expenses and income, credit, and investment, but in their financial management behavior in general, they rarely prepare business financial reports because they don't have time and are too busy to manage their business which is managed independently by the owner; Second, the financial attitude of creative industry players in Malang Raya has a significant positive influence on the financial management behavior of creative industry players in Malang Raya. This is because the stronger financial attitudes of creative industry players by motivating themselves to upgrade competencies in financial management will have an impact on the increasing behavior of their financial management; Third, the personality of creative industry players in Malang Raya has a significant positive influence on the financial management behavior of creative industry players in Malang Raya. This shows that personality aspects such as self-confidence, taking risks, having a future orientation, and having a leadership spirit will influence the success of creative industry players in managing their finances while running their business; Fifth, the most dominant variable affecting the financial management behavior in creative industry players in Malang Raya in this study is the personality variable of the creative industry players. These results indicate that the personality aspect is the dominant factor affecting the success of creative industry players in their financial management behavior.

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