

# The Effect of Financial Literacy and Financial Attitude on Financial Management with Personality as an Intervening Variable on BRI Micro Credit Customers, Khatib Sulaiman Branch, Padang City

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This study aims to examine the influence of financial literacy and financial attitudes on financial management, with personality as an intervening variable among BRI microcredit customers at the Khatib Sulaiman Branch in Padang City. Data collection was conducted through a survey and questionnaire distribution, with a sample of 95 respondents. The analysis method used was structural equation modeling using SmartPLS. The results showed a significant influence of financial literacy on personality. There was a significant influence of financial attitudes on personality. There was a significant influence of financial literacy on financial management. There was a significant influence of financial attitudes on financial management. There was a significant influence of personality on financial management. Personality mediated the influence of financial literacy on personality. Personality mediated the influence of financial attitudes on personality.

**Keywords:** Financial Literacy, Financial Attitudes, Personality, and Financial Management

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## 1. Introduction

The economy is experiencing rapid development and progress alongside ongoing globalization. Therefore, every individual must have sufficient skills and knowledge to manage their financial resources and wealth. The management of these resources and wealth will result in decisions regarding how these resources will be allocated. One way to manage financial resources or wealth is through investment. Investment is the long-term allocation of resources to generate future profits. For example, in replacing or expanding business capacity, invested funds are tied up for a long period of time. Therefore, the turnover of these funds back into cash cannot occur within a year or two, but over a longer period.[1].

Financial knowledge has a significant positive influence on trust in banks and financial institutions. The relevance of the type of financial literacy measure used is also illustrated by the findings.[2]using three different measures of financial literacy (basic financial literacy based on four knowledge questions, self-assessed investment financial knowledge, financial product and financial awareness regarding the role of financial institutions) and different types of trust (trust in financial institutions, trust in banks, perceived bank honesty, and perceived bank solvency). In all cases, there was a positive correlation between financial literacy and trust. However, the strength depended on the type of financial knowledge and trust.[3].

The growth of Indonesia's business climate is also supported by investment. It can be likened to providing fertilizer to a plant, which helps it grow. Increasing investment also contributes to the growth of new businesses in Indonesia. The more fertile the business landscape in Indonesia, the better the growth and development of businesses, such as Micro, Small, and Medium Enterprises (MSMEs) and other large companies. The increasing number of new businesses that emerge will also create jobs for the community.

The growth of consumer purchasing power will be supported by the increase in job opportunities that absorb the unemployed in the community.[4].

Every individual certainly has goals they wish to achieve, and these goals vary. However, fundamentally, everyone desires a decent and good life. Furthermore, entrepreneurs share the same goal: prosperity within their businesses. Prosperity is derived from the income earned by entrepreneurs, which is sufficient to meet their living needs, both short-term and long-term. To help improve this prosperity, entrepreneurs are expected to set aside a portion of their income for investment. This investment typically takes the form of purchasing equipment to expand the business, which can ultimately increase future income. Therefore, it is important to recognize the importance of investing in order to improve future prosperity.[5].

The development of the Indonesian banking industry and financial institutions is currently experiencing very rapid progress. The financial system is a fundamental part of a country's economy, playing a key role in providing financial services. These services are provided by financial institutions, including money markets and capital markets. Banks are also the most important state-owned financial institutions, influencing both the macro and micro economy of a country. Developments in the banking sector are currently accelerating, with many government and private banks being established, and the banking sector in Indonesia has undergone significant changes. These changes are not only driven by internal developments in the banking sector but also by external developments, such as those in the real economic, political, legal, and social sectors. Banks can generally operate only if the fundamental principles of their operations are met, as trust is the foundation of bank operations. Banks are financial institutions that serve as a place for companies, government and private agencies, and the public to deposit their funds.[6].

Banking plays a crucial role in achieving national goals of improving and equalizing the standard of living. This depends heavily on the dynamics of development and the tangible contribution of the banking sector in driving a country's economic growth, as the two interact, and banks can provide funding for economic activities. Another role of banking is as a trust institution that collects funds from the public and channels them back to the community solely to promote development. The more economic activity in society develops, the greater the funding sources needed to finance those activities. Banks are also financial institutions whose primary activity is collecting and distributing funds from the public in the form of current accounts, savings, and time deposits, then distributing these funds in the form of loans to those in need.

Bank Rakyat Indonesia (BRI) is one of the largest state-owned banks in Indonesia. It provides numerous facilities for the public, such as savings and loans. One of the government's policies to empower small businesses, particularly in accessing capital, is through the People's Business Credit (SME) program through the bank. At the BRI Padang branch, a significant number of customers conduct savings and loan transactions. Nearly 2 billion customers apply for credit each month. Naturally, bank employees must work diligently to screen the suitability of customer credit applications. Customer growth shows a year-on-year increase. In 2020, the number of customers was recorded at 5,857, and this increased significantly to 7,653 in 2021, representing a growth rate of 30.67%. This increase demonstrates rapid progress in customer acquisition. Furthermore, in 2022, the number of customers increased again to 7,985, representing a growth rate of 4.34%. This growth continued in 2023, with the number of customers reaching 8,311, representing a growth rate of 4.08%. Although the growth rate in the 2022–2023 period was relatively lower than the previous year, the trend of increasing customer numbers remained consistent. In 2024, the number of customers increased to 8,937, representing a growth rate of 7.53%. This indicates a decline in the growth rate; overall, the data reflects an inconsistent trend in customer growth. From this, it can be concluded that customer financial management is not optimal, allegedly caused by financial literacy and financial attitudes through personality.

Planning is essential for determining investment decisions. Investment planning is crucial for financial management, as choosing the right investments can provide a sustainable source of income for a business or individual. With planning, an individual can avoid uncertainty and have a clear direction in making investment decisions. Planning also allows for more informed investment decisions and avoids losses.[7].

Financial knowledge consists of financial skills and financial tools. Financial skills are the means by which decisions are made regarding financial behavior. Financial tools are the tools used in decision-making. Financial knowledge is a person's understanding of the financial world, including financial skills and financial tools. Someone with good financial literacy will have good financial behavior. Financial literacy is a way to determine decision-making regarding financial behavior. Financial literacy includes preparing a budget, choosing investments, creating insurance plans, and taking out credit. Good financial knowledge will have an impact on good financial behavior for a person. For example, paying bills on time, recording monthly expenses, and having savings.[8].

The next variable that influences financial management is financial behavior. Financial behavior is ability to understand, analyze and managing finances to make the right financial decisions to avoid financial problems. Financial behavior is the level of an individual's or household's ability to manage financial resources, including planning for earning money, managing and controlling finances, and related practices. It is a state of mind, opinion, and judgment about finances. It relates to how a person organizes and utilizes available financial resources. Financial behavior also involves a person's financial responsibility in managing their finances effectively.[1].

The variable thought to influence financial management is personality. Personality is a person's understanding of how to manage their finances.[9] Personality is the way an individual interacts, reacts, and behaves with others and is often demonstrated through measurable characteristics. Personality encompasses moods, attitudes, and opinions and is most clearly expressed in interactions with others. It encompasses behavioral traits, both inherent and acquired, that distinguish one person from others and that can be observed in people's relationships with their environment and social groups. Each individual has a different personality type in how they manage their finances.

Research conducted by[4] Financial knowledge has a significant influence on financial management. Research conducted by[1] Financial knowledge has a significant influence on financial management. Research conducted by[9] Personality has a significant influence on financial management. Research conducted by[10] Personality has a significant influence on financial management. Research conducted by[11] Financial behavior has a significant influence on financial management. Research conducted by[8] Financial behavior has a significant influence on financial management. Research results[12] Financial knowledge and personality have a significant influence on financial management. Research results[13] Financial knowledge, personality, and financial behavior have a significant influence on financial management. Research results[14] Financial knowledge, personality, and financial behavior have a significant influence on financial management. Research results[15] Financial knowledge, personality, and financial behavior have a significant influence on financial management. Research results[16] Financial knowledge, personality and financial behavior have a significant influence on financial management..

## 2. Method

### Structural Equation Modeling (SEM) Analysis

This study used the Structural Equation Modeling (SEM) analysis tool using the SmartPLS program. SmartPLS is a component-based approach for testing structural equation models, commonly called SEM. SmartPLS is based on the idea of having two iterative procedures that use least squares estimation for

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single and multi-component models. By applying these procedures, this algorithm aims to minimize the variance of all dependent variables, therefore the cause and direction between all variables need to be clearly defined. SmartPLS is divided into measurement models and structural models. SmartPLS is a powerful method because it is not based on many assumptions. Data does not have to be multivariate normal distribution (indicators with categorical, ordinal, interval, and ratio scales can be used in the same model). SmartPLS is also more efficient with algorithmic calculations that are capable of estimating larger and more complex models with hundreds of latent variables and thousands of indicators.[17].

### Measurement Model Test (Outer Model)

In data analysis techniques using SmartPLS, there are three criteria for assessing the outer model: Convergent Validity, Discriminant Validity, and Composite Reliability. Convergent validity of a measurement model with reflective indicators is assessed based on the correlation between item scores or component scores estimated using SmartPLS software. An indicator is considered to have good reliability if it has a value above 0.7. We can see this figure by referring to the Outer Loading table in SmartPLS.[18]. In this composite reliability test, there are two tables that must be observed: the values contained in the Composite Reliability table and Cronbach's Alpha, which must be greater than 0.7.

#### 1. Measurement Modelor Validity

There are three criteria for using data analysis techniques to assess the outer model: Convergent Validity, Discriminant Validity, and Composite Reliability. In the development stage, a correlation of 0.50 to 0.6 is considered acceptable. In research, the limit for convergent validity is above 0.7.

#### 2. Reliability

Once the data validity level is known, the next step is to determine the level of data reliability or the level of reliability of each construct or variable. This assessment is done by looking at Composite reliability value and Crombach alpha value. A construct is said to be reliable if it provides a Crombach alpha value > 0.70.

#### 3. R-square

Next, as explained previously, the inner model assessment will be evaluated through the R-Squared value, to assess the influence of certain exogenous latent constructs on endogenous latent constructs to see whether they have a substantive influence.

### Path Coefficient and Hypothesis Testing

Testing the inner model or structural model is conducted to examine the relationship between variables, the significance value, and the R-square of the research model. Model assessment using PLS begins by examining the R-square for each dependent latent variable.

## 3. Results and Discussion

### Research Description

**Table 1.** Calculation of Questionnaire Distribution Results

No.	Questionnaire	Amount	Percentage%
1	Distributed questionnaires	95	100
2	Unreturned questionnaires	0	0
3	Incorrectly filled out (defective or damaged) questionnaire	0	0
4	Questionnaires suitable for data processing	95	100

Source: Survey Results, 2026

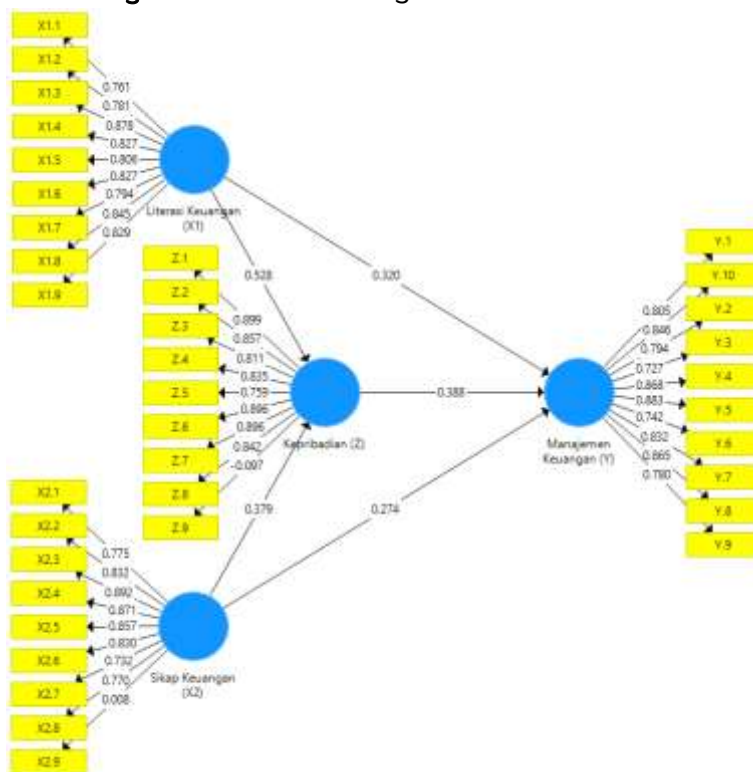
### Research Data Analysis

The outer model assessment aims to assess the correlation between item or indicator scores and their construct scores, which indicate the level of validity of a statement item. Outer model testing is carried out based on the results of questionnaire trials that have been conducted for all research variables. There are three criteria in the use of data analysis techniques to assess the outer model: Convergent Validity, Discriminant Validity, and Composite Reliability. In the development stage, a correlation of 0.50 to 0.6 is considered adequate or acceptable. In research, the limit for convergent validity values is above 0.7.

### Outer Model (Structural Model) Testing Before Elimination

Based on the results Testing the outer model using SmartPLS, obtained the correlation values between the statement items of the research variables as follows:

Figure 1. Outer Loadings Before Elimination

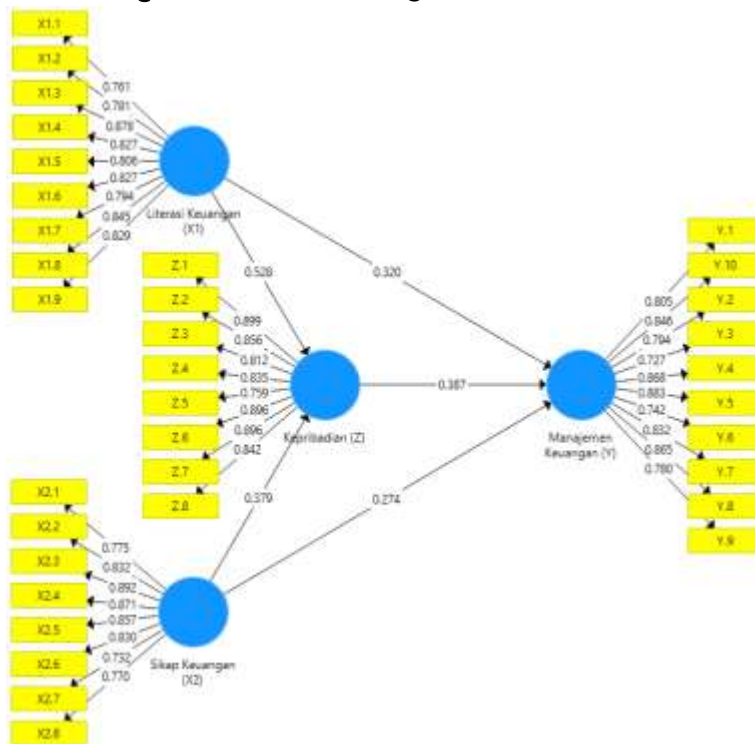


In data analysis techniques using SmartPLS, there are three criteria for assessing the outer model: convergent validity, discriminant validity, and composite reliability. Convergent validity of a measurement model with reflective indicators is assessed based on the correlation between item scores or component scores estimated with PLS software. Indicators are considered to have good reliability if they have a value above 0.7. There are three criteria in the use of data analysis techniques to assess the outer model: convergent validity, discriminant validity, and composite reliability. In the development stage, a correlation of 0.50 to 0.6 is considered adequate or acceptable. In research, the limit value of convergent validity is above 0.7.

### Outer Model (Structural Model) Testing After Elimination

Based on the results Testing the outer model using SmartPLS, obtained the correlation values between the statement items of the research variables as follows:

Figure 2. Outer Loadings After Elimination



**Average Variance Extracted (AVE) Assessment**

The validity criteria for a construct or variable can also be assessed through the Average Variance Extracted (AVE) value for each construct or variable. A construct is considered to have high validity if its value is above 0.50. The AVE values for all variables are presented below.

Table 2. Average Variance Extracted (AVE) Value

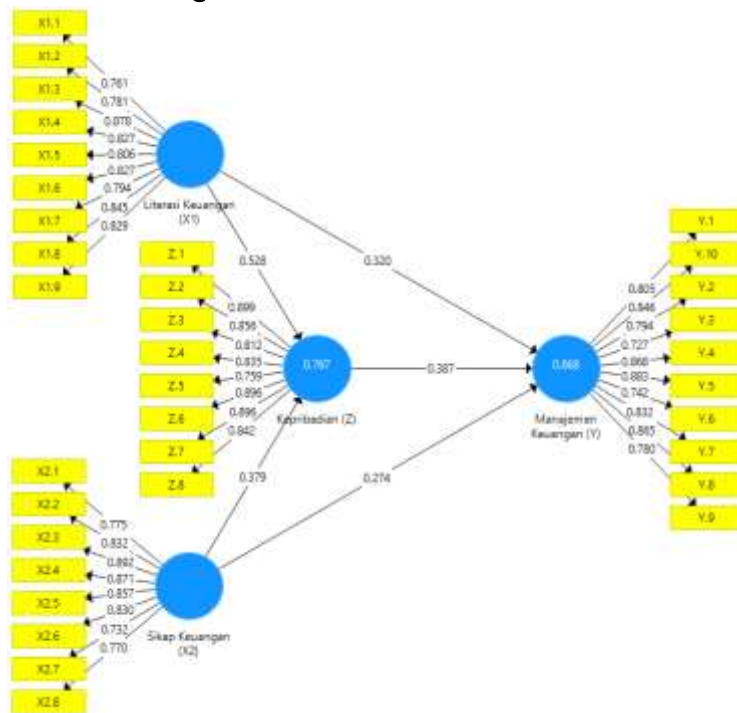
	<i>Average Variance Extracted (AVE)</i>
Financial Management (Y)	0.666
Financial Literacy (X1)	0.667
Financial Attitude (X2)	0.675
Personality (Z)	0.723

Based on Table 2, it can be concluded that all constructs or variables above meet good validity criteria. This is indicated by the Average Variance Extracted (AVE) value above the recommended 0.50 criterion.

**Outer Model Testing (Structural Model)**

The next testing process is testing the inner model, or structural model, which aims to determine the relationships between hypothesized constructs. The structural model is evaluated by observing the R-Square value for the endogenous construct and the influence it receives from the exogenous construct.

Figure 3. Structural Outer Model



Based on the image above, the structural model above can be formed into the following model equation:

- a. Equation Model I, is a description of the magnitude of the influenceconstructfinancial literacy and financial attitudestopersonality with the existing coefficients plus the error rate which is an estimation error or which cannot be explained in the research model.

$$Z = 0.528X_1 + 0.379X_2$$

- b. Equation Model II, is a description of the magnitude of the influenceconstructfinancial literacy,financial attitudes and personality towards financial management with each coefficient for each construct plus an error which is an estimation error.

$$Y = 0.320X_1 + 0.274X_2 + 0.387 Z$$

Next, as explained previously, the inner model assessment will be evaluated through the R-Squared value, to assess the influence of certain exogenous latent constructs on endogenous latent constructs to see whether they have a substantive influence. The following is the R-Square estimate:

Table 3. Evaluation of R Square Value

	<i>R Square</i>	<i>R Square Adjusted</i>
Personality (Z)	0.767	0.762
Financial Management (Y)	0.868	0.864

Source: SmartPLS Outer Model Test Results, 2026

In the table above, the R-Square value of the financial management variable is 0.868 or 86.8%, so the contribution of the financial literacy, financial attitude and personality variables to financial management is 86.8%, the remaining 13.2% is influenced by other variables outside this research.such as motivation, interest rates and inflation movements.

The R-Square value of the personality variable is 0.767 or 76.7%, so the contribution of the financial literacy variable and perception of financial attitudes to personality is 76.7%, the remaining 23.3% is influenced by other variables outside this study.such as motivation, interest rates and inflation movements.

### PenHypothesis test

Hypothesis testing in this study can be assessed by comparing the t-statistic or calculated t-value with the t-table of 1.96 at 5% alpha. If the t-statistic/calculated < t-table of 1.96 at 5% alpha, then Ho is rejected. If the t-statistic/calculated t-value > t-table of 1.96 at 5% alpha, then Ha is accepted. The following SmartPLS output results illustrate the estimated output for structural model testing.

**Table 4.** Results for Inner Weights Direct Affect

				<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics ( O/STDEV )</i>	<i>P Values</i>		
Financial Literacy (X1)	->	Personality (Z)		0.528	0.513	0.134	3,951	0,000		
Financial Attitude (X2)	->	Personality (Z)		0.379	0.387	0.116	3,273	0.001		
Financial Literacy (X1)	->	Financial Management (Y)		0.320	0.309	0.112	2,866	0.004		
Financial Attitude (X2)	->	Financial Management (Y)		0.274	0.280	0.122	2,252	0.025		
Personality (Z)	->	Financial Management (Y)		0.387	0.395	0.096	4,022	0,000		
Financial Literacy (X1)	->	Personality (Z)	->	Financial Management (Y)		0.204	0.207	0.085	2,407	0.016
Financial Attitude (X2)	->	Personality (Z)	->	Financial Management (Y)		0.147	0.151	0.051	2,857	0.004

### 4. Conclusion

There is a significant influence of financial literacy on personality. There is a significant influence of financial attitudes on personality. There is a significant influence of financial literacy on financial management. There is a significant influence of financial attitudes on financial management. There is a significant influence of personality on financial management. Personality mediates the influence of financial literacy on personality. Personality mediates the influence of financial attitudes on personality.

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