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ANALYSIS OF THE ROLE OF PERSONAL FINANCIAL MANAGEMENT KNOWLEDGE AND SELF-EFFICACY ON STUDENT ENTREPRENEURIAL INTENTIONS

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ARTICLEINFO	ABSTRACT

This study seeks to establish 1) the influence of personal financial management on entrepreneurial ambitions, 2) the influence of self-efficacy on entrepreneurial intentions, and 3) the influence of personal financial management and self-efficacy on entrepreneurial intentions. This study is an explanation study. The sample consists of 100 students from a population of 247 Management Study Program, Faculty of Economics, University of BSI students who have attended Entrepreneurship courses. The study concluded that personal financial management has an effect on entrepreneurial intentions, self-efficacy has an effect on entrepreneurial intentions, and personal financial management and self-efficacy have an influence on entrepreneurial ambitions. Moreover, personal financial management and self-efficacy contributed 67.2% to changes in entrepreneurial ambitions, with the remaining 32.8% influenced by variables not examined in this study.

Keywords:
Financial Management,
Self-Efficacy,
Entrepreneurial Intentions,
Entrepreneurs,
Students

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1. INTRODUCTION

Indonesia is one of the developing countries. A country can be classified as a developing country or a developed country in terms of its economic growth (Sulistiawati, 2012). A country's economic growth is influenced by entrepreneurship. On a macro level, entrepreneurship is to boost the economic growth of a country. The current entrepreneurial ratio in Indonesia is still less than 5% of the population (Mutiarasari, 2018).

An entrepreneur is required to be able to turn obstacles into opportunities and present solutions to the problems that occur around him. For this reason, one's ability and excellence must be prepared to be able to compete in this globalization era (Chadhiq, 2006). Entrepreneurship is a process of doing something new and tends to be different to provide added value as an effort to increase competitiveness (KR, 2022). An entrepreneur is someone who is able to create a business that is faced with an uncertain level of risk with the aim of obtaining the expected rate of return by identifying opportunities and utilizing the resources they have (Watrianthos et al, 2020).

Universities are seen as the party responsible for giving birth to young entrepreneurs who dare to choose entrepreneurship as a career choice (Putri, 2017). However, the higher education learning system in Indonesia tends to produce graduates as job seekers rather than job creators. This causes the unemployment rate to increase, where the absorption of employment is not proportional to the number of job seekers (Astuti, 2019). Therefore, efforts are needed to stimulate entrepreneurial intentions among young people, so that there is optimism that creative industry business fields will emerge from young entrepreneurs (Soegoto, 2014). The question is how to foster creativity and exploit the creative power of the younger generation to generate creativity and create jobs?

It is important for a prospective entrepreneur to know the factors that can support the start of a new business so that any capabilities that can support it can be further developed . and all traits and behaviors that can hinder can be minimized (Nursito & Jati, 2013). One factor that is strongly suspected of influencing someone in starting a business is the intention to become an entrepreneur. Entrepreneurial intentions or serious intentions for entrepreneurship must be embedded in the minds of students. It has been demonstrated that entrepreneurial intention is the best predictor of entrepreneurial action. Entrepreneurial intent can also be utilized as a sensible starting point for determining who will become an entrepreneur (Indarti & Rostiani, 2010). A person with the intent to start a business will have greater business preparedness and progress than a person without the intent to start a business (Dewi et al., 2023).

One of the factors thought to influence a person's intention to become an entrepreneur is personal financial management. Every prospective entrepreneur will certainly think about financial management which revolves around thoughts about the process of planning, analyzing and controlling financial activities (Putra, 2014). Most students are less able to manage their personal finances. This is reflected in their consumptive nature of goods which is still very high, their lifestyle is not adapted to their finances, they are unable to apply the priority scale of goods to be purchased so that they cannot even afford to meet their needs until the end of the month (Parmitasari et al, 2018).

In addition to financial management problems, the problem of high self-efficacy (personality factor) also contributes to one's success (Nurwulandari et al., 2023). Most of the students have a low level of self-confidence. They often seem to feel anxious when they are about to make a presentation (Anggraeni & Nurcaya, 2016). In addition, they also lack confidence in expressing opinions in a discussion forum, lack the courage to defend the opinions that have been made so that they seem to give up easily, so it is fear of themselves that actually lowers the level of confidence (Santi et al, 2017).

2. LITERATURE REVIEWS

Personal Finance Management

Personal financial management is an individual's capacity to plan, budget, check, manage, control, search for, and store daily financial funds (Yushita, 2017). Personal financial management is a consequence of a person's desire to satisfy his life requirements in accordance with his income level (Kholilah & Iramani, 2013). Personal financial management can also be regarded as a means of managing one's possessions in relation to one's financial responsibilities (Kholilah & Iramani, 2013). With good financial management, a person will not be trapped in behavior to fulfill unlimited desires.

Personal financial management is one of the important things, being able to make someone use money wisely to provide benefits to the economy such as encouraging producers to make products and services that suit their needs (Kholilah & Iramani, 2013). Someone can be said to have personal financial management if that person is able to manage budgets, save money, control finances, and invest. There are five components of good financial management, namely (1) controlling finances, (2) paying bills on time, (3) planning finances for the future, (4) saving, and (5) being self-sufficient (Perry & Morris , 2005).

Self Efficacy

According to Bandura (1997), self-efficacy is a belief in one's capacity to plan and execute the actions required to manage future situations. This belief will influence how an individual thinks, feels, and is motivated to act. According to Amalia and Nashori's 2021 research, "Self-Efficacy is a person's perception of his own competence in a given field. With confidence in one's abilities, it is hoped that one's interest will increase. Students with self-assurance are able to complete their assigned tasks as a result of online learning that has been implemented.

According to Aini & Saptono (2015) "Self-efficacy is a belief that a person has that affects their level of motivation. A person's self-efficacy is crucial because a belief in oneself is very useful in the future. Self-efficacy, according to the aforementioned experts, is a person's belief in his or her ability to perform a task. So that it generates the motivation to act or not.

Entrepreneurial Intention

Entrepreneurial intention is the desire to become an entrepreneur and is willing to take steps to realize a business (Ardiyani & Kusuma, 2016). In other words, entrepreneurial intention can be defined as the desire to become an entrepreneur and the willingness to take particular activities, such as planning, in order to actualize this desire. Additionally, entrepreneurial intention is described as the willingness to engage in entrepreneurial activity, or to become an entrepreneur (Rahayu & Laela, 2018). Entrepreneurial intention explains a person's readiness to experience entrepreneurial activity. This is an important keyword indicating that entrepreneurial intention is an individual's desire to become an entrepreneur.

Entrepreneurial intention, according to Anggraeni and Harnanik (2015), is the interest, desire, and willingness of individuals to work hard to fulfill their life needs without fear of the risks that may arise. This entrepreneurial mindset motivates individuals to actively seek out and seize existing opportunities in order to maximize their potential. In addition, having the courage to take calculated risks plays an important role in the conduct of entrepreneurial activities.

3. METHODS

This study employs a quantitative method with explanatory research, i.e. research that seeks to evaluate the relationships between variables or how one variable impacts another (Sugiyono, 2011). This study's population comprised all 247 Management Study Program students from the Faculty of Economics at BSI University who had attended Entrepreneurship courses. Utilized sampling method is proportional random sampling. The sample size for this study was 100 individuals. This study's data analysis approach employs a multiple linear regression analysis model with SPSS version 2 6.00 to assess the hypotheses determined by the researcher.

4. RESULTS AND DISCUSSION

A. Statistical Description of Research

The results of the study can be seen in the respondents' answers to statements regarding the research variables described in the following table:

Table 1 Respondent Statistics

No	Research variable	Means
1	Personal Finance Management	3.49
2	Self Efficacy	3.74
3	Entrepreneurial Intention	3.99

Table 1 shows the average given by respondents to the statement items about personal financial management variables (3.49), self-efficacy (3.74), and entrepreneurial intentions (3.99), all of which have a score above 3.41, p. this states that the indicators of personal financial management, self-efficacy and entrepreneurial intentions that have been applied by students of the Faculty of Economics, University of BSI are good/high scores. This condition needs to be considered so that later it can spur an increase in entrepreneurial intentions for all students. So it is hoped that it will further minimize the number of unemployed graduates.

B. Results of Multiple Linear Regression Analysis

The effect of personal financial management and self-efficacy on entrepreneurial intentions was determined through a multiple linear regression analysis. The results of multiple linear regression analysis are presented in Table 2**.**

Table 2 Results of Multiple Linear Regression Analysis

Coefficients [a]

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	b	std. error	Betas		
A. Constant	-0.002	0.54		-0.069	0.943
Personal Finance Management (X1)	0.289	0.79	0.290	3.612	0.001
Self Efficacy(X2)	0.586	0.88	0.589	7.304	0.000

a. Dependent Variable: Entrepreneurial Intention

Based on the results of calculations using the computer statistical program SPSS 26 for windows with a significant level of 0.05, the results of the multiple linear regression equation are obtained as follows:

$$Y = -0.002 + 0.289X1 + 0.586X2$$

The interpretation of the equation is as follows:

a) a = -0.002 indicates that if there are no personal financial management and self-efficacy variables (X1 and X2 = 0), then student entrepreneurial intentions are -0.002. In the sense of the word entrepreneurial intention, students will decrease by -0.002 before or without the variables of personal financial management and self-deflation (X1 and X2 = 0).
b) b1 = 0.2 89, which means that personal financial management (X1) has a positive influence on student entrepreneurial intentions (Y) of 0.289 and considers the self-efficacy variable (X2) to be fixed (constant). In other words, it can be said that for every increase in personal financial management by one unit or 1%, student entrepreneurial intentions will increase by 0.289 units or 28.9%.
c) b2 = 0.586 which means that self-efficacy (X2) has a positive influence on student entrepreneurial intentions of 0.586 and considers personal financial management (X1) constant (constant). In other

words, it can be stated that for every increase in self-efficacy by one unit or 1%, student entrepreneurial intentions will increase by 0.586 units or 58.6%.

Based on the findings of the multiple linear regression analysis presented earlier, the conclusion that can be drawn is that the two independent variables, namely personal financial management and self-efficacy, have a positive influence on the variable that is being studied, which is student entrepreneurial intentions. In other words, it is possible to explain that if there is an increase in the number of instances in which students apply personal financial management and self-efficacy, there will also be an increase in the number of instances in which students intend to start their own businesses.

C. t Test Results (Partial)

Based on table 2 above, the t-count value for variable X1 (personal financial management) is 3.612 with a significant level of 0.001. Because the significance level is less than 0.05 and tcount (3.612) > ttable (1.98) then variable X1 (personal financial management) has an effect on variable Y (entrepreneurial intention). So that H1 is accepted and H0 is rejected. In the table above the tcount value for variable X2 (self-efficacy) is 7.304 with a significant level of 0.000. Because the significance level is less than 0.05 and tcount (7.304) > ttable (1.98) then variable X2 (self-efficacy) has an effect on variable Y (entrepreneurial intention). So that H3 is accepted and H03 is rejected.

D. f Test Results (Simultaneous)

The results of testing the simultaneous effect (Test f) of the variables Personal financial management (X1) and Self-efficacy (X2) on Entrepreneurial Intention (Y) can be seen from table 3 below:

Table 3 Test Results f

ANOVA [a]

Model	Sum of Square	df	MeanSquare	F	Square
Regression	63.491	3	31.744	100.990	.001 [b]
residual	30.489	96	0.312		
Total	93.982	99			

Based on table 3 it can be seen that the results of the ANOVA test obtained the value of Fcount (100.990) > Ftable (3.09), then variable X1 (personal financial management) and variable X2 (self-efficacy) simultaneously affect variable Y (entrepreneurial intention) so that Ha accepted and H0 rejected.

E. Result Coefficient of Determination (R2)

Table 4 Test results for the coefficient of determination (R2)

Summary Model [b]

Model	R	R Square	Adj R Square	Std Error of The Estimate
1	0.820	0.672	0.665	0.55786

According to the data presented in table 4, the value of the correlation coefficient is 0.820. This value indicates that the variables of personal financial management (X1) and self-efficacy (X2) together have a significant impact on the entrepreneurial intention variable. Personal financial management (X1) and self-efficacy (X2) are able to contribute 67.2% to changes in entrepreneurial intention (Y), which identifies that the remaining 32.8% is influenced by other variables that are not included in the model equation. The determinant coefficient value, R Square, is 0.672, which identifies that these two factors are able to contribute 67.2% to changes in entrepreneurial intention (Y).

Discussion

According to Eniola & Entebang (2008) that "personal financial management can trigger entrepreneurial intentions due to savings and investment factors". When people are able to manage their personal finances properly which is indicated in regular savings, it will make it easier for that person to start entrepreneurship because of venture capital. The better the avoidance of debt, the better it will be in accumulating business capital. Therefore, there is a need for serious efforts to improve the ability to process money (personal finance) so that the accumulation of business capital becomes easier. With the accumulation of business capital will encourage the intention to accumulate money through entrepreneurial activities.

The findings of the study indicate that effective management of one's personal finances has a positive and significant influence on intentions to start a business at a level of significance equal to five percent. This suggests that a person's intention to become an entrepreneur increases in proportion to the degree to which he or she is capable of managing his or her own personal finances. And the opposite is also true: a person's intention to start their own business is lower if they are unable to effectively manage their own personal finances. The findings of this research are in agreement with the findings of Sina's (2013) research, which demonstrates that one's own ability to keep track of their personal finances has a positive and significant influence on their desire to start a business.

Based on these findings, it is suggested that the process of transferring business financial management knowledge supports the learning process which will motivate students to become entrepreneurs. This is important as an effort to foster entrepreneurial intentions among students. It is necessary to formulate learning outcomes for business financial management courses that include professional skills, including: related to knowledge and understanding in the field of business financial management, and business planning. In addition, in the implementation of the learning process there are practical activities as an effort to motivate entrepreneurial creativity, among others related to how to prepare a business plan, how to identify business opportunities, how to start a business, and how to manage business finances. It is hoped that the learning process will motivate a realistic perspective on what students need for entrepreneurship.

A person's drive to choose a career might be determined by their level of self-efficacy. Those that have self-efficacy will have a greater motivation to achieve accomplishment. High self-efficacy determines the type of action an individual will take. How much a person's level of bravery and self-assurance when confronting a challenge in his life will influence his personality. Entrepreneurship is a difficult career option. Prospective entrepreneurs with a personality trait of high self-efficacy will adapt to the entrepreneurial environment more readily. Therefore, it may be argued that a person's entrepreneurial goals will be stronger the higher his level of business self-efficacy.

The investigation reveals that self-efficacy has a favorable and significant influence on entrepreneurial ambitions at a level of 5%. This implies that a person's intention to become an entrepreneur increases with their self-efficacy. And inversely, the lower a person's self-efficacy, the lesser their entrepreneurial aspirations. Consistent with the findings of Nurbaeti et al. (2019), this study demonstrates that self-efficacy has a positive and significant effect on entrepreneurial intentions.

Students with strong self-efficacy and self-confidence will be motivated to pursue entrepreneurial endeavors by their high self-efficacy. A high level of self-confidence will reinforce an individual's convictions to enable them to perform or act as intended. These findings confirm Salkind's (2009) assertion that individuals with high self-confidence will be able to recognize what needs to be done. Each person's level of self-efficacy influences their confidence in their capacity to do something, finish their duties, attain their goals, and overcome the challenges they encounter. If a person possesses a high level of efficacy, he will always be confident in his capacity or competency to perform a task as instructed. Individuals with low levels of efficacy, on the other hand, tend to be cautious in their actions, preventing them from achieving their aims. This is due to the fact that self-efficacy has a substantial impact on an individual's motivation to enhance their own potential and competencies.

5. CONCLUSION

The findings of the data analysis allow for numerous inferences to be made, one of which is that students majoring in Management at BSI University have entrepreneurial goals that are influenced by both personal financial management and self-efficacy simultaneously. In addition, there is a partial influence of personal financial management on entrepreneurial ambitions, and there is a partial effect of self-efficacy on the entrepreneurial intentions of students majoring in Management at BSI University. Both of these effects are only partially causal. In conclusion, changes in entrepreneurial ambitions are affected by personal financial management and self-efficacy to the extent of 67.2%; the remaining 32.8% is subject to the influence of other variables that were not taken into account in this study.

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