

The Effects of Financial Knowledge, Financial Attitude and Self-Control on Financial Management Behavior among Students in Malaysian Public University

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ABSTRACT

Financial management behavior is an individual ability to modify planning, budgeting, checking, managing, controlling and saving the fund every day. It is the vital element for individual on how they managing their financial affairs in fulfilling their life needs. Therefore, this study aims to analyses the factors that influencing financial management behavior among university students. Three variables are tested for this study namely, financial knowledge financial attitude and self-control. The sample for this study consisted of 63 respondents participated in the survey using purposive sampling technique among students in Malaysian public university. The data collected via online form. Multiple regression analysis is employed to analyse the data gathered. The findings revealed that there was a significant relationship between financial knowledge with financial management behavior among university students. However, there was an insignificant effect between with financial attitude and self-control towards financial management behavior among university students. The results could be used as guide to related government agencies, financial institutions, and the individual as well in understanding the important of financial management behavior to curb from facing financial problem and to sustain the quality of life.

Keyword: Financial management behavior, financial knowledge, financial attitude, self-control, university students.

INTRODUCTION

In this globalization era offering the easy accessibility of financial services. This situation led people to easy dealing with these services. However, some of individual taking this for granted that drove them by having a huge amount of debt. With the low level of financial literacy or financial knowledge will trap them facing trouble in managing their financial. It is supported by study conducted by The Credit Counselling and Debt Management Agency (AKPK) reported that 53, 000 individuals' underage of 30 are burdened by nearly RM1.9 billion in cumulative debt (2024). One of the major reason young people are in debt due to poor money management. Most of them are spent too much to meet their lifestyle want for example purchasing the car to show off but they did not afford to pay it. The trend of 'Fear Of Missing Out' also known as FOMO and living in the luxuries style always trap the young generation into debt situation.

Different individual have a different methods in handling their financial affairs. Some of individual will comparing the prices before doing shopping, do some research on the stuffs or goods that they are going to buy. Due to this characteristics of individuals, financial management behavior become an important elements in managing the financial matters. According to Rizkiana (2017), explained financial management behavior as an individual ability to modify planning, budgeting, checking, managing, controlling and saving the fund every day

in fulfilling their life needs. By having positive financial behavior, which is good managing income, loans and investment, (Layli, 2013). It also will further leads to a better management plan (Roberts & Jones, 2001).

Thus, this study will be conducted on financial management behavior among among students in Malaysian Public University which is this group also representing Gen-Z by helping them for managing their financial standing and will avoiding them from relying much on the debt to support their daily live. Hence, the aim of this study is to investigate the influencing factors of financial management behavior among this group. The predictor factors that will be used in this study are financial knowledge, financial attitude and self-control. Based on the previous study, the results were vary where between one research to another research and it is produce the research gap for this study.

LITERATURE REVIEW

Financial Management Behavior

Financial management is defined as a set of performed behavior regarding planning, implementing and evaluating involved in the areas of cash, credit, investment, insurance, retirement planning and estate planning as well (Parotta, 1996). Financial management behaviors is related to individual's financial responsibility, regarding how to manage their financial matter. Thus, financial management behavior is the combination of several sources of behavior which become the basis for individual decision making in term of financial planning, managing, saving and taking position in conducting financial transaction.

Financial Knowledge

Financial knowledge is one of the critical aspects in determining the level financial management behavior. Kholilah and Iramani (2013) explained financial knowledge as the knowledge that refers to what individual know about personal matters as measured by their level of knowledge about various personal finance concept. Shahrabani (2012), Laily (2013) and Sundaresan, et al (2016) found that financial knowledge has a significant effect on financial management behavior. Prayuda and Purwanto (2024) stated that financial knowledge has the positive relationship with financial management behavior. Therefore, the following hypothesis is developed as follows:

H₁: There is a positive relationship between financial knowledge and financial management behavior among students in Malaysian Public University

Financial Attitude

Financial attitude will influence the individual's financial management behavior. Pankow (2012) defined financial attitude as a state of mind, opinion, and judgement about finance. Thus, it can be interpreted that a person's attitude refers to how they feel about personal financial matter which can be measured by response to their statement or opinion (Marsh, 2006). The research has been done by Amanah (2016) found that financial attitude partially effects financial management behavior. Zulvia, Nasli and Lasmini (2022) revealed that financial attitude significantly influence on financial management behavior among Gen-Y in the city of Padang, Indonesia. Therefore, the following hypothesis is developed as follows:

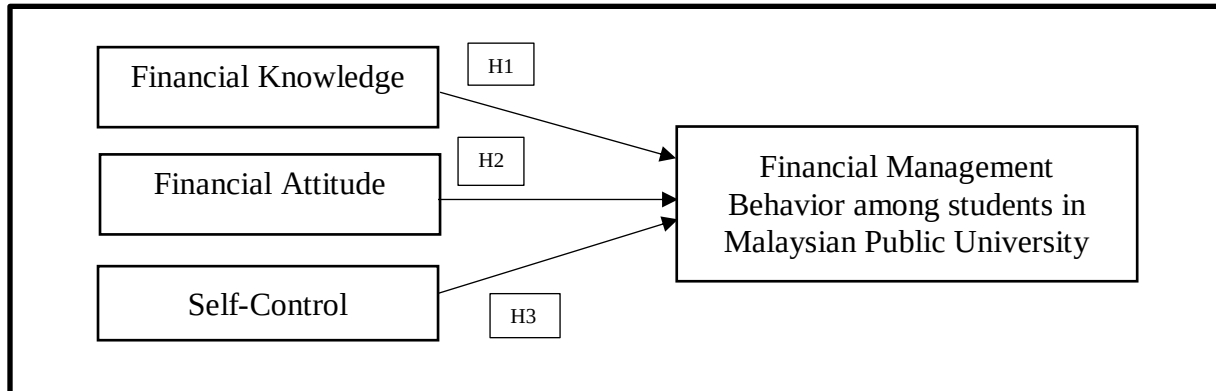
H₂: There is a positive relationship between financial attitude and financial management behavior among students in Malaysian Public University

Self-Control

Self-control is defined as the ability of individuals to control or direct themselves towards a better decision when being pressured by temptation. Baumeister (2002) highlighted that people tend to be confused by conflicts between their actions and feelings although their inner strength increases their self-control. Therefore, self-control can be summarised as an attitude toward finances that is influenced by emotional and psychological factors. Stromback et al., (2017) stressed that, individual with low self-control will lead to be involved with credit problem

and indebtedness problem. Anjani and Darto (2023) found self-control has a significant positive effect on financial management behavior among Generation Z in Jakarta. The result of this study is consistent with the study conducted by Zulvia et. al., (2022).. Therefore, the following hypothesis is developed:

H₃: There is a positive relationship between self-control and financial management behavior among students in Malaysian Public University



Source: developed by researcher for current study

Figure 1 display research framework for this study where it was developed based the review of literature.

Source: developed by researcher for current study

RESEARCH METHODOLOGY

Sample

Sampling is a vital element in conducting a research study especially for huge number of populations. Non-probability sampling was employed for purposive sampling based on the characteristics in the population and the objectives of this study. The inclusion criteria of respondents must be a students who are studying in public universities in Malaysia. Therefore, the respondents of this study focusing the students in Universiti Teknologi MARA, Melaka campuses. There are 63 of respondents are participated in this study and self-administered questionnaire were distributed to target respondent via online form.

Measures

The instruments consist of five (5) sections. The first sections touch on frequency of respondents' profile. The second section assess the financial management behavior among university students which consist of 5 items. The items adopted from Xio and Dew (2017). While in section three, 5 items are asked about financial knowledge and the items is adopted by Perry and Morris (2005). For the four section, the respondents are asked about financial attitude. There are 5 items used in this study was adopted from Vieira, Potrich and Silva (2016) and the last section focus on self-control consist of 5 items. The question was adopted by Stromback et al., (2017). A 5-point Likert scale measurement ranging 1= strongly disagree and 5= strongly agree was implemented in this study for section two until section five.

Data Analysis

The Statistical package for the Social Science (SPSS) software version 29 was utilised to analyse the data including frequency and descriptive analysis, reliability analysis as well as multiple regression analysis to test the relationship between predictor factors towards financial management behavior among students in Malaysian Public University.

RESULT AND DISCUSSION ON FINDINGS

Profile of respondents

A sample frequency distribution was carried out in this study to understand the respondent background. The element of age, gender, bachelor degree program, type of finance that support their study, semester and hometown geographical area are included in this study.

Age of majority of the respondent who are in range of 21 to 23 years old represent 69.8%. while female most participate in this study which are 47 persons out of 63 respondents who are answered the questionnaire. The most respondents who are participating in this study is come from BA242 program. Most of the respondents has been supported by education loan to finance their study which are 68.3%. Slightly more than half which are 52.4% those who are from semester 5 students. Majority of the respondents (79.4%) who are living the urban area.

Table 1: Descriptive statistic

Variables	Means	Standard Deviation
FMB1	4.59	0.64
FMB2	4.11	0.81
FMB3	3.59	1.16
FMB4	2.89	1.15
FMB5	3.83	1.20
FK1	3.48	1.05
FK2	3.14	1.11
FK3	4.02	0.92
FK4	2.87	1.21
FK5	4.30	0.89
FA1	4.43	0.64
FA2	4.54	0.59
FA3	4.57	0.59
FA4	4.52	0.59
FA5	4.51	0.62
SC1	3.05	1.01
SC2	3.51	1.00
SC3	3.24	1.00
SC4	3.05	0.87
SC5	3.60	1.23

Table 1 illustrates descriptive analysis for this study. FMB1 showed the highest mean (4.59) which means the respondents agree that they are comparing the prices of goods when they are shopping while item FMB4 show the lowest mean (2.89) which is they does not kept a written or electronic record on their expenses. For financial knowledge, the highest means is FK5 (4.30) while the lowest is FK4 (2.87) show that the respondent does not have sufficient knowledge on investment. Furthermore, the item FA3 show the highest mean (4.57) while the lowest is FA1 (4.43). It can be concluded that the respondent not knowing the importance of controlling their expenses. SC5 become the highest means (3.60) where the respondents easily to be influenced by online shopping such as Shopee and Tik Tok. On the other hand, SC1 and SC4 represent the lowest means which is 3.05.

Table 2: Reliability Analysis

Variables	Number of items	Cronbach's Alpha
Financial Management Behavior	5	0.725
Financial Knowledge	5	0.759
Financial Attitude	5	0.920
Self-Control	5	0.386

Table 2 indicated reliability analysis for all variables used in this study. Financial management behavior as dependent variable was 0.725 followed by independent variables namely financial knowledge (0.759) financial attitude (0.920) and self-control (0.386) respectively. However, the results showed that only three variables namely financial management behavior, financial knowledge and financial attitude in the range of reliability which in between 0.7 to 0.9, which is considered exceptionally good and can be used for further analysis. Meanwhile for self-control is not in the range of 0.7 and above.

Table 3: Regression results

	Hypothesis	beta	t-test	p-value	supported
H ₁	There is a positive relationship between financial knowledge and financial management behavior among students in Malaysian Public University	0.577	5.506	0.001	Supported
H ₂	There is a positive relationship between financial attitude and financial management behavior among students in Malaysian Public University	0.166	1.571	0.121	Rejected
H ₃	There is a positive relationship between self-control and financial management behavior among students in Malaysian Public University	-0.173	-1.765	0.083	Rejected

R=0.556; R²= 0.309, Adjusted R²=0.300; F=5.027; Sig. F=0.000

Table 3 presented the regression analysis result for this study. This shows that the predictions construct is statistically significant at 0.05. The table indicates a significant effect between financial knowledge and financial management behavior among students ($p=0.01$). The result is consistent with the study by Chuah et al., (2020), Loke (2015) and Yong et al, (2018). It can be further explained where the university students with a good financial knowledge will having a good decision making particularly in financial management behavior. In the other hand, financial attitude and financial management behavior among students ($p=0.121 > 0.05$) while self-control and financial management behavior among students ($p=0.083 > 0.05$) are statistically insignificant relationship. Thus, hypothesis H₂ and H₃ was not supported, thus rejected. The result of financial attitude is contradicting with the finding of study by Akben-Selcuk (2015), Halim & Setyawan, (2021), and Zulvia et. al., (2022), stating that a good financial attitude will increase financial management behavior. Meanwhile, the result for self-control also inconsistency with research finding conducted Anjani and Darto (2023) mentioning self-control has a positive relationship among Gen Z in Jakarta while Zulvia et. al., (2022) conducting study on Gen Y in city of Padang, Indonesia.

CONCLUSION

The aim of this study is to investigate the effects of financial knowledge, financial attitude and self-control on financial management behavior among students in Malaysian public university. A total of 63 respondents are participated in this survey using purposive sampling technique The data collected via online form. Multiple regression analysis is employed to analyse the data gathered. The findings revealed significant effect between financial knowledge among students in Malaysian public university. The result is supported Zulvia et. al., (2022) mentioned financial knowledge has a significant effect on financial management behavior among university students. However, that there was an insignificant relationship between financial attitude and self-control with financial management behavior among university students. The result of financial attitude is inconsistency with the study conducted by (Zulvia et. al., (2022) stating that a person with a high financial attitude will lead to higher

financial management behavior as well. However, the result for self-control is contradict with Zulvia et. al., (2022) revealed that the person with high degree of self-control will have a good financial management behavior.

The finding of this study could be used as a guide to related government agencies especially for Ministry of Finance in giving an awareness to young people in managing their financial standing. This research output also can used by Ministry of Education in develop financial education program from early childhood with the knowledge and skills to better manage their financial matters and will assist an individual in understanding the important of financial management behavior to curb from facing financial problem and to sustain the quality of life. In terms of limitations, the study could not include all factors of financial management behavior. Future research could be included to explore other factors that underline patterns of financial management behavior among students in Malaysian Public University. This study also can be extended to test the other group of respondents such as working adults, millennium generation or based on household income group especially on Middle 40 (M40) and Bottom 40 (B40).

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