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The Analysis of Factors That Affecting The Behaviour Of Financial Management On Street Vendors

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Abstract

Purpose: This study aims to analyze the factors that influence the financial management behavior of street vendors (PKL) in Belu Regency.

Methodology: Research method used in this study is associative causal research. The data collection technique used a questionnaire.

Findings: Financial knowledge, financial attitudes and personality have a positive effect on financial management behavior in Belu Regency street vendors partially and simultaneously.

Limitation: This research was only conducted in Belu Regency.

Contribution: The results of this study can be used as evaluation material and reference material in developing the business carried out by street vendors.

Keywords: Behavior of Financial Management, Financial Attitudes Financial knowledge, Personality

1. Introduction

High population growth causes an imbalance between the number of employment opportunities and the population of the labor force. Employment is engaged in the formal sector and the informal sector. (1) The formal sector, namely the non-agricultural sector which usually requires workers with sufficiently high educational provisions. On the opposite side, the total population of the workforce in Indonesia is largely without a sufficiently high level of education and skills so that they cannot meet the available job criteria. (2) The informal sector is usually used to indicate small-scale economic activity and often experiences many difficulties in establishing formal relationships. The informal sector referred to here is a small-scale activity that aims to obtain job opportunities. The informal sector is often seen as an alternative economic activity and does not receive positive attention from various parties, including job seekers themselves. However, in reality it can provide answers to job opportunities and contribute to reducing unemployment as well as providing hope for business development for the small community because of its advantages and conveniences.

Street vendors (PKL) are one of the jobs in the informal sector. The presence of street vendors is often a problem in big citiesrelated to disturbance of security and public order. The impression of being slum, wild, destroying the beauty, seems to have become a label attached to this micro business. They sell on sidewalks, in city parks, on pedestrian bridges, and even on roads. The public order apparatus repeatedly disciplined those suspected of being the cause of traffic jams or destroying the beauty of the city. Street vendors are seen as part of the problem (part of the problem) in order. In fact, if its existence is polished and organized consistently, its existence will actually add to the exotic beauty of a tourist location in the middle of a city. This can happen if street vendors are used as part of the solution (part of the solution). In the context of the growth of six million new business units as a manifestation of the government's commitment to empowering micro and small businesses, the main target of the program should be aimed at street vendors; and has been tested as seeds for entrepreneurs to be empowered into new business units that are strong and able to overcome unemployment (Bagyo Handoko 2010). Street vendorsalways take advantage of places that are always seen as profit, for example, the city center, crowded places to places that are considered to have the potential to become tourist objects.

The desire to get profit is often not accompanied by the ability to manage business finances. The ability to manage finances well will have an impact on financial management behavior. Business actors are required to have financial management skills. According to Ida and Dwinta (2010) describe financial skills as a technique for making decisions in financial management behavior, such as preparing a budget, choosing an investment, choosing an insurance plan, and using credit are examples of financial skills. Meanwhile, financial tools are the means used in making financial management decisions such as checks, credit cards, and debit cards. Management behavior is influenced by several factors, including financial knowledge and financial attitudes.Financial knowledge and a good financial attitude can help business owners make the right decisions in their business financial management, resulting in good financial management behavior. Many attempts were made to reveal what factors influence the low behavior of financial management. The results of Mien and Thao's research (2015) state that the factors that influence financial management behavior in the younger generation aged 19-30 years include financial attitudes, financial knowledge, and locus of control.

Belu Regency is part of the province of East Nusa Tenggara, whose capital is Atambua. Based on the statistical data of Belu Regency in 2017, it is known that the number of workers in West Manggarai Regency is 95,455 people. Of the total workforce there are 13,163 people who work on their own. The number of micro, small and medium enterprises (MSMEs/UMKM) was 2,378. PKL which are included in the UMKM category are increasingly growing in Atambua because it is a border area with the Republic of Timor Leste. Atambua City is a stopover for domestic and foreign tourists who enter Timor Leste by road. Based on the above background, it is necessary to conduct research on "Factors Affecting the Behavior of Financial Management Management of Street Vendors in Belu Regency".

2. Literature review

2.1 Street Vendors (PKL)

Street vendors are hawkers, people who offer goods or services for sale in public places, especially on the streets. According to Damsar (2002) street vendors (informal sector) are those who carry out individual or group trading business activities that use public facilities, such as sidewalks, on the sides of public roads and so on.

Street vendors Having existed since the colonial colonial period, government regulations stipulated that every highway built should provide facilities for pedestrians or pedestrians (now called sidewalks). The width of the sections for pedestrians or sidewalks is five feet. The government at that time also urged that the outside of the sidewalk be given a space that is rather wide or some distance from residential areas. This space is used as a garden for greening and water absorption. With this rather wide space, traders began to place their carts to just rest while waiting for buyers to buy their wares. Over time, many traders used this location as a place to sell, thus inviting passers-by to buy food, drink and rest. Starting from there, the Dutch Colonial Government referred to them as street vendors, which came from the thoughts of traders selling in the pedestrian crossing or sidewalks that were five feet wide (mujibsite.wordpress.com/2009/08/ 14 /sejarah-pedagang-kaki-lima-pkl / accessed on May 10, 2020).

Regulation of the Minister of Home Affairs of the Republic of Indonesia number 41 of 2012 article 14 concerning Guidelines for Structuring and Empowering Street Vendors, it can be seen that the types of place of business for street vendors are divided into types of immovable and mobile business premises. The types of places of business are:

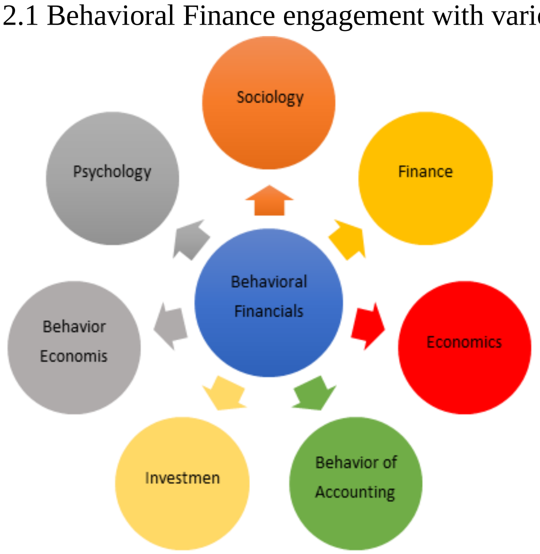
1. Pedestals, traders use mats, cloth or the like to peddle their wares
2. *Lesehan*, traders use mats or floors to sell their wares and consumers also use them to sit.
3. Tents, traders use a shelter from cloth or other material to cover attached to a pole frame or with a support rope.
4. Shelters, the form of this facility uses boards arranged in such a way that it becomes a booth, which is used for the merchant's residence.
5. Non-motorized, traders usually use wheelbarrows / carts that are used to sell food, drinks or cigarettes.
6. Motorized, traders use motorized vehicles, either two, three or four wheels to sell their merchandise.

2.2 Financial Management Behavior

Behavioral finance according to Riciardi (2000) science in which there is an interaction of various disciplines (interdisciplinary) and continues to integrate so that isolation cannot be carried out in the discussion. Behavioral finance grows from various assumptions and ideas from economic behavior. In behavioral finance it also involves emotions, traits, preferences and various things that exist in humans as intellectual and social beings who will interact and underlie the emergence of decisions in

The premise of behavioral finance is that conventional financial theory ignores how humans actually make decisions and each person takes different decisions (Barberis and Thaler: 2003).

Picture 2.1 Behavioral Finance engagement with various disciplines



Source: Barberis and Thaler: 2003

Based on picture 2.1, it can be seen that behavioral finance is influenced by several factors, namely, sociology, finance, economics, accounting, investment, and psychology. This explains that behavioral finance is not only always rational but also influenced by irrationality, such as psychology and sociology.

Behavioral finance according to Riciardi (2000) science in which there is an interaction of various disciplines (interdisciplinary) and continues to integrate so that isolation cannot be carried out in the discussion. Behavioral finance grows from various assumptions and ideas from economic behavior. In behavioral finance it also involves emotions, traits, preferences and various kinds of things that exist in humans as intellectual and social beings who will interact as a basis for decisions to take action.

According to Pompian (2006), to understand behavioral finance it is necessary to divide it into two. First, micro behavioral finance, which examines the behavior or can of different individual investors with rational actors envisioned in classical economic theory. Second, macro behavioral finance is detecting and illustrating that behavioral models can detect deviations in the efficient market hypothesis.

According to Dew and Xiao (20110), a person's financial management behavior can be seen from four things, namely:

1. Consumption. Consumption is expenditure by households on various goods and services (Mankiw, 2003). Ida and Dwinta (2010) also say that a person's financial management behavior can be seen from how he carries out his consumption activities such as what someone buys and why he buys it.
2. Cash-flow management. Cash flow is the main indicator of financial health, namely a measure of a person's ability to pay for all costs he has, good cash flow management is a balancing act, cash input and expenses. According to Hilgret and Hogarth (2003), cash flow management can be measured by whether a person pays bills on time, pays attention to notes or proof of payment and makes a financial budget and future planning.
3. Saving and investment. Savings as part of income that is not consumed in a certain period because someone does not know what will happen in the future, money must be saved to pay for unexpected events. Meanwhile, investment is allocated with the aim of getting benefits in the future (Henry, 2009).
4. Credit management. Debt management is intended as a person's ability to take advantage of debt so that it does not go bankrupt, or in other ways the use of debt to improve welfare (Sina, 2014).

2.3 Factors Affecting Financial Behavior

Several factors influence financial management behavior, namely:

1. Financial Attitude

Understanding financial attitudes according to Pankow (2003), which is defined as a state of mind, opinion, and assessment of finance that is applied to attitudes.Lim and Teo (1997) stated that a person's financial attitude also affects the way a person manages their financial behavior.

According to Furnham (1984) there are six concepts of financial attitudes, namely:

a. Obsession, related to one's mindset about money and perceptions to manage money well in the future.
b. Power, that is, someone who uses money as a tool to control other people and thinks money can solve problems.
c. Effort, namely someone who feels worthy of having money with what he has done.
d. Inadequacy, that is, someone who always feels that they don't have enough money
e. Retention, that is, someone who has a tendency not to want to spend money
f. Security, related to someone who is very old-fashioned view of money and thinks that money is better just kept alone without saving in the bank or for investment.

2. Financial Knowledge

Financial knowledge is one's mastery over various things about the world of finance (Kholilah and Iramani, 2013). Andrew and

Nanik (2014) say that to have financial knowledge it is necessary to develop financial skills and learn to use financial tools.
During its development, knowledge of finance was introduced at various levels of education. According to Ida and Dwinta (2010), there are various sources of knowledge that can be obtained, including formal education, such as high school or college programs, seminars and training classes outside of school, as well as informal sources, such as from parents, friends, and the environment. profession).

Financial knowledge has a close relationship with financial literacy or financial education. According to Hilgert and Hogarth (2003), financial knowledge is a conceptual definition of financial literacy. According to Lusardi and Tufano (2008), financial literacy describes a financial education program by learning certain skills so that individuals have the ability to control their financial future.
According to Chen and Volpe (1998), financial literacy is knowledge for managing finances in financial decision making. Financial knowledge includes:

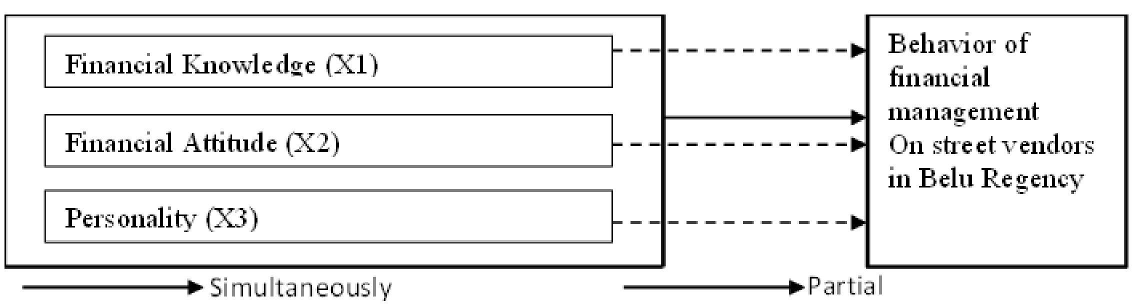
a. General knowledge of personal finance
b. Savings and loans
c. Insurance.
d. Investation

3. Personality

According to Feist (2010: 3) personality is a character pattern that is relatively permanent, and a unique character that provides consistency as well as individuality for one's behavior. Meanwhile, Yusuf (2008) stated that personality is an assumption about the quality of human behavior with its empirical definition. Based on the opinions of several experts above, it can be concluded that personality is a character that a person has that is formed from the environment and is unique.

According to Sina (2014), understanding personality aspects in managing finances is needed to successfully manage finances because each personality type is different in how to manage finances. After an in-depth analysis, several weaknesses of each personality type were found that would cause financial problems, such as excessive debt.

2.4 Research Paradigm



3. Research methodology

This research was conducted in Belu Regency from August 2020 until October 2020.

3.1 Research Variables

The variables in this study are:

1. Dependent Variable in this study is the Behavior of Financial Management.
2. The Independent Variable in this study is Financial Knowledge, Financial Attitudes, and Personality.

3.2 Data collection technique

Primary data obtained by field research techniques (Field Research), in which in this study the authors visited the street vendors who were studied directly to obtain data. Primary data in this study were obtained from a research instrument in the form of a questionnaire. The questionnaire filled out by research respondents, namely street vendors in Belu Regency. The sample used was 30 street vendors.

3.3 Research Instruments

The instruments used in this study are instruments that have been used previously in relevant research. The scale used Likert scale.

3.4 Data analysis technique

1. Classic assumption test
2. Multiple linear regression

4. Results and discussions

4.1 Classical Assumption Test

1. Linearity Test

The linearity test criterion is if the significance value is greater than 0.05, then the relationship between the independent variable and the dependent variable is linear. The linearity test can be seen in the following table:

Table 1. Linearity Test Results

V	Sig.	Conclusion
Knowledge of finance	0	Li
Financial attitudes	0	Li
Personality	0	Li

Sumber: Primary Data Processed, 2020

The results of the linearity test in table 1 show that all variables have a significance value greater than 0.05 (sig> 0.05), this indicates that all research variables are linear.

2. Multicollinearity Test

For detect the presence or absence of multicollinearity, can be seen in the tolerance and VIF values. If the tolerance value is above 0.1 and the VIF value is below 10, multicollinearity will not occur. The multicollinearity test results for the regression model in this study are presented in table 2 below:

Table 2. Multicollinearity Test Results

Variable	*Tolerance*	VIF	Conclusion
Financial Knowledge	0.937	1,387	Multicollinearity does not occur
Financial Attitude	0.887	1,483	Multicollinearity does not occur
Personality	0.925	1,237	Multicollinearity does not occur

Sumber: Primary Data Processed 2018

-From table 2 it can be seen that all variables have a tolerance value above 0.1 and a VIF value below 10, so it can be concluded that the regression model in this study does not occur multicollinearity.

3. Heteroscedasticity Test

The Glejser test is used to determine the presence of heteroscedasticity. If the independent variable is not statistically significant and does not affect the dependent variable, then there is an indication that heteroscedasticity does not occur. The following are the results of the heteroscedasticity test on the regression model presented in table 3:

Table 3.Heteroscedasticity Test Results

Variable	Sig.	Conclusion

Financial knowledge	0.258	Heteroscedasticity does not occur
Financial Attitude	0.754	Heteroscedasticity does not occur
Personality	0.537	Heteroscedasticity does not occur

Sumber: Primary Data Processed, 2020

From table 3 it can be seen that all variables have a significance value greater than 0.05, so it can be concluded that there is no heteroscedasticity

4.2 Multiple linear regression

Multiple linear regression analysis using statistical analysis whose results can be seen in table 4 below:

Table 4. Summary of the Results of Multiple Regression Analysis

Variable	Regression Coefficient (b)	T_{hitung}	Sig.	Conclusion
Financial Knowledge	0.532	4,535	0,000	Significant
Financial Attitude	0.435	3,632	0.017	Significant
Personality	0.537	3,486	0.007	Significant
Constant = - 10,437				
R2 = 0.596				
F count = 15,752				
F table = 2.92				
t table = 3.18				
Sig. = 0,000				

Sumber: Primary Data Processed 2020

Based on the regression results, it is known that the multiple linear regression equation:

$$Y = a + b_1 X1 + b2\ X2 + b3\ X3$$
$$Y = -10{,}437 + 0.532\ X_1 + 0.435\ X2 + 0.537\ X3 + e$$

1. **Coefficient of Determination (R^2)**
   The determination coefficient ranges from 0 to 1, the coefficient of determination is close to 1, the greater the influence of the independent variable on the dependent variable. The results of the coefficient of determination (R^2) in this study obtained a value of 0.596. This proves that the variables of financial knowledge, financial attitudes and personality affect the financial management behavior of street vendors in Belu Regency by 59.6%. While the remaining 40.4% is influenced by other variables which are not included in this research model.
2. **Partial effect (t)**
   The results of the influence research partially prove that there is a positive influence on financial knowledge, financial attitudes and personality on financial management behavior in street vendors in Belu Regency. This can be seen from the results of t count which is greater than t table, and the significance is smaller than 0.05. For financial knowledge variables, this means that the more individuals increase their financial knowledge, the better the behavior of financial management will be. Financial

knowledge is obtained from formal and non-formal education. The results of this study are in accordance with the results of research by Ida and Dwinta (2010) which state that Financial knowledge can be a supporting factor for individuals to manage finances more wisely. Individuals who know basic financial principles will have better retirement plans, have more wealth, and can better avoid debt for consumptive activities. The results of this study are in line with research conducted by Mien and Thao (2015) which states that there is a significant relationship between financial attitudes and financial management behavior. The results of this study are also in line with research conducted by Damanik and Herdjiono (2016) that there is an influence between personality and financial management behavior. Thus it can be said that someone will tend to have wiser financial behavior if they have a good financial attitude. For personality variables, this means that a good person will produce good financial behavior as well. The results of this study are in line with Sina's (2014) opinion that the personality aspect is one of the indicators that significantly affects a person's success in managing his finances.

3. **Simultaneous effect (F**)
   The results of the study simultaneously influence financial knowledge, financial attitudes and personality have a positive effect on financial behavior in street vendors in Belu Regency. This can be seen from the results of F count which is greater than F table. This means that every individual who has good financial knowledge, financial attitude and personality will produce good financial behavior as well. This study is in line with Sina's previous research (2014).

5. Conclusion

Based on the results of research and discussion, it can be concluded:

1. Financial knowledge, financial attitudes and personality partially have a positive effect on financial management behavior on street vendors in Belu Regency.
2. Financial knowledge, financial attitudes and personality have a positive effect on financial management behavior in Belu Regency street vendors simultaneously.

Limitation and study forward

This research was only conducted in Belu Regency, East Nusa Tenggara Province. For further research, it is expected to use a larger number of samples and use interviews so that more information is obtained.

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