

THE ANALYSIS OF FACTORS AFFECTING HONORER EMPLOYEES FINANCIAL SATISFACTION IN POLITEKNIK NEGERI MEDAN

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ABSTRACT

This This study aims to determine and analyze the effect of Financial Knowledge, Income, and Financial Behavior on financial satisfaction. This research was conducted by distributing questionnaires to 54 employees of the Class IB Binjai District Court. The sampling technique used the simple random sampling method. The research method used is multiple linear regression analysis. The results of the research simultaneously show that Financial Knowledge, Income, and Financial Behavior have a significant effect on the Financial Satisfaction of the employees of the Class IB Binjai District Court. Partially it shows that Financial Knowledge, Income, and Financial Behavior have a positive and significant effect on financial satisfaction for Class IB Binjai District Court employees.

INTRODUCTION

The habits of the Indonesian people who tend to be consumptive lead to various irresponsible financial behaviors such as a lack of savings, investment, emergency fund planning and budgeting for the future (Manihuruk & Lubis, 2022). Indonesian people have not saved optimally. In the ranks of Southeast Asian countries, Indonesia ranks lowest in terms of total nominal savings and saving habits (Ahmad, 2019). The Financial Services Authority (OJK) said that Indonesians are increasingly consumptive and have started to abandon the habit of saving. This is reflected in the decreasing marginal propensity to save (MPS) in the last 5 years and the increasing marginal propensity to consume (MPC) (Khairani & Alfarisi, 2019).

According to Chinen and Endo (2012) financial behavior is also a picture of how a person behaves when faced with financial decisions that must be taken. A person who is able to make decisions in managing his finances will not experience difficulties in the future and shows healthy behavior so that he is able to determine the priority scale about what his needs and desires are (Pulungan, 2017). Moreover, finance does not cause economic growth, rather it response to the demands from the real sector (Erlando et al., 2020).

The following is data on honorary employees borrowing funds to the Medan State Polytechnic Employee cooperative carried out by Medan State Polytechnic Honorary Employees.

Table 1
Pre-Survey list of names of Honorary Employees who borrow cooperative funds for Honorary Employees of the Medan State Polytechnic.

No	Initials Name of Honorary Employee	Amount of Loan/ IDR
1	SA	Rp.360.000
2	DM	Rp.362.880
3	SU	Rp.720.000
4	ET	Rp.624.000
5	ES	Rp.180.000
6	RA	Rp.322.400
7	RS	Rp.3.017.969
8	IP	Rp.172.500
9	RN	Rp.784.549
10	HY	Rp.1.188.000
11	JU	Rp.2.673.105
12	NA	Rp.1.600.000
13	RE	Rp.1.692.000
14	RA	Rp.902.738
15	PS	Rp.1.230.000
16	JP	Rp.1.000.000
17	MD	Rp.600.000
18	DE	Rp.1.200.000
19	MH	Rp.600.000
20	MI	Rp.600.000
21	RS	Rp.2.352.054
22	FN	Rp.1.200.000

Source: Medan State Polytechnic Employee Cooperative, April 2022

From The data in Table 1 above shows that 52 percent of the Honorary Employees of the total 54 Honorary Employees of the Medan State Polytechnic are not good in terms of decision management and satisfaction in terms of finances as indicated by the loan of funds/money to the Cooperative of Honorary Employees at the Medan State Polytechnic, which shows that there is a problem in terms of Financial Satisfaction or financial satisfaction of the Medan State Polytechnic Honorary Employee.

Herdjiono and Damanik (2016) states that the financial behavior of the Indonesian people who tend to be consumptive leads to various behaviors of irresponsible financial satisfaction such as lack of savings, investment, lack of planning for emergency funds and always lacking in budgeting. Moreover, financial knowledge is knowledge of facts, concepts, principles, and technology so that everyone is smart about money. Someone who has financial knowledge can improve one's ability to deal with everyday financial problems and assist in making financial decisions (Tang & Baker, 2016).

Herdjiononow is in its application in life sometimes not in accordance with the theory in everyday life. In making financial decisions, individuals are considered rational in identifying and using relevant information so that they are able to make optimal decisions that will make Financial Behavior or financial behavior can be carried out properly and correctly. To find out the phenomenon of financial behavior among Honorary Employees of the Medan State Polytechnic with the following interview results:

Table 2
Pre-Survey of Financial Behavior

Statement	Yes	No
I make a good financial budget	40%	60%
I keep good record of Receipts and Expenditures	53%	47%
I set my expenses not to exceed my income	43%	57%
I set aside some funds for unexpected expenses	33%	67%

Source: Pre-survey results (2022)

Based on Table 2 of the pre-survey it can be seen that only 40 percent of Honorary Employees make good financial budgets, 53 percent of Honorary Employees who record their receipts and expenses properly, only 43 percent of Honorary Employees who regulates that expenses do not exceed their income, and only 33 percent of Honorary Employees set aside funds for unexpected expenses. From the results of the pre-survey on financial behavior, it can be seen that there is still a lack of responsibility for honorary employees in terms of financial behavior. Good or bad financial behavior of a person can be influenced by several factors.

The following is Figure 1 of the results of the survey in terms of personal financial satisfaction in terms of salaries to Honorary Employees of the Medan State Polytechnic as borrowers of funds to the Medan State Polytechnic Honorary Employee cooperative.

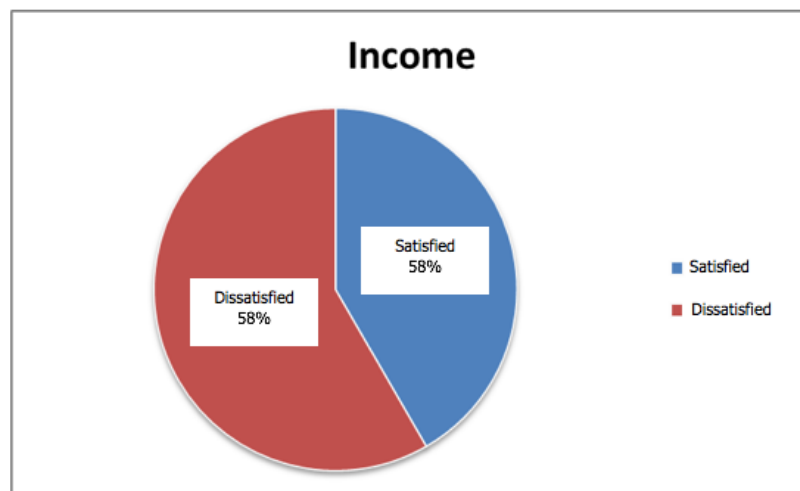


Figure 1. List of Pre-Survey Satisfaction on Income for Honorary Employees of Medan State Polytechnic

Based on Figure 1, it can be explained that the results of the survey conducted on Honorary Employees of the Medan State Polytechnic, there were 5 people with a percentage of 42 percent, and there were 7 people with a percentage of percent who were dissatisfied with the current income, meaning that many of the Honorary Employees of the Medan State Polytechnic were dissatisfied income, so that they make loans to cooperatives to finance their needs to be fulfilled.

Meanwhile, research conducted by [Robb and Woodyard \(2011\)](#) state that Financial Satisfaction has a significant effect on financial behavior. Meanwhile, according to research conducted by [Joo and Grable \(2004\)](#) it is stated that respondents with low levels of financial satisfaction are not necessarily not ready to manage finances with financial behaviour.

METHOD

The type of research used is associative research. Associative research is research that aims to determine the relationship between two or more variables or how one variable affects other variables ([Creswell, 2009](#)). With this research, a theory can be built that can function to explain, predict and control a symptom ([Sugiyono, 2013](#)).

A. Operational Limitations

The operational limitations in this study are as follows:

1. Independent Variables, namely variables whose values do not depend on other variables. The independent variables in this study are Financial Knowledge, Income, and Financial Behavior.
2. Dependent Variables, namely variables whose values are influenced by other variables. The dependent variable in the study is Financial Satisfaction.

B. Variable Operational Definition

1. Dependent Variable. The dependent variable in this study is financial satisfaction. Financial satisfaction relates to how a person treats, manages, and uses financial resources.
2. Independent Variable. The independent variables in this study are Financial Knowledge, Income, and Financial Behavior.
 - a) Financial Knowledge, is an individual decision making that uses a combination of several skills, resources, and contextual knowledge to process information and make decisions based on the financial of the decision.
 - b) Income, which is all cash inflows received by someone regularly every month.
 - c) Financial behavior is how humans actually behave in a financial decision, especially studying how psychology affects financial decisions, companies and financial markets.

Table 3
Definition of Operational Variables

Variables	Definitions	Indicators	Measurement Scale
Financial Knowledge (X ₁)	Individual decision making that uses a combination of several skills, resources, and contextual knowledge to process information and make decisions based on the financial of the decision.	1. General knowledge of finance. 2. Knowledge of financial management. 3. Knowledge of saving and investing. 4. Knowledge of risk and insurance 5. Knowledge of credit and debt	Guttman
Income (X ₂)	All cash inflows received by Honorary Employees on a monthly basis.	Rp. 1.000.000-Rp. 2,000,000 Rp. 2,000,000-Rp. 3,000,000 Rp. 3,000,000 - Rp 4,000,000 Rp. 4,000,000- Rp. 5,000,000	Ordinal
Financial Behavior (X ₃)	The way individuals treat, manage, and use existing financial resources.	1. consumption activities 2. Cash flow management 3. Savings and Investments	Likert
Financial Satisfaction (Y)	A person's perception of whether or not they are satisfied with their financial condition	1. Fulfillment of income received 2. Fulfillment of the balance in savings 3. Fulfillment of monthly needs 4. Fulfillment of the desired items	Likert

C. Variable Measurement Scale

The measurement of variables in this study was using the Guttman scale, Likert scale and ordinal scale. The variables that use the Guttman scale are financial knowledge, while the variables that use the Likert scale are Financial behavior, and financial satisfaction, and the variables that use the ordinal scale are Income. Ordinal scale or rating scale is a scale

that distinguishes categories based on rank. The Guttman scale is a scale used to get a firm answer from the respondent, that is, there are only two intervals. Likert scale is used to measure attitudes, opinions, and perceptions of a person or group of people about social phenomena.

D. Descriptive Analysis

Smeeding and Weinberg (2001) state that Financial Behavior is the income received by a person which can be directly used for shopping so as to ease the burden on the household. Income is personal income before tax (Ida & Dwinta, 2010). The purpose of this method is to provide an overview of the observed research variables by looking at a descriptive statistical table that shows the results of measuring the mean, minimum and maximum values, as well as the standard deviation of all these variables. To perform descriptive analysis, can use index analysis techniques.

RESULTS AND DISCUSSION

The instrument used in this study was a list of questions in the form of a questionnaire. The total number of questions is 20 items, where the independent variable X_1 (Financial Knowledge) is 11 items, the independent variable X_2 (Financial Satisfaction) is 4 items, the independent variable X_3 (Income), and the dependent variable Y (Financial Behavior) is 5 items. Respondents in this study were Honorary Employees of the Medan State Polytechnic.

A. Characteristics of Respondents Based on Gender

Table 4
Characteristics of Respondents Based on Gender

Gender	Number of people	Percent (%)
Female	23	43
Male	31	57

Based on Table 4 of 54 Honorary Employees of the Medan State Polytechnic, the majority of the Honorary Employees in this study had a male gender of 31 people with a percentage of 57 percent, while those who had a female gender were 23 people with a percentage of 43 percent. In general, the composition between women and men is relatively balanced, because the Medan State Polytechnic always applies gender equality.

B. Characteristics of Respondents Based on Age

Table 5
Characteristics of Respondents Based on Age

Age	Number of people	Percent (%)
< 21 years old	0	0
21 – 30 years old	6	11
31 – 40 years old	14	35
> 40 years old	34	54

Based on Table 5 of 54 Honorary Employees of Medan State Polytechnic, the majority of Honorary Employees are aged more than 40 years, meaning that Honorary Employees who work at Medan State Polytechnic based on age are seniors and have experience in the work they are doing.

The regression coefficient value of Financial Knowledge (β_1) = 0.476 > 0, with t arithmetic (4.177) > t table (2.008) and significance (0.000) < (0.05) This indicates that the Financial Knowledge variable has a positive and significant effect on Financial Satisfaction, meaning that for every 1 unit increase in Financial Knowledge, Financial Satisfaction will increase significantly by 0.476 units, and vice versa. According to [Lusardi and Mitchell \(2007\)](#) that Financial Knowledge is financial knowledge and the ability to apply it (knowledge and ability). Someone who has Financial Knowledge will be able to have the ability to overcome everyday financial problems and assist in making financial decisions ([Garman & Forgue, 2010](#)). An increase in financial knowledge tends to lead to better or more effective financial behavior. This is in line with the Overconfidence which is a condition where people are too confident about their knowledge and skills so they ignore the risks associated with managing their finances.

There are several things that need to be considered in understanding financial literacy for Medan State Polytechnic Honorary Employees such as general financial knowledge, knowledge about insurance, savings and investment knowledge, and risk knowledge, because the weakest understanding of Financial Knowledge in Medan State Polytechnic Honorary Employees, namely knowledge regarding the risk where the majority of Medan State Polytechnic Honorary Employees think that high investment will result in low risk, meaning that Honorary Employees do not understand the knowledge of investment, where large investments should also pose a large risk due to erratic market price conditions, so the potential for losses is large, while Financial Knowledge perceived by Medan State Polytechnic Honorary Employees is in the strongest level, namely knowledge about Medan State Polytechnic Honorary Employee insurance related to life insurance which is what protection if someone has died, it means that all honorary employees have prepared insurance for the future so that this makes the level of understanding of honorary employees high, for that it is important to increase financial knowledge, because the better financial knowledge they have, this makes their behavior better Honorary Employee Finance.

The regression coefficient value of Income (β_2) = 0.989 > 0 with t arithmetic (3.489) > t table (2.008) and significance (0.001) < (0.05) This indicates that the Income variable has a positive and significant effect on Financial Satisfaction, meaning that every an increase of 1 unit of Income, then Financial Satisfaction will increase by 0.989 units significantly, and vice versa.

There are several factors that affect Financial Satisfaction, namely the income received, the balance of the savings held, the fulfillment of monthly needs, and the fulfillment of the desired goods, meaning that with the amount of income they get, honorary employees can buy things they want, such as clothes, bags, motorcycles, cars, and top-ups, so this makes the satisfaction of honorary employees of Medan State Polytechnic relatively high, while financial The satisfaction felt by the Medan State Polytechnic is at the lowest level, namely the fulfillment of the income received, where the amount of the basic income of the Honorary Employee is relatively small, meaning that the Honorary Employee is not quite satisfied with the income received from the Medan State Polytechnic so that the satisfaction level of the Honorary Employee is low. h, so that the financial condition of the Honorary Employees is accompanied by a proper lifestyle, this makes financial behavior better.

The regression coefficient value of Financial Behavior (β_3) is 0.554 > 0 with t arithmetic (8.007) > t table (2.008) and significance (0.000) < (0.05) This indicates that the Financial Behavior variable has a positive and significant effect on Financial Satisfaction, This

means that for every Rp. 1 increase in Income, it will increase Financial Satisfaction by 0.554 units, and vice versa.

CONCLUSION

(1) Financial Knowledge, Income, and Financial Behavior simultaneously have a significant effect on Financial Satisfaction in Honorary Employees of the Medan State Polytechnic. (2) Financial Knowledge has a positive and significant effect on Financial Satisfaction in Honorary Employees of Medan State Polytechnic. (3) Income has a positive and significant effect on Financial Satisfaction on Honorary Employees of Medan State Polytechnic. (4) Financial Behavior has a positive and insignificant effect on Financial Satisfaction in Medan State Polytechnic Honorary Employees

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