International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

The Influence of Financial Goal on Financial Behavior, Goal Setting Theory Approach

Kemal Arif Rahman[1], Nur Rahmah Tri Utami[2]

[1,2]Faculty of Business and Economics, Islamic University of Indonesia.

Corresponding Author: 20311435@students.uii.ac.id,

Abstract

The purpose of this study is to investigate the impact of having financial goals on financial behavior, where this relationship is influenced by goal commitment and financial self-efficacy. The research method employs a quantitative approach by distributing questionnaires to 242 respondents residing in Java and having financial goals. Data analysis was conducted using PLS-SEM with the SmartPLS 4.1.0.6 software. The study's findings indicate that social influence positively affects financial behavior. The financial goal difficulty negatively affects financial behavior. The financial goal specificity does not significantly affect financial behavior. Financial self-efficacy does not moderate the effect of goal specificity on financial behavior. Commitment level to the financial goal also does not moderate the relationship between goal difficulty and financial behavior.

Keywords: ***Financial goal specificity, Financial goal difficulty, Social influence, Goal commitment, Financial self-efficacy, Financial behavior*****.**

INTRODUCTION

Based on a survey conducted in September 2021, around 49% of Indonesia's productive population is part of the sandwich generation, which refers to individuals financially supporting both an older and a younger generation. Of this group, only 13.4% are financially prepared to meet basic expenses, save, and invest (Puspadini, 2023).. This situation arises from various factors such as lack of financial literacy, inheritance of financial burdens from previous generations, excessive consumerism, failure to prepare emergency funds, and lifestyle choices (Yosephine, 2023). The lifestyle of Gen Z and

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Millennials includes consumerist behaviors like accumulating debt, using pay-later services, and online loans (Adi & Sulistyawati, 2023; Ledysia, 2023).

Additionally, their financial condition is worsened by their own actions. Data from the OJK shows that the value of online loan disbursements has increased yearly from 2020 to 2023 (Gunawan, 2024), while the outstanding debt from Buy Now Pay Later services reached Rp 6.13 trillion as of March 13, 2024, a 23.90% year-on-year increase (Rahmana, 2024). Furthermore, PPATK recorded that Indonesians engaged in online gambling transactions totaling Rp 347 trillion throughout 2023, and this increased to Rp 101 trillion in the first quarter of 2024 (Aprilia, 2024; Yahya, 2024). This is an alarming rise compared to 2017, when only 250,000 online gambling transactions worth Rp 2 trillion occurred (Ahdiat, 2024). With such detrimental behaviors, it is likely that this will give rise to another sandwich generation for their descendants.

What is experienced by the majority of Indonesian society is quite concerning. Especially in this era of the fourth industrial revolution, there have been numerous advancements in the financial world, such as blockchain, cloud banking, AI & Machine Learning, digital banks, and more (Khairwal, 2024). However, these advancements have not been fully utilized to address societal issues. The golden opportunity presented in this era is the potential for developments in one industry to influence others. One such example is gamification, a concept where game elements are applied in non-game contexts (biworldwide.com, n.d.). Gamification has already been implemented in various industries, including e-commerce, fintech, and social media. One element of gamification is the presence of quests or missions, where players engage in predetermined activities to achieve a specific goal (gamified.uk, n.d.). Generally, some of the benefits provided by gamification include better engagement, retention, and collaboration (spinify, n.d.). This aligns with goal-setting theory, which states that having a goal drives individuals to perform better.

Goal-setting theory has been applied in various fields, including sports, psychotherapy, creativity, leadership, negotiation, health, and entrepreneurship. In business, each company, with its unique conditions, has goals specific to its situation. For example, in financial goals, a company might aim to increase ROI, revenue, or valuation. The same goals can differ in how they are calculated. For instance, in the case of a valuation goal, a conventional company might use asset value or other methods, while a startup might use patents, daily average users, or other transactions (Alpha JWC, 2023; Rahmalia, 2023). This impacts the operational side of the company, as the company will push for performance related to achieving the desired goals.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Financial goals in a personal context can also vary from person to person. One individual might have the financial goal of buying a house, while another might aim to purchase a car as a financial goal. Financial goals can also be abstract, such as achieving a debt-free life or financial freedom. The diversity in types of financial goals naturally leads to diversity in the activities and processes to achieve them. To facilitate the study of performance or activities related to a goal, it is necessary to generalize financial goals.

One term that can encompass various financial goals is financial well-being. Generally, personal financial goals fulfill one dimension of financial well-being. Financial well-being can be seen as the opposite of the condition experienced by the sandwich generation. Logically, someone who has achieved financial well-being does not need to depend on others for their livelihood. They even have the freedom to make choices for their future. This definition contrasts with that of the sandwich generation. Therefore, someone who achieves financial well-being can break free from the generational trap of the sandwich generation. Financial well-being is based on good financial behavior (Faturohman et al., 2024). Given that one element of financial well-being is the fulfillment of financial goals, it can be inferred that financial behavior is a process that must be undertaken to achieve financial goals.

Financial goals fall under goal-setting theory. Therefore, in studying the effects of financial goals, one can use the research framework of goal-setting theory proposed by Locke & Latham in 1981. This framework outlines several moderators and mechanisms that influence the impact of goals on performance. However, among all the moderators, for goals within the personal realm, the variables of goal commitment and self-efficacy have the most dominant effects (Locke & Latham, 2002). In the context of financial goals and personal finance, belief in one's ability to achieve a goal is referred to as financial self-efficacy, while the level of financial knowledge or skills falls under the dimension of financial literacy (Herawati et al., 2020). Therefore, this study will examine the variables of financial self-efficacy, and goal commitment to investigate their influence on the relationship between financial goals and financial behavior.

However, these three variables alone are not sufficient to drive someone to have good financial behavior. Several research models that study behavioral intentions often include environmental factors in their models, such as prominent theories like the Theory of Reasoned Action (TRA), Theory of Planned Behavior (TPB), Social Cognitive Theory (SCT), and Unified Theory of Acceptance and Use of Technology (UTAUT). Therefore, environmental influence factors must be included in this research to consider all perspectives on the factors that influence behavior, particularly financial behavior.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

LITERATURE REVIEW

The Influence of Financial Goal Specificity on Financial Behavior

A goal is something that is achieved through activity (Locke & Latham, 2002). Given that financial goals in a personal context are part of the financial well-being dimension (de Vries, 2017), and that financial well-being is primarily influenced by financial behavior (Kumar et al., 2023), the author draws an inductive reasoning that financial behavior is a process that must be accomplished to achieve financial goals. The key elements of a goal are specificity and difficulty. Each can have different effects on performance. Specificity provides direction that increases an individual's concentration on achieving their goals (Locke & Latham, 2002). However, difficult goals result in poorer performance compared to easier ones (Audia et al., 2000; Earley & Perry, 1987). Therefore, the author formulates the following hypotheses:

H_1: Financial goal specificity has a positive effect on financial behavior.

H_2: Financial goal difficulty has a negative effect on financial behavior.

The Social Influence on Financial Behavior

Peers and social media have been identified as having a positive and significant relationship with financial behavior (Yanto et al., 2021). Additionally, financial socialization agents have been shown to positively influence financial management behavior in the city of Bandung. These financial socialization agents include the influence of peers, family, media, and education, which impact financial behaviors such as spending, saving, shopping, and planning (Firli & Dwiandari, 2023). Therefore, based on previous research findings, the following hypothesis can be concluded:

H_3: Social influence has a positive effect on financial behavior.

The Moderating Effect of Financial Self-Efficacy on the Relationship between of Financial Goal Specificity and Financial Behavior

The Goal Setting Theory model posits that one of the moderators between goals and performance is self-efficacy (Locke & Latham, 2002). In the context of financial behavior, self-efficacy is referred to as financial self-efficacy. Therefore, in this scholarly work, which examines the influence of financial goals on financial behavior, the author formulates the moderating effect of financial self-efficacy in the following hypothesis:

H_4: Financial self-efficacy positively moderates the relationship between financial goal specificity and financial behavior.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

The Moderating Effect of Goal Commitment on the Relationship between of Financial Goal Difficulty and Financial Behavior

The Goal Setting Theory posits that goal commitment moderates the relationship between goals and performance (Latham & Locke, 1991). Therefore, in this study, which aims to investigate the influence of financial goals on financial behavior, the author formulates the following hypothesis:

H_5: Goal commitment positively moderates the relationship between financial goal difficulty and financial behavior.

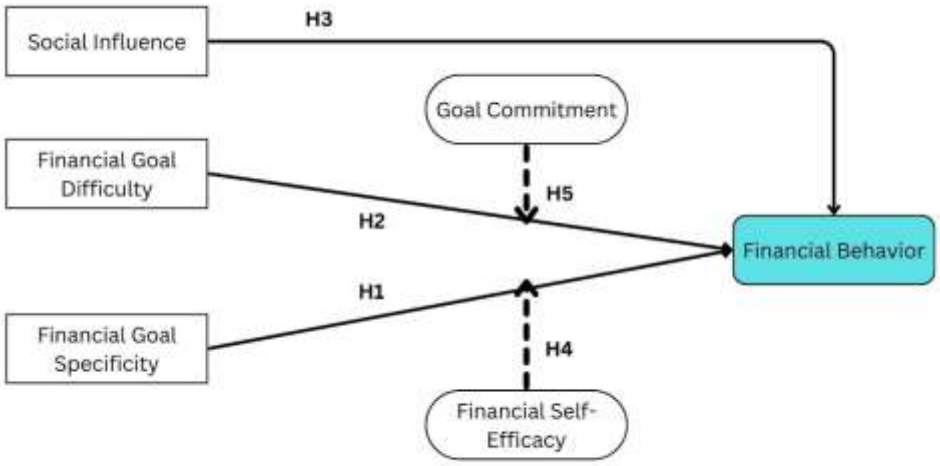

Figure 1. Research Model
Source: Adopted from Locke et al (2002)

RESEARCH METHODS

The approach used in this study is a quantitative approach. A quantitative approach is a research method based on concrete data, consisting of numerical data that will be measured using statistical tools as the means for calculation. This approach is related to the research problem to produce a conclusion (Sugiyono, 2018). The variables to be studied in this research include three independent variables: financial goal specificity, financial goal difficulty, and social influence. The dependent variable in this study is financial behavior. The moderating variables in this research are goal commitment and financial self-efficacy. Measurement will be conducted using a Likert

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

scale, which allows the researcher to differentiate respondents' attitudes towards the research topic based on the indicators contained within it (Sekaran & Bougie, 2016).

In this study, the sample is determined using a non-probability sampling technique, specifically purposive sampling. This method involves selecting subjects based on specific criteria relevant to the research objectives. The sample for this study consists of individuals who are Indonesian citizens, residing in Java, within the productive age range, which is between 15 and 65 years old, and have work experience. In determining the sample size, the 10 times rule is applied, which involves multiplying the number of indicators of the most complex independent variable by 10. Therefore, the minimum sample size required is 120, based on the indicators in the social influence variable (12) (Hair et al., 2021). According to the Maximum Likelihood Estimation technique, the minimum sample size needed ranges from 100 to 200 samples (Boomsma, 1985). Consequently, the minimum sample size required for this study is approximately more than 120.

The data for this study is sourced from primary data collected by the author using a questionnaire method. A questionnaire is a research instrument consisting of various questions aimed at obtaining data from respondents. The distribution of the questionnaire was conducted through social media and communication platforms, including WhatsApp, X (Twitter), Instagram, and Line. The questionnaire consists of two types of questions: self-assessment using a Likert scale for the variables financial goal specificity, financial goal difficulty, goal commitment, financial self-efficacy, and financial behavior. The measurements used in this study have been adapted to be more relevant in terms of language and culture.

The measurement instrument for financial goal specificity and financial goal difficulty is adapted from the study by HIRSCH ET AL., (2018). The measurement of goal commitment also uses the instrument from the study by HIRSCH ET AL., (2018). The measurement of social influence is based on the instrument from the study by Khalek & Ismail, (2015). The measurement of financial self-efficacy uses the instrument from Liu & Zhang, (2021). The measurement of the financial behavior variable uses the scale developed by Xiao, (2011)).

Tabel 1. Measurement Items

Variable	Indicator
Financial Goal Specificity	GS_1: I know what I need to do in life.
	GS_2: I know financial goals that I need to achieve

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Variable	Indicator
	GS_3: If I have more than one financial goal, I know which one is more important
Financial Goal Difficulty	GD_1: I feel pressured in pursuing my financial goals
	GD2: My financial goals are very difficult to achieve
	GD3: My goals often fall short of the initial target
Goal Commitment	GC1: Honestly, I don't care whether I achieve my goals or not
	GC2: It's quite easy for me to give up on pursuing my financial goals
	GC3: Not knowing what I have to face in achieving my goals lowers my motivation
Social Influence	SI1A: Social media can influence me to save my money
	SI1B: Social media can influence me to shop wisely
	SI1C: Social media can influence me to invest my money
	SI1D: Social media can influence me to plan my finances
	SI2A: The people close to me save their money
	SI2B: The people close to me shop wisely.
	SI2C: The people close to me invest their money.
	SI2D: The people close to me plan their finances
	SI3A: My friend encourages me to save money
	SI3B: My friend encourages me to shop wisely
	SI3C: My friend encourages me to invest my money
	SI4A: My family encourages me to save money.
	SI4B: My family encourages me to shop wisely.
	SI4C: My family encourages me to invest.
	SI4D: My family encourages me to plan my finances.
Financial Self-Efficacy	FSE1: I am confident that I can manage my finances.
	FSE2: I can stick to my financial plan, even when unexpected expenses arise.
	FSE4: I have the ability to pursue my financial goals.
	FSE5: I can easily overcome financial difficulties
Financial Behavior	FB3: I record all my expenses.
	FB5: I have or will have an emergency savings fund.
	FB6: I save money every time I receive money.
	FB7: I save for long term needs
	FB8: I buy bonds, stocks, or other investment instruments.
	FB9: I have reliable health insurance

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Partial Least Square-Structural Equation Modeling (PLS-SEM) is a method that researchers use to analyze data. This research used PLS-SEM method on SmartPLS 4.1.0.6 software. Data testing consists of two stages, outer model and inner model. Outer model measures the convergent validity, discriminant validity and reliability. Inner model measures r-square, q-square, and hypothesis test.

ANALYSIS RESULT

Descriptive Analysis

Tabel 2. Respondent Characteristic

Category	Sub-Category	Frequency	Percentage
Gender	Male	139	57,44%
	Female	**103**	**42,56%**
Age	18-30	110	45,45%
	31-40	**45**	**18,60%**
	41-50	30	12,40%
	51-60	**43**	**17,77%**
	61-68	14	5,79%
Marital Status	**Unmarried**	**73**	**30,17%**
	Married	169	69,83%
Last Education	**Primary/Secondary School**	**23**	**9,50%**
	Diploma/Bachelor's Degree	156	64,46%
	Master's Degree / Equivalent	**51**	**21,07%**
	Doctor's Degree / Equivalent	13	4,96%
Occupation	**Employee**	**114**	**47,11%**
	Civil Servant	63	26,03%
	Entrepreneur	**57**	**23,55%**
	Student	8	3,31%

It is observed that the majority of respondents are male, with 139 men and the rest, 103 women. The age range is predominantly 18-30 years old, accounting for 45,45%, 45 respondents aged between 31-40, 30 respondents aged between 41-50, 43 respondents aged between 51-60, and the rest with 14 respondents aged between 61-68. Most respondents are also married, comprising 69,83%, with the rest being unmarried. In terms of the highest level of education completed, 64,46% have completed Diploma/Bachelor's Degree, 21,07% have completed Master's Degree, 23% have completed

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

primary/secondary school, and 4,96% have completed Doctor's Degree. Majority respondents work as employee, accounting 47.11%. 26,03% respondents work as civil servants, 23,55% work as entrepreneur, and 3,31% work as student.

Measurement Model Analysis (Outer Model)

Convergent Validity Test

Based on the research results, the results of the convergent validity test can be seen in figure 2 as follows:

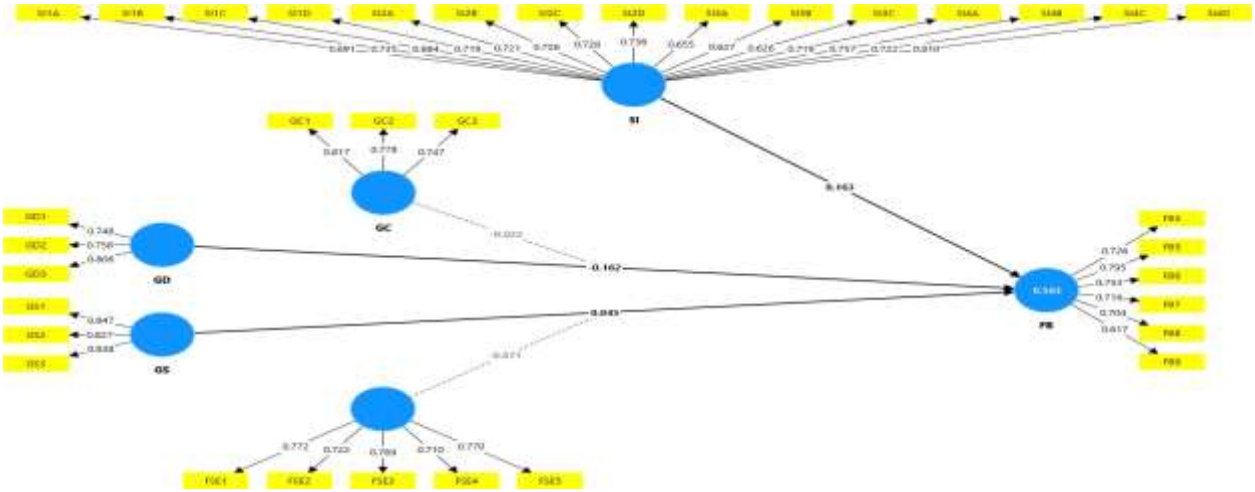

Figure 2. Convergent Validity Test Results

Source: Processed Primary Data (2024)

Based on the figure above, the convergent validity test data can be described in the form of outer loadings in table 3 as follows

:

Table 3. Outer Loadings

	FB	FSE	GC	GD	GS	SI	GC x GD	FSE x GS
FB3	0.726							
FB5	0.795							
FB6	0.753							
FB7	0.716							
FB8	0.704							
FB9	0.617							
FSE1		0.772						
FSE2		0.722						

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

FSE3		0.769						
FSE4		0.710						
FSE5		0.770						
GC1			0.817					
GC2			0.778					
GC3			0.747					
GD1				0.748				
GD2				0.758				
GD3				0.806				
GS1					0.847			
GS2					0.827			
GS3					0.838			
SI1A						0.691		
SI1B						0.735		
SI1C						0.684		
SI1D						0.719		
SI2A						0.721		
SI2B						0.726		
SI2C						0.728		
SI2D						0.736		
SI3A						0.655		
SI3B						0.627		
SI3C						0.626		
SI4A						0.719		
SI4B						0.757		
SI4C						0.722		
SI4D						0.810		
GC x GD							1.000	
FSE x GS								1.000

Source: Processed Primary Data (2024)

Based on the table above, it can be concluded that some indicators meet the minimum outer loadings value criteria >0,70 and some indicators are ranging from 0,6 – 0,7, which are sufficient. All variables are declared valid. Futhermore, table 4 shows the results of measuring the Average Variance Extracted (AVE) value.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Table 4. Average Variance Extracted

	Average variance extracted (AVE)
FB	0.520
FSE	0.561
GC	0.610
GD	0.595
GS	0.701
SI	0.507

Source: Processed Primary Data (2024)

Discriminant Validity Test

Discriminant validity testing is based on the Fornell-Larcker Criterion, table 5 shows the measurement results based on the Fornell-Larcker Criterion.

Table 5. Fornell-Larcker Criterion

	FB	FSE	GC	GD	GS	SI
FB	0.721					
FSE	0.706	0.749				
GC	0.238	0.297	0.781			
GD	-0.498	-0.531	-0.160	0.771		
GS	0.194	0.167	0.090	-0.049	0.837	
SI	0.251	0.122	0.032	-0.030	0.100	0.712

Source: Processed Primary Data (2024)

Based on the table above, it can be observed that each variable has a value greater than the variable below it. For example, the value of FB (Financial Behavior) at 0.721 is higher than the variable below it, such as the row for FSE with a value of 0.703. Similarly, the FSE variable has a value of 0.752, the GC variable is at 0.781, the GD variable is at 0.771, and the GS variable is at 0.837. Each of these variables holds the highest value in its respective column.

Reliability Test

Reliability testing in this study is based on cronbach's alpha and composite reliability values, table 6 shows the measurement results based on cronbach's alpha value and composite reliability.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Table 6. Cronbach Alpha and Composite Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
FB	0.814	0.821	0.866
FSE	0.805	0.811	0.865
GC	0.681	0.685	0.824
GD	0.666	0.680	0.815
GS	0.796	0.835	0.875
SI	0.931	0.941	0.939

Source: Processed Primary Data (2024)

Based on the table above, it can be concluded that all variables meet the Cronbach's alpha value ≥ 0,50 and composite reliability value ≥ 0,60 and are declared reliable.

Structural Model Analysis (Inner Model)
R-Square Test

Table 7. Cronbach Alpha and Composite Reliability

	R-square	R-square adjusted
FB	0.563	0.550

Source: Processed Primary Data (2024)

Based on the table 7 above, it can be concluded that the financial behavior variable has an r-square value of 0,563, where the financial behavior variable gets a56,3% influence from independent variable such as financial goal difficulty, financial goal specificity, social influence, goal commitment, and financial self-efficacy.

Q-Square Test

The goodness of fit (q-square) test is conducted to evaluate how well the model explains the relationship between the independent and dependent variables. Based on the research results, the q-square values are shown in table 8 as follows:

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Table 8. Cronbach Alpha and Composite Reliability

	Q^2predict
FB3	0.292
FB5	0.349
FB6	0.250
FB7	0.163
FB8	0.326
FB9	0.186

Source: Processed Primary Data (2024)

Based on the results of the q-square test contained in the table above, it can be seen that the endogenous variable, namely financial behavior has a q-square value above 0 (q^2>0). This shows that the endogenous variables have the ability to make predicitions.

Hypothesis Testing

Hypothesis		Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
No	**Paths**					
H1	**GS -> FB**	0.045	0.048	0.044	1.023	0.306
H2	**GD -> FB**	-0.162	-0.164	0.056	2.912	0.004
H3	**SI -> FB**	0.163	0.175	0.050	3.246	0.001
H4	**FSE x GS -> FB**	-0.071	-0.066	0.048	1.497	0.134
H5	**GC x GD -> FB**	-0.022	-0.014	0.054	0.404	0.686
	FSE -> FB	0.564	0.559	0.049	11.445	0.000
	GC -> FB	0.034	0.043	0.050	0.677	0.498

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

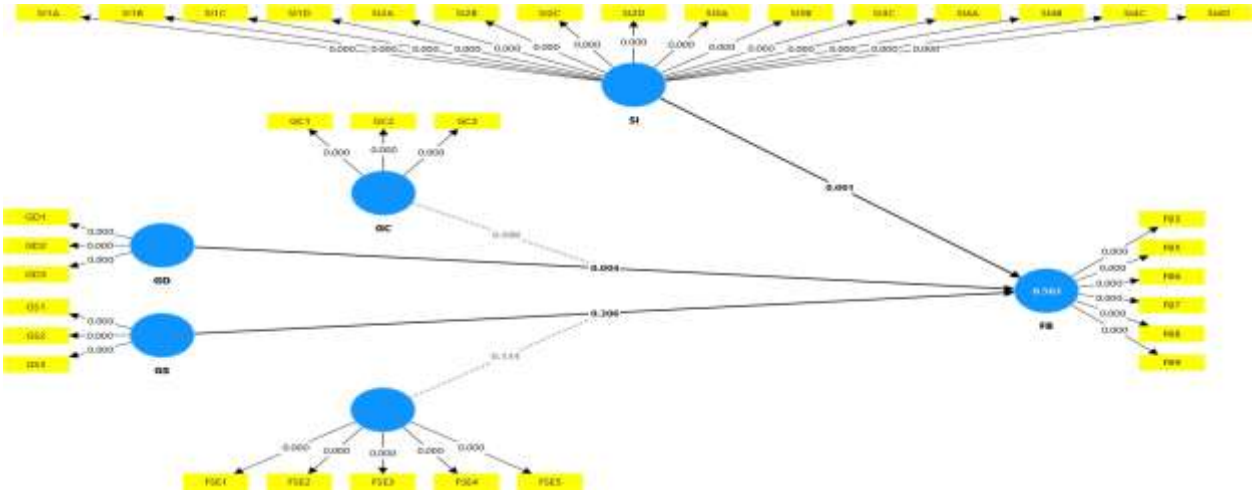

Figure 2. Path Coefficient Test Results
Source: Processed Primary Data (2024)

DISCUSSION

Influence of Financial Goal Specificity on Financial Behavior

The research findings indicate that the financial goal specificity variable does not have a significant impact on the financial behavior variable. This means that the specificity level of a financial goal does not necessarily improve a person's financial behavior. Several explanations arise in this regard. Financial goals are objectives that can be achieved through various means. Specific financial goals may not only be achieved by exhibiting good financial behavior. The respondents in this study were employed individuals. Therefore, they might be more inclined to work harder to achieve their financial goals. Through their hard work, they would earn higher rewards from their jobs. The sense of security that they will continue to earn an income may give them the feeling that they do not need to exhibit good financial behavior to achieve their financial goals.

In this study, specific financial goals were not measured in terms of the time frame for their achievement. Longer-term financial goals might reduce a person's interest in exhibiting good financial behavior due to the lack of immediate feedback or insufficient discipline. Given that the majority of respondents are over 30 years old, their financial goals tend to lean more toward long-term objectives rather than short-term ones, such as purchasing a new smartphone or saving for a vacation. This does not mean that the majority of respondents are not saving, but rather that most already have sufficient savings to meet sudden needs or spontaneous desires. Moreover, short-term goals can

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

be achieved more effectively by working harder. This argument is supported by research findings that long-term and specific goals can reduce the effect of goal-setting (Kanfer & Ackerman, 1989).

At a fundamental level, the results of this study are not consistent with studies conducted by Hirsch et al., (2018) and Lunenburg, (2011), which suggest that goal specificity can improve performance. However, upon deeper investigation, the findings align with research by Wood & Locke, (1990), which states that specific goals do not influence performance when the task is complex.

Influence of Financial Goal Difficulty on Financial Behavior

The research findings show that financial goal difficulty has a negative and significant influence on financial behavior. This negative effect stems from feelings of frustration, loss of motivation, or a sense that the goal is too difficult to achieve. As a result, individuals may feel mentally exhausted in their efforts to achieve their financial goals. The findings indicate that in the context of financial goal achievement, difficult financial goals can have a negative effect.

This aligns with the theory proposed by Locke et al., (1981), which suggests that difficult goals can result in decreased performance in goal achievement compared to easier goals if there is no adequate strategy to overcome obstacles. Another study supporting this result is from Oldham, (1975), which found a negative and significant influence of goal difficulty on relevant performance.

Influence of Social Influence on Financial Behavior

The research findings indicate that social influence has a positive and significant impact on a person's financial behavior. This study supports the social cognitive theory, which posits that social influence plays a significant role in a person's behavior through interactions, motivation, learning processes, and cognition. Social cognitive theory also emphasizes that humans continuously learn and adapt behaviors from their surroundings. For example, a person in an environment where people commonly invest will tend to engage in investing as well. The research results show that environmental influences, including online media, friends, close acquaintances, and parents, have a proven positive effect on a person's financial behavior.

These findings are supported by a study from Yanto et al., (2021), which found that the influence of media and friends can enhance a person's financial behavior. A study in Semarang also discovered that financial socialization from parents, education, friends,

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

and media can improve financial behavior (Ameliawati & Setiyani, 2018). This research is further supported by findings that parental influence can positively impact financial behavior (Khawar & Sarwar, 2021).

Moderating Effect of Financial Self-Efficacy on the Relationship Between Financial Goal Specificity and Financial Behavior

The findings of this study show that financial self-efficacy does not moderate the relationship between financial goal specificity and financial behavior. Although the financial self-efficacy variable directly and positively influences financial behavior, the moderating effect of financial self-efficacy on the relationship between financial goal specificity and financial behavior was not found. Financial goals are inherently complex, with various ways to achieve them and numerous activities involved in reaching them. The moderating function of self-efficacy in improving performance in achieving financial goals is to help create strategies, build confidence, and foster persistence. In this case, financial self-efficacy may not provide these functions to enhance the effect of financial goal specificity on financial behavior.

The effect of self-efficacy is not always positive or certain in goal-setting theory. The tendency for a negative effect is supported by research from Vancouver et al., (2001), which states that under certain conditions, self-efficacy can have a negative effect.

Moderating Effect of Goal Commitment on the Relationship Between Financial Goal Difficulty and Financial Behavior

The findings of this study show that goal commitment does not significantly moderate the relationship between financial goal difficulty and financial behavior. The influence of goal commitment on financial behavior is also not significant. This means that a person's commitment to their financial goals does not affect their financial behavior, nor does it affect the relationship between financial goal difficulty and financial behavior. Technically, this occurs due to the high level of goal commitment among the respondents. The lack of low-commitment variation results in no comparison of differences in commitment levels (Klein et al., 1999). Theoretically, based on the data provided by the respondents, with an average difficulty level in the range of 2.33 or disagreement, it indicates that respondents do not have difficult financial goals. Therefore, the results align with the theory proposed by Locke & Latham, (2019), which suggests that the effect of commitment becomes evident when the goal is difficult to achieve. This study also aligns

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

with research from Teymoorian, (2018), which did not find a moderating effect of goal commitment on the relationship between goal difficulty and relevant performance.

CONCLUSION

Financial goal specificity does not significantly affect financial behavior. This is because financial goals can be achieved in various ways, and the lack of discipline and the sense of security regarding the continuity of their income contribute to this outcome.

Financial goal difficulty can negatively affect financial behavior. In other words, the more difficult a person's financial goals, the more likely they are to reduce their financial behavior. Therefore, financial goals should be mapped out gradually, considering the individual's condition. To improve financial behavior, a person should set financial goals that they perceive as achievable, so they do not feel overwhelmed by the process.

Social influence can positively affect financial behavior. Individuals in an environment with good financial behavior tend to exhibit good financial behavior as well. This is because people continuously learn and receive feedback on their behavior from their environment, which includes friends, online media, close acquaintances, and parents.

Financial self-efficacy does not enhance the relationship between financial goal specificity and financial behavior, although the financial self-efficacy variable significantly and positively affects financial behavior. The moderating effect of financial self-efficacy, such as strategic planning, was not evident in this study due to the varying and complex nature of financial goals.

Goal commitment does not moderate the relationship between financial goal difficulty and financial behavior. In this study, the relatively high level of commitment was paired with relatively easy goals; therefore, the effect of goal commitment was not observed.

REFERENCES

Adi, B. J., & Sulistyawati, A. (2023, April 13). Gen Z dan Milenial Lebih Suka Berutang, Ini Tips Hindari Perilaku Konsumtif. https://bisnis.solopos.com/gen-z-dan-milenial-lebih-suka-berutang-ini-tips-hindari-perilaku-konsumtif-1598156

Ahdiat, A. (2024, June 10). Jumlah dan Nilai Transaksi Terkait Judi Online di Indonesia per Tahun (2017-2023). https://databoks.katadata.co.id/datapublish/2024/06/10/judi-online-kian-marak-transaksinya-tembus-ratusan-triliun

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Alpha JWC. (2023, August 7). Catat! Ini Cara Menghitung Valuasi Perusahaan Startup. https://www.alphajwc.com/id/cara-menghitung-valuasi-perusahaan-startup/

Ameliawati, M., & Setiyani, R. (2018). The Influence of Financial Attitude, Financial Socialization, and Financial Experience to Financial Management Behavior with Financial Literacy as the Mediation Variable. KnE Social Sciences, 3(10), 811. https://doi.org/10.18502/kss.v3i10.3174

Aprilia, Z. (2024, May 6). 5 Tahun Terakhir Transaksi Judi Online Warga RI Melonjak 8.136,77%. CNBC Indonesia. https://www.cnbcindonesia.com/market/20240506193944-17-536198/5-tahun-terakhir-transaksi-judi-online-warga-ri-melonjak-813677

Audia, P. G., Locke, E. A., & Smith, K. G. (2000). THE PARADOX OF SUCCESS: AN ARCHIVAL AND A LABORATORY STUDY OF STRATEGIC PERSISTENCE FOLLOWING RADICAL ENVIRONMENTAL CHANGE. Academy of Management Journal, 43(5), 837–853. https://doi.org/10.2307/1556413

biworldwide.com. (n.d.). What is gamification? Retrieved July 18, 2024, from https://www.biworldwide.com/gamification/what-is-gamification/

Boomsma, A. (1985). Nonconvergence, improper solutions, and starting values in lisrel maximum likelihood estimation. Psychometrika, 50(2), 229–242. https://doi.org/10.1007/BF02294248

de Vries, H. (2017). An Integrated Approach for Understanding Health Behavior; The I-Change Model as an Example. Psychology and Behavioral Science International Journal, 2(2). https://doi.org/10.19080/pbsij.2017.02.555585

Earley, P. C., & Perry, B. C. (1987). Work plan availability and performance: An assessment of task strategy priming on subsequent task completion. Organizational Behavior and Human Decision Processes, 39(3), 279–302. https://doi.org/10.1016/0749-5978(87)90025-2

Faturohman, T., Megananda, T. B., & Ginting, H. (2024). Improving financial wellbeing in Indonesia: the role of social media as a mediating factor in financial behavior. Cogent Social Sciences, 10(1). https://doi.org/10.1080/23311886.2024.2319374

Firli, A., & Dwiandari, S. K. (2023). Determinants of Financial Management Behavior Among Productive Age in Bandung City. Review of Integrative Business & Economics Research, 13(2), 158–175.

gamified.uk. (n.d.). 52 Gamification Mechanics and Elements. Retrieved July 18, 2024, from https://www.gamified.uk/user-types/gamification-mechanics-elements/

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Gunawan, H. (2024, April 4). Pinjol Makin Merangsek. https://datanesia.id/pinjol-makin-merangsek/

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R. Springer International Publishing. https://doi.org/10.1007/978-3-030-80519-7

Herawati, N. T., Candiasa, I. M., Yadnyana, I. K., & Suharsono, N. (2020). Factors that influence financial self-efficacy among accounting students in Bali. Journal of International Education in Business, 13(1), 21–36. https://doi.org/10.1108/JIEB-02-2019-0010

Hirsch, B., Nitzl, C., & Reemts, S. (2018). The neglected mediating role of self-efficacy in the goal setting process in local public administrations. Journal of Business Economics, 88(1), 41–63. https://doi.org/10.1007/s11573-017-0863-7

Kanfer, R., & Ackerman, P. L. (1989). Motivation and cognitive abilities: An integrative/aptitude-treatment interaction approach to skill acquisition. Journal of Applied Psychology, 74(4), 657–690. https://doi.org/10.1037/0021-9010.74.4.657

Khairwal, D. (2024, May 22). Top 10 Emerging Technologies in the Financial Services Industry in 2022. https://www.shine.com/blog/top-10-emerging-technologies-in-the-financial-services-industry-in-2022

Khalek, A. A., & Ismail, S. H. S. (2015). Why Are We Eating Halal – Using the Theory of Planned Behavior in Predicting Halal Food Consumption among Generation Y in Malaysia. International Journal of Social Science and Humanity, 5(7), 608–612. https://doi.org/10.7763/ijssh.2015.v5.526

Khawar, S., & Sarwar, A. (2021). Financial literacy and financial behavior with the mediating effect of family financial socialization in the financial institutions of Lahore, Pakistan. Future Business Journal, 7(1), 27. https://doi.org/10.1186/s43093-021-00064-x

Klein, H. J., Wesson, M. J., Hollenbeck, J. R., & Alge, B. J. (1999). Goal Commitment and the Goal-Setting Process: Conceptual Clarification and Empirical Synthesis. In Journal of Applied Psychology (Vol. 84, Issue 6).

Kumar, J., Rani, V., Rani, G., & Sarker, T. (2023). Determinants of the financial wellbeing of individuals in an emerging economy: an empirical study. International Journal of Bank Marketing, 41(4), 860–881. https://doi.org/10.1108/IJBM-10-2022-0475

Latham, G. P., & Locke, E. A. (1991). Self-Regulation through Goal Setting. https://doi.org/https://doi.org/10.1016/0749-5978(91)90021-K

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Ledysia, S. (2023, August 22). Perilaku Konsumtif Gen Z Berawal dari Didikan yang Salah. https://www.bloombergtechnoz.com/detail-news/13191/perilaku-konsumtif-gen-z-berawal-dari-didikan-yang-salah

Liu, L., & Zhang, H. (2021). Financial literacy, self-efficacy and risky credit behavior among college students: Evidence from online consumer credit. Journal of Behavioral and Experimental Finance, 32. https://doi.org/10.1016/j.jbef.2021.100569

Locke, E. A., & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. American Psychologist, 57(9), 705–717. https://doi.org/10.1037/0003-066X.57.9.705

Locke, E. A., & Latham, G. P. (2019). The development of goal setting theory: A half century retrospective. Motivation Science, 5(2), 93–105. https://doi.org/10.1037/mot0000127

Locke, E. A., Saari, L. M., Shaw, K. N., & Latham, G. P. (1981). Goal Setting and Task Performance: 1969-1980. In Psychological Bulletin (Vol. 90).

Lunenburg, F. C. (2011). Goal-Setting Theory of Motivation (Vol. 15).

Oldham, G. R. (1975). The Impact of Supervisory Characteristics on Goal Acceptance. Academy of Management Journal, 18(3), 461–475. https://doi.org/10.2307/255677

Puspadini, M. (2023, August 18). 49% Warga RI Sandwich Generation, Ikuti 4 Hal ini Biar Kaya. CNBC Indonesia. https://www.cnbcindonesia.com/market/20230818065543-17-463958/49-warga-ri-sandwich-generation-ikuti-4-hal-ini-biar-kaya

Rahmalia, N. (2023, September 29). 5 Cara Simpel Menghitung Valuasi Bisnis dan Manfaatnya. https://www.paper.id/blog/berita-acara-umkm/menghitung-valuasi-bisnis/

Rahmana, A. I. (2024, May 16). OJK Catat Utang Paylater Tembus Rp 6,13 Triliun. Kontan Keuangan. https://keuangan.kontan.co.id/news/ojk-catat-utang-paylater-tembus-rp-613-triliun

Sekaran, U., & Bougie, R. (2016). Research Methods for Business: A Skill Building Approach (7th ed.). Wiley.

spinify. (n.d.). Why Gamification is Important & Its Benefits. Retrieved July 18, 2024, from https://spinify.com/blog/why-gamification-is-important/

Sugiyono. (2018). Metode Penelitian Kuantitatif (1st ed.). Alfabeta.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Teymoorian, P. S. (2018). Examining the moderating roles of need for achievement and goal commitment on self-efficacy, goal difficulty and performance. AlliantInternationalUniversity.

Vancouver, J. B., Thompson, C. M., & Williams, A. A. (2001). The changing signs in the relationships among self-efficacy, personal goals, and performance. Journal of Applied Psychology, 86(4), 605–620. https://doi.org/10.1037/0021-9010.86.4.605

Wood, R., & Locke, E. A. (1990). Goal setting and strategy effects on complex tasks. Organizational Behavior, 12, 73–109.

Xiao, J. J. (2011). The Financial Management Behavior Scale: Development and Validation. In Journal of Financial Counseling and Planning (Vol. 22, Issue 1). http://afcpe.org/journal-articles.php?volume=387&article=403Availableat:http://afcpe.org/journal-articles.php?volume=387&article=403

Yahya, A. N. (2024, June 26). Transaksi Judi “Online” Meningkat, Kuartal I 2024 Tembus Rp 101 Triliun. https://nasional.kompas.com/read/2024/06/26/22321221/transaksi-judi-online-meningkat-kuartal-i-2024-tembus-rp-101-triliun

Yanto, H., Ismail, N., Kiswanto, K., Rahim, N. M., & Baroroh, N. (2021). The roles of peers and social media in building financial literacy among the millennial generation: A case of indonesian economics and business students. Cogent Social Sciences, 7(1). https://doi.org/10.1080/23311886.2021.1947579

Yosephine. (2023, January 27). Apa Itu Generasi Sandwich? Penyebab dan Cara Mengatasinya! https://rey.id/blog/keuangan/mengenal-generasi-sandwich/

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.