



The influence of locus of control and financial technology payment on financial management behavior with financial self-efficacy as an moderating variable among MSMEs in Malang City

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Article Info	Abstract
<p><i>Keywords: Locus of Control, Financial Technology Payment, Financial Self-Efficacy, Financial Management Behavior, MSMEs.</i></p>	<p><i>This research aims to analyze the influence of locus of control and financial technology payment on financial management behavior with financial self-efficacy as a moderating variable among MSMEs in Malang City. The research method used is associative quantitative with a Partial Least Square (PLS) approach using SmartPLS 3.0. The research results show that locus of control and financial technology payments have a positive and significant effect on financial management behavior. Apart from that, financial self-efficacy as a moderating variable has a significant influence in strengthening the relationship between financial technology payments and financial management behavior but does not have a significant influence in strengthening the relationship between locus of control and financial management behavior. These findings support the theories of Social Learning Theory and Social Cognitive Theory, which emphasize the importance of individual confidence in controlling finances and the use of financial technology in improving better financial behavior. Therefore, it is recommended for MSME players to increase financial literacy and utilize financial technology to support the sustainability of their businesses.</i></p>

1. INTRODUCTION

The important role of MSMEs in recent years, MSMEs have developed rapidly. These various types of businesses develop independently without help from an institution. There are many ways to find information and facilities for starting an MSME. The use of technology poses special challenges for MSMEs to survive in the modern era. Technology is used to facilitate every transaction. Unfortunately, both businesses and customers in Indonesia do not use this convenience. Research on the problems faced by MSMEs found that the problem of using and utilizing technology is still a major problem for MSMEs (Luckandi, 2019).

A report from the Ministry of Cooperatives and SMEs shows that there were 64.2 million Micro, Small, and Medium Enterprises (MSMEs) in Indonesia in 2018. This is more than 95 percent of all businesses. This shows that Micro, Small, and Medium Enterprises (MSMEs) play a significant role in Indonesia's economic development. As a result of the



demographic bonus, MSMEs can also be a solution for the large productive age in Indonesia. MSMEs are able to absorb many people. However, according to BPS data, as many as 82.85% of Indonesian MSMEs experienced a significant decline in turnover during the COVID-19 pandemic that hit Indonesia and other countries (Risqiani et al., 2023). MSME players must also be ready to make responsible decisions that will affect their current and future lives. One of the main reasons why financial management is not good is a lack of knowledge about finance. Therefore, to be able to manage and make good financial decisions, people must have good financial management behavior (Aditya & Azmansyah, 2021).

Financial management behavior has several underlying influences, one of which is psychological factors, which play an important role in financial management behavior, especially locus of control, which was first discovered by Julian Rotter in his research (Rizkiawati & Asandimitra, 2018). Locus of control is a person's belief or belief that they have influence or control over events in their life (Kholilah & Irmami, 2013). In this case, a person's involvement in making decisions and actions related to finances is directly correlated with their ability to manage finances well (Harianto & Isbanan, 2021). By having a better financial perspective, a person tends to take smarter actions regarding their finances compared to people who have a poor financial management attitude. This is due to the fact that they have a role in making decisions about their finances (Nur & Mardiana, 2020).

Another constraining factor in developing MSMEs is financial information. There are still MSME owners who have not been able to manage and develop their businesses well, so it is not uncommon for some MSMEs to experience failure in their businesses. Apart from several factors, the lack of feasibility, this failure is due to the lack of knowledge of MSME owners regarding business management, both in terms of personal financial management and business development. Financial management is an important aspect for business progress. Financial management problems are one of the problems often encountered in MSMEs. Financial management is a problem in MSMEs because MSME owners ignore the importance of managing financial reports. Financial management carried out by MSMEs is often faced with the MSMEs' inability to separate household finances from their business finances, resulting in difficulties in calculating profits or losses. In fact, financial management is one aspect that must be considered because it can determine the success or failure of a business as well as businesses carried out by MSMEs (Samanto et al., 2024).

According to data from the Central Statistics Agency (BPS), in the last three years MSMEs in Malang City. In 2022, the number of MSMEs in Malang City will increase although it is not much different from the previous year. Meanwhile, in 2023 it will experience quite high growth (Badan Pusat Statistik Kota Malang, 2024). They need to be empowered optimally by enriching their knowledge on finance. It is expected that doing so will allow them to improve their financial behavior (Andarsari & Ningtyas, 2019). This is the starting point of the researcher's purpose to investigate the role played by locus of control, financial technology payment and financial management behavior of MSMEs.

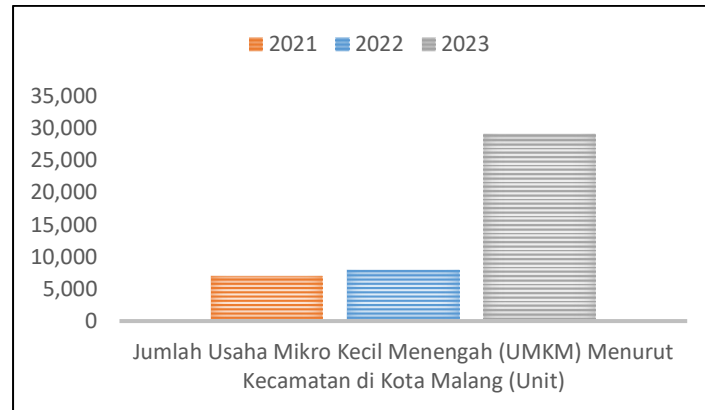


Figure 1. Number of SMEs in Malang City
Source: Malang City Central Statistics Agency, 2024

The convenience of online shopping also gives rise to other conveniences, namely financial technology payments, which support individual shopping activities with a payment process that is very fast and can be done anywhere. In a broad context, "fintech" refers to the use of technology in the financial industry, covering a wide range of topics such as payments, insurance, investment management, savings and loans, raising capital, and providing markets (Lestari et al., 2024). The presence of financial technology payments has an impact on users; the existence of fintech payments makes it easier to access financial services and products, such as investment, savings, credit, and easy transactions, which can cause someone to become more consumptive (Haqiqi & Pertiwi, 2022).

Based on the findings of several studies that have been conducted, there are differences in research results regarding the influence of the locus of control variable, namely Murty et al. (2024) and Harianto & Isbanan (2021) which state that there is a relationship the influence between locus of control and financial management behavior with a positive influence. However, according to Aisyah & Wahyuni (2024) and Azzahra (2024) who emphasize that there is no influence of the relationship between locus of control and financial management behavior. Apart from that, the financial technology payment variable is also Lestari et al. (2024) and Hidayati & Nugroho (2023) which states that there is an influence relationship between financial payment technology on financial management behavior. Meanwhile, research by Emiliyana & Safitri (2023) states the opposite, namely that there is no relationship between the influence of financial technology payment variables on financial management behavior. Therefore, researchers use moderating variables to determine further influence relationships between the variables to be studied.

Albert Bandura created the concept of self-efficacy in 1997. Albert Bandura explained self-efficacy as a person's belief in their ability to demonstrate certain skills and achieve goals. Financial self-efficacy is a person's positive belief in their ability to achieve their financial goals. Everyone certainly has confidence in their ability to do and decide things. Someone who has a higher level of financial independence will have greater confidence in doing and deciding things. When individuals have a high level of confidence in their ability to manage finances, this can influence their financial management behavior, their sense of responsibility in managing finances will increase (Wulantari & Anwar, 2024). According to

Wahyuningsih et al. (2024) who stated that financial self-efficacy also has a direct positive and significant influence on financial management behavior. Apart from that, according to Miftahulillah et al. (2023) financial self-efficacy has a positive effect on financial behavior, but does not mediate the influence between financial literacy and lifestyle simultaneously. From this, self-efficacy can be a moderating variable for this research because it is believed to strengthen the relationship between variables.

2. LITERATURE REVIEW AND HYPOTHESIS

Social Learning Theory

Social Learning Theory, proposed by Julian Rotter, states that a person can recognize a reward, whether positive or negative, which is a result of his own actions or depends on forces outside his control. This theory does have a relationship with social education, but what was put forward by Julian Rotter focuses more on how individuals' beliefs in internal or external controls can influence their behavior. Julian Rotter suggests that individual behavior can be influenced by their beliefs, such as how they can control the results of their actions, which in this research refers to locus of control (Rizkiawati & Asandimitra, 2018).

Social learning theory is a concept that is based on the nature and effects of reinforcement. Social learning theory has four main concepts that can determine which behavior an individual will choose, namely potential behavior, hope, belief values, and psychological situation. Someone considers that reinforcement is following an action taken previously. This belief can make an individual have self-confidence in terms of financial management, so that this can influence financial management behavior and beliefs which refer to financial self-efficacy. This of course can also trigger an individual to apply their knowledge in terms of technology by simplifying the payment system by using payment financial technology in transactions (Nisa & Haryono, 2022). Based on the current developments, especially in the aspect of financial technology, MSME players must emphasize the importance of understanding financial technology payments as an easy and effective payment system for customer comfort and convenience.

Social Cognitive Theory

Albert Bandura stated that social cognitive theory is based on the idea that cognitive processes and social interactions have a major role in understanding emotions, motivation, and human behavior. This theory combines cognitive components (thoughts in forming behavior) such as self-belief, motivation, and expectations or expectations in understanding behavior. In this research, what has been mentioned will refer to self-efficacy, namely the belief that an individual has about his or her ability to succeed in carrying out a task or achieving a goal. Self-efficacy is not only about understanding the actions to be taken but also involves skills and confidence in one's ability to succeed in doing something. Belief in self-efficacy has an important role in shaping a person's behavior, including determining the actions that must be taken in managing finances, which is referred to as financial self-efficacy (Rizkiawati & Asandimitra, 2018).

Individual locus of control, namely a person's belief that they have the ability to control the events that occur in their life, which has an impact on the way they act in managing their finances. Social learning theory can influence an individual's perception of locus of control, and conversely, beliefs about locus of control can influence the way individuals learn and interact in their social environment. In this case, social learning theory has a relationship with locus of control. A person who has a locus of control, or the belief that they have control over their life, is more likely to have a positive attitude toward financial management and behave responsibly with their money (Rizkiawati & Asandimitra, 2018). According to Murty et al. (2024), not only does financial literacy, but locus of control also has a positive and significant influence on financial management behavior. According to Sustiko & Yuyun (2021) states that locus of control also has a significant influence on financial management behavior, which means that the better an individual's self-control, the better the individual's quality in their financial management behavior.

H₁: Locus of control influences the financial management behavior of Micro, Small and Medium Enterprises (MSMEs) in Malang City

Likewise, financial technology is currently increasing rapidly. This can directly influence a person's financial management behavior. Financial technology payments specifically are currently of great interest to the wider community because of their convenience and efficiency. Decisions and actions related to spending are influenced by fintech payments. For example, someone will have the decision to buy an item online or in person as long as their balance is still sufficient for the item because of the ease of payment. According to social learning theory, the role of the social environment in shaping behavior is outlined. Financial technology payments can be considered as one of the environmental factors that influence financial behavior (Rizkiawati & Asandimitra, 2018). According to Setiani et al. (2023) stated that financial technology payments have an influence on students' financial management behavior. According to research by Murty et al. (2024) it is stated that not only does locus of control have an influence on financial management behavior, but fintech payments also have a positive and significant influence on financial management behavior. According to research by (Lestari et al., 2024) which states that financial technology based on digital payments, especially e-wallets, has a positive and significant influence on the financial management of MSMEs.

H₂: Financial technology payment the financial management behavior of Micro, Small and Medium Enterprises (MSMEs) in Malang City

According to social cognitive theory, people learn from observing other people's behavior. In situations like this, one can see how other people manage their money. If someone sees other people who have a high locus of control and financial self-efficacy and are successful in managing their finances, this can be a model that can inspire someone to increase their confidence in their ability to manage personal finances. They can increase their confidence by watching and modeling the behavior of others. This is in line with research conducted by (Rizkiawati & Asandimitra, 2018), which found that financial management behavior is strongly influenced by financial self-efficacy. Locus of control is

expected to influence how a person manages their finances because it influences their beliefs about their own ability to manage finances.

H3: Financial self-efficacy moderates the influence of locus of control on the financial management behavior of Micro, Small and Medium Enterprises (MSMEs) in Malang City

Social cognitive theory emphasizes that cognitive processes, such as self-confidence, play a major role in determining human behavior (Rizkiawati & Asandimitra, 2018). In this hypothesis, financial self-efficacy is identified as an important factor that plays a role in regulating the relationship or moderating between financial management behavior (financial management behavior) and income (income). Social cognitive theory recognizes how social interactions influence behavior. When it comes to financial management, the influence of other people and how other people manage their finances can influence a person's behavior and self-beliefs about their finances. A person can learn from seeing how other people manage their finances, especially those who have a high level of financial self-efficacy, even though an individual has different ease in making transactions. If someone has a high level of financial self-efficacy, they may be more likely to utilize their convenience and technology effectively and be responsible in spending their money. In line with research (Shiau et al., 2020) which found the statement that financial self-efficacy and technological self-efficacy (confidence in technology) and confirmation have a positive effect on perceived usefulness.

H4: Financial self-efficacy moderates the influence of financial technology payments on the financial management behavior of Micro, Small and Medium Enterprises (MSMEs) in Malang City

3. RESEARCH METHOD

The type of research used this time is classified as quantitative research with an associative approach and descriptive format, which involves collecting and analyzing numerical data with objectives. Quantitative research with an associative approach is a type of research that studies phenomena using data as a guide and measuring them using statistical, mathematical, or computational techniques (Priadana & Sunarsi, 2021). A systematic calculation is needed regarding the relationship between each variable in this research. Basically, quantitative research is research that uses numerical data as the basis of a phenomenon, with 195 respondents who will be able to interpret the results of this research. The calculation for a sample with an unknown population size refers to the theory that says that the minimum sample size must be 5-10 times the maximum number of arrows pointing to latent variables anywhere in the PLS path model. In this case, the maximum arrow pointing to the latent variable in question is the indicator of each variable. So, based on this theory, the sample measurements taken in this research can be calculated as follows:

$$\begin{aligned}n &= \text{Number of Indicators} \times 5 \\n &= 39 \times 5 \\n &= 195 \text{ respondents}\end{aligned}$$

Based on these calculations, it can be seen that the minimum number of respondents that must be obtained in this research is 195 respondents (Hair et al., 2021).

Quantitative research produces more measurable information, according to Priadana & Sunarsi (2021). This research uses a quantitative approach with a descriptive format. It involves collecting and analyzing numerical data to indicate, predict, or control the variables under study. Descriptive research, according to (Purba et al., 2021), is a factual research method about the current status of a group of people, objects, circumstances, systems of thought, or events with appropriate interpretation. Descriptive research is collecting data to test a hypothesis or answer questions about the current status of a research subject. This type of research was chosen because of the objectives to be achieved and the relationship between each variable involved and its interpretation.

Next, carry out a test to determine the influence between variables using the Structural Equation Modeling (SEM) model, which is component- or variant-oriented, namely Partial Least Square (PLS). SEM is a multivariate statistical analysis method that combines factor analysis and multiple regression analysis (Rhadi, 2023; Hadi, Sentosa, and AbWahid, 2023). Analysis using the Partial Least Square (PLS) method is carried out through several steps, which include outer model analysis, inner model analysis, hypothesis testing. This research utilizes the Partial Least Square (PLS) method. The Smart PLS version 3.0 program was used to process data and draw conclusions. Because this research uses multivariate statistical techniques, namely research that consists of one or more variables simultaneously, researchers used Partial Least Square (PLS) version 3.0. The variables used in this research are the independent variable, the moderating variable, and the dependent variable. SmartPLS 3.0 was chosen because it is a strong analysis method because it can be applied to all data scales, it does not require many assumptions. Apart from being able to be used as confirmation of theory, PLS can also be used to build relationships for which there is no theoretical basis or to test propositions.

4. RESULT AND DISCUSSION

Outer Model Test

Smart PLS 3.0 software was used to conduct outer model analysis to evaluate the reliability of the indicators used in the research (Hair et al., 2021). The purpose of this analysis is to assess the validity and reliability of research indicators.

Convergent Validity Analysis

Convergent validity analysis has the function of calculating the similarity of dimensions or validity of results between statements submitted to respondents in research. Convergent validity is considered fulfilled if the loading factor value is more than 0,7 and/or the AVE (Average Variance Extracted) value is more than 0,5 (Hair et al., 2021).

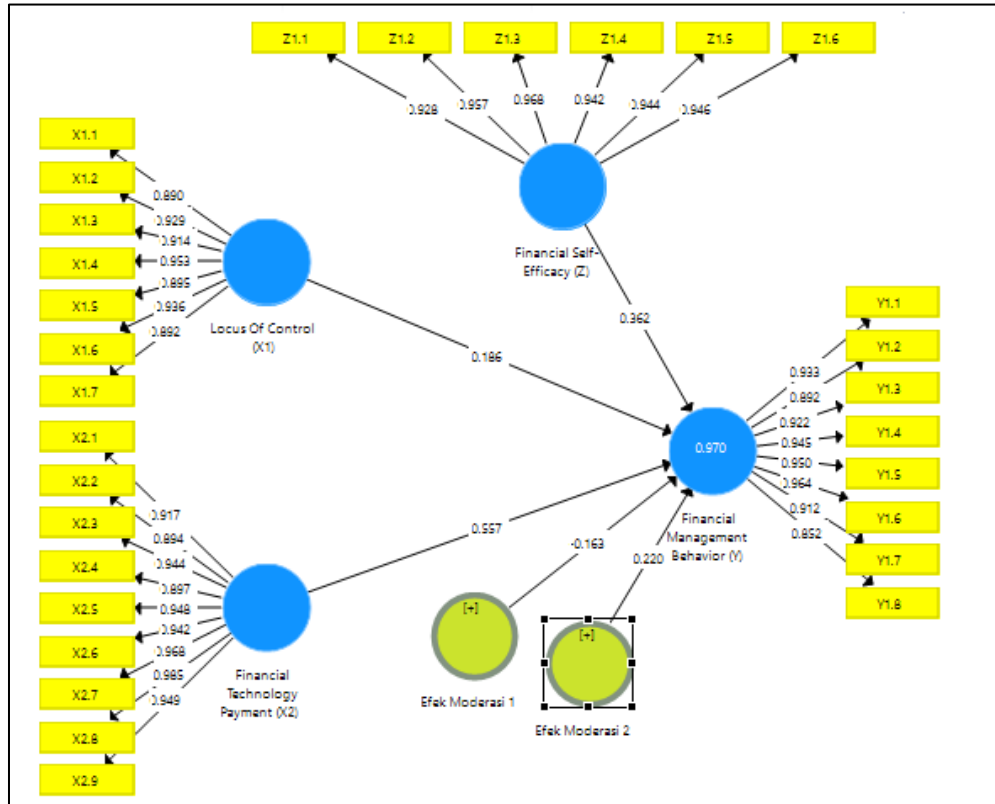


Figure 2. Outer Model Test
 Source: Data Analysis, 2025

Based on the outer model testing that has been carried out, the loading factor values can be obtained as presented in the table below.

Table 1. Loading Factor Value

Variable	Item	Loading Factor Value	Information
Locus Of Control (X1)	X1.1	0,890	Valid
	X1.2	0,929	Valid
	X1.3	0,914	Valid
	X1.4	0,953	Valid
	X1.5	0,895	Valid
	X1.6	0,936	Valid
	X1.7	0,892	Valid
Financial Technology Payment (X2)	X2.1	0,917	Valid
	X2.2	0,894	Valid
	X2.3	0,944	Valid
	X2.4	0,897	Valid
	X2.5	0,948	Valid
	X2.6	0,942	Valid
	X2.7	0,968	Valid
	X2.8	0,985	Valid
	X2.9	0,949	Valid

Financial Self Efficacy (Z)	Z1.1	0,928	Valid
	Z1.2	0,957	Valid
	Z1.3	0,968	Valid
	Z1.4	0,942	Valid
	Z1.5	0,944	Valid
	Z1.6	0,946	Valid
Financial Management Behavior (Y)	Y1.1	0,933	Valid
	Y1.2	0,892	Valid
	Y1.3	0,922	Valid
	Y1.4	0,945	Valid
	Y1.5	0,950	Valid
	Y1.6	0,964	Valid
	Y1.7	0,912	Valid
	Y1.8	0,858	Valid

Source: Data Analysis, 2025

Based on the table above, the loading factor value for each item measuring the locus of control variable is shown at X1.1 at 0,890; X1.2 at 0,929; X1.3 0,914; X1.4 0,953; X1.5 0,895; X1.6 0,936; X1.7 0,892. The loading factor value for each item measuring the financial self-efficacy variable is 0,917 for X2.1; 0,894 for X2.2; 0,944 for X2.3; and 0,897 for X2.4; 0,948 for X2.5; 0,942 for X 2.6; 0,968 for X2.7; 0,985 for X2.8; 0,949 for X2.9. Furthermore, the loading factor value for the financial self-efficacy variable is 0,928 for Z1.1; 0,957 for Z1.2; 0,968 for Z1.3; 0,942 for Z1.4; 0,944 for Z1.5; 0,946 for Z1.6. Meanwhile, the magnitude of the loading factor value on the item measuring the financial management behavior variable is shown by the Y1.1 value of 0,933; Y1.2 is 0,892; Y1.3 of 0,922; Y1.4 of 0,945; Y1.5 is 0,950; Y1.6 is 0,964; Y1.7 is 0,912; Y1.8 is 0,852. So, it can be concluded that all items that measure each variable in this study based on the loading factor value are declared valid because they have a value of more than 0,7. Next, analyze convergent validity by reviewing the Average Variance Extracted (AVE) value as presented in the table below.

Table 2. Average Variance Extracted (AVE) Value

Variable	AVE	Information
Locus Of Control (X1)	0,839	Valid
Financial Technology Payment (X2)	0,881	Valid
Financial Self Efficacy (Z)	0,898	Valid
Financial Management Behavior (Y)	0,850	Valid

Source: Data Analysis, 2025

Based on the test results above, the AVE value for the Locus of Control (X1) variable is 0,839, the AVE value for the Financial Technology Payment (X2) variable is 0,881, the AVE value for the Financial Self Efficacy (Z) variable is 0,898, and the AVE value for the Financial Management Behavior (Y) variable is 0,850. Thus, it can be concluded that all the variables in this study are declared valid because the AVE value is met, namely more than 0,5.

Discriminant Validity Analysis

Discriminant validity analysis is applied to ensure that the variables used in research are different variables, which is proven through the correlation value between one variable and another variable. The discriminant validity assessment is measured by checking the cross-loading value. If the value of the statement item for a variable against itself is higher than the value for other variables, then discriminant validity is considered fulfilled or valid (Rhadi, 2023).

Table 3. Cross Loading Value

Item	Locus Of Control (X1)	Financial Technology Payment (X2)	Financial Self Efficacy (Z)	Financial Management Behavior (Y)
X1.1	0,890	0,844	0,782	0,858
X1.2	0,929	0,906	0,805	0,889
X1.3	0,914	0,913	0,754	0,894
X1.4	0,953	0,932	0,795	0,911
X1.5	0,895	0,833	0,702	0,829
X1.6	0,936	0,912	0,808	0,894
X1.7	0,892	0,826	0,759	0,821
X2.1	0,859	0,917	0,699	0,876
X2.2	0,869	0,894	0,809	0,859
X2.3	0,923	0,944	0,824	0,916
X2.4	0,847	0,897	0,740	0,872
X2.5	0,920	0,948	0,781	0,930
X2.6	0,923	0,942	0,825	0,926
X2.7	0,925	0,968	0,800	0,929
X2.8	0,952	0,985	0,838	0,968
X2.9	0,911	0,949	0,747	0,894
Z1.1	0,743	0,743	0,928	0,821
Z1.2	0,795	0,785	0,957	0,864
Z1.3	0,804	0,795	0,968	0,872
Z1.4	0,824	0,829	0,942	0,863
Z1.5	0,795	0,778	0,944	0,834
Z1.6	0,833	0,825	0,946	0,876
Y1.1	0,911	0,942	0,803	0,933
Y1.2	0,887	0,906	0,726	0,892
Y1.3	0,864	0,877	0,848	0,922
Y1.4	0,868	0,885	0,860	0,945
Y1.5	0,912	0,920	0,854	0,950
Y1.6	0,898	0,915	0,890	0,964
Y1.7	0,847	0,849	0,845	0,912
Y1.8	0,822	0,840	0,828	0,852

Source: Data Analysis, 2025

Based on the results of the tests that have been carried out as presented in the table above, it shows that the magnitude of the cross-loading value, which measures the variable itself, is greater than the magnitude of the cross-loading value of a variable in measuring other variables, namely with a value of more than 0,7. Thus, it can be seen that the statement items tested as instruments for this research were declared discriminantly valid.

Reliability Test Analysis

Reliability tests are carried out to assess the extent to which each indicator that measures variables is related to each other. This test is evaluated based on Cronbach's alpha value and composite reliability value. A variable can be considered reliable if the Cronbach's alpha value and/or composite reliability value is more than 0,7 (Ghozali, 2019).

Table 4. Cronbach's Alpha and Composite Reliability Value

Variable	Cronbach's alpha	Composite Reliability	Information
Locus Of Control	0,968	0,973	Reliable
Financial Technology Payment	0,983	0,985	Reliable
Financial Self Efficacy	0,977	0,898	Reliable
Financial Management Behavior	0,974	0,987	Reliable

Source: Data Analysis, 2025

Based on the table above, it shows that the Cronbach's alpha value and the composite reliability value of the locus of control variable are 0,968 and 0,973. Furthermore, the Cronbach's alpha and composite reliability values, respectively, for the financial technology payment variable are 0,983 and 0,985; for the financial self-efficacy variable, it is 0,977 and 0,898; and for the financial management behavior variable, it is 0,974 and 0,987. So, based on these results, it can be stated that each variable in this research is declared reliable.

Inner Model Test

To assess the inner model, it can be seen by checking the R-Square value for each dependent latent variable. Changes in the R-Square value can show how much influence several independent latent variables have on the dependent latent variable (Ghozali, 2019). Coefficient of Determination (R^2) According to Chin (1998), R^2 is divided into three categories, namely the R^2 value of 0,75 is strong, good, 0,50 is moderate, while 0,25 is weak (Rahadi, 2023).

Table 5. R-Square Value (R^2)

Variable	R-Square	Information
Financial Management Behavior	0,969	Strong

Source: Data Analysis, 2025

Adjusted R-Square = 0,969. This means that the ability of the exogenous variable to explain Y is 96,9% (good), so it can be said that the ability of the variables locus of control, financial technology payment, and financial self-efficacy is quite strong, namely 96,9%, while the remaining 3,1% is the influence of other independent variables. which was not explained in this study.

Hypothesis Test

A hypothesis is a temporary answer to a research problem formulation, which is stated in the form of a question sentence or statement. It is called a "temporary answer" because

the answer given is only based on relevant theory rather than empirical facts obtained from data collection (Sugiyono, 2019). Hypothesis testing can be seen through the t-statistic value or P-value. For hypothesis testing, full model Structural Equation Modeling (SEM) analysis with SmartPLS was used. It is said to be significant if the t-statistic is $\geq 1,96$ or the P-value is $\leq 0,05$.

The moderation effect not only tests the direct effect of the independent variable on the dependent variable but also the interaction relationship between the independent and moderating variables and the dependent variable; the output parameter significance can be seen in research involving moderating variables. The path coefficient table or the total effect table can also be used to display the significance parameter output (Sugiyono, 2019).

Path Coefficient

This analysis is useful for confirming the hypothesis of the influence of an influencing variable (exogenous) on the influenced variable (endogenous). Path coefficient criteria: if the path coefficient value is positive, then the influence of a variable on it is in the same direction; if the value of an exogenous variable increases, then the value of the endogenous variable also increases. If the path coefficient value is negative, then the influence of a variable on it is in the opposite direction; if the value of an exogenous variable increases, then the value of the endogenous variable decreases.

Table 6. T-Statistics and P-Values

Variable	T-Statistik	P-Value	Information
LOC > FMB	2,730	0,007	Significant
FTP > FMB	7,588	0,000	Significant
LOC*Z > FMB	0,719	0,086	Not Significant
FTP*Z > FMB	0,097	0,024	Significant

Source: Data Analysis, 2025

Based on the table above, it shows that the influence of locus of control on financial management behavior has a T-Statistics value of 2,730 and a P-Values value of 0,007. This value indicates that the influence of locus of control on financial management behavior is stated to have a significant positive effect, or in this case, H1 is declared accepted and H0 is rejected. The relationship between financial technology payments and financial management behavior is shown by a T-Statistics value of 7,588 and a P-Values value of 0,000, which states that financial technology payments have a significant effect on financial management behavior. These results show that H2 is accepted while H0 is rejected.

Moderated Regression Analysis

The relationship between locus of control on financial management behavior and financial self-efficacy as a moderating variable is shown by a T-Statistics value of 0.564 and a P-Values value of 0.573, which states that the role of financial self-efficacy in moderating locus of control has a positive but not significant influence on financial management behavior. These results show that H3 is rejected while H0 is accepted. The relationship

between financial technology payments and financial management behavior with financial self-efficacy as a moderating variable is shown by a T-Statistics value of 2.261 and a P-Values value of 0.024, which states that financial self-efficacy moderates the relationship between financial technology payments and has a significant positive influence on financial management behavior. These results show that H4 is accepted while H0 is rejected.

Based on the results of the hypothesis testing above, it can explain H1, which states that there is a significant positive relationship between locus of control and financial management behavior. This is in line with research by [Murty et al. \(2024\)](#), [Harianto & Isbanan \(2021\)](#), and [Herleni & Tasman \(2019\)](#) which states that there is a relationship between locus of control and financial management behavior with a positive influence. These results are also in line with social learning theory, as proposed by Julian Rotter, which focuses more on how individuals' beliefs in internal or external controls can influence their behavior. Julian Rotter suggests that individual behavior can be influenced by their beliefs, such as how they can control the results of their actions, which in this research refers to locus of control ([Rizkiawati & Asandimitra, 2018](#)). Where it is applied in real life is that if someone has good self-control in managing their finances, this can create good financial behavior too.

Similar to the test results of H2, which state that there is a positive and significant influence between financial technology payments and financial management behavior, which was discussed in the previous explanation, the results of this research are in line with research by [Lestari et al. \(2024\)](#) and [Hidayati & Nugroho \(2023\)](#) which states that there is a relationship between the influence of financial technology payments and financial management behavior. This result is also in line with social learning theory. This is based on a person's belief in mastering technology, especially financial technology payments. The belief that an individual has in using technology well can be a step in good financial management, such as saving, ease of investing, and convenience in carrying out transactions, especially for MSME players who can now reach an even larger market, especially with the convenience of a very flexible payment system.

Different from the results of the previous hypothesis, H3, which has slightly different test results, the results obtained are that there is an influence between locus of control on financial management behavior and financial self-efficacy as a moderating variable, which shows positive results that are not significant, which means that the moderating variable financial self-efficacy plays a role. in strengthening the relationship between locus of control and financial management behavior, although not significantly. This is in line with the statement ([Wulantari & Anwar, 2024](#)); when individuals have a high level of confidence in their ability to manage finances, this can influence their financial management behavior; the sense of responsibility in managing finances will increase. The results of this test are also in line with social cognitive theory; this theory combines cognitive components (thoughts in forming behavior) such as self-confidence, motivation, and expectations or expectations in understanding behavior. In this research, what has been mentioned will refer to self-efficacy, namely the belief that individuals have about their ability to succeed in carrying out a task or achieving a goal ([Rizkiawati & Asandimitra, 2018](#)).

Likewise, the results of testing H4, namely that there is an influence between financial technology payments on financial management behavior and financial self-efficacy as a moderating variable, show significant positive results, which means that the moderating variable financial self-efficacy plays a role in strengthening the relationship between financial technology payments and financial management behavior. According to [Miftahulillah et al. \(2023\)](#) financial self-efficacy has a positive effect on financial behavior; this is in line with the results of the current study. The relationship between these results is with social cognitive theory, which states that self-efficacy is not only about understanding the actions to be taken but also involves skills and confidence in one's ability to succeed in doing something. Beliefs in self-efficacy have an important role in shaping a person's behavior, including determining actions that must be taken in managing finances ([Rizkiawati & Asandimitra, 2018](#)). The skill here is understanding technology, especially in payment systems, where everything is made easier by the existence of an online-based payment system so that every individual can make good use of the convenience provided.

5. CONCLUSIONS AND RECOMMENDATION

This research found that locus of control and financial technology payments have a positive and significant influence on financial management behavior among MSMEs in Malang City. This shows that the higher an individual's level of control over their finances and the better their use of financial technology, the better their behavior in managing their finances. Apart from that, the financial self-efficacy variable as a moderating variable has a significant influence in strengthening the relationship between financial technology payments and financial management behavior but does not have a significant influence in strengthening the relationship between locus of control and financial management behavior.

The results of this research support the theories of social learning theory and social cognitive theory which emphasize that individual confidence in controlling finances and the use of technology can improve the quality of financial management, especially for MSMEs. For MSME players, it is recommended to continue to increase their understanding of finance and make optimal use of financial technology to support the sustainability of their business. Apart from that, MSME players need to build self-confidence in making better financial decisions. For future researchers, it is recommended to examine other factors that can influence financial management behavior, such as financial literacy, business motivation, or social support. The use of broader research methods and a larger number of respondents can increase the generalization of research results. For the government and stakeholders, further efforts are needed to provide financial education programs and training in the use of financial technology for MSMEs so that they can be more independent and efficient in managing their finances.

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