

## How is Financial Literacy at PT. Moya Indonesia

Maiercherinra Daud<sup>1</sup>  
Universitas Kristen Indonesia Paulus

Nurlia<sup>2</sup>  
Universitas Balikpapan

Jane Lintang<sup>3</sup>  
Universitas Kristen Indonesia Paulus

Johannes Baptista Halik<sup>4</sup>  
Universitas Kristen Indonesia Paulus

Correspondence : Maiercherinra Daud ([maier@ukipaulus.ac.id](mailto:maier@ukipaulus.ac.id))

### Abstract

This study intends to ascertain the impact of financial literacy on managing risk of loss at PT. Moya Indonesia, specifically with regard to financial knowledge, financial attitude, and financial behavior management. It also seeks to ascertain the impact of risk management comprehension on managing risk of loss at PT. Moya Indonesia. to ascertain how the degree of financial literacy at PT. Moya Indonesia affects the degree of understanding of risk management in terms of financial knowledge, financial attitudes, and financial management behavior. Additionally, to ascertain how financial literacy levels affect management financial behavior, financial attitudes, and financial knowledge.

**Keywords:** Risk Management, Financial Literacy, Loss Risk

### Introduction

The demand for clean water is undoubtedly impacted by a region's rapid population growth, but the availability of clean water is also affected. As a result of severe environmental deterioration, springs, rivers, lakes, and groundwater discharge less frequently, indicating a declining trend in the availability of raw water (supply) over time (Nurlia, 2022).

Concerns with financial governance have a greater impact on the health of 256 drinking water companies classified as having poor or very low performance than on companies classified as healthy. These companies bear a higher risk of loss. Nearly all of Indonesia's drinking water firms face a greater danger of loss because of their high arrears rate and substantial operating costs, which are not offset by changes to water price rates.

Management has taken a number of steps to lower the company's risk of loss, one of which is to optimize collection patterns in order to reduce the company's receivables. Since 2020, management has taken these steps, and as a result, the value of arrears that can be paid has increased to 3.4 billion. This sum is noteworthy because it can lessen the burden of receivables by up to 30%, even if the Drinking Water Company's annual financial report states that a total of about 6.5 billion in receivables still need to be collected (Nurlia, 2022).

The fact that PT. Moya Indonesia is still regarded as losing money despite an increase in the amount of arrears being collected annually appears to be more related to the issue of the risk management concept's non-performance as well as the management's financial attitudes and behavior.

According to the perspectives of OJK 2022, an understanding of capital management is linked to an understanding of financial literacy. In other words, management's abilities are related to knowledge, skills, and self-confidence, and they will influence management's attitude and behavior in financial

management, which in turn will influence financial policy and decision-making. According to Nurlia (2022), this assertion is supported by the fact that an individual's perspective on financial conditions has a significant impact on their level of financial literacy, which in turn influences strategic decision-making that ultimately affects the sustainability of the business.

In the meantime, Nurlia (2022) reports that her research verifies that the degree of management knowledge regarding risk management in a company can be used to understand financial literacy in that organization. This is because strategic decisions made by management need to take into account not only their financial knowledge but also potential future outcomes. Based on an analysis of potential financial risks, management can establish financial attitudes and actions.

Thus, Daud et al. (2022) stressed that companies that are able to understand the risks of financial policies will have opportunities to develop compared to other companies who do not carry out risk management. When management is going to make a decision on a financial policy, it must at least have complex knowledge and information about the risks of the financial policy being implemented.

Nurlia (2021) defines risk management as a set of protocols and techniques used to recognize, quantify, track, and manage risks associated with company operations. recognized in the business's approach to risk management, which entails detecting, evaluating, limiting, and even controlling potential hazards. It is hoped that risk management will also serve as a channel for identifying initiatives aimed at reducing potential losses as much as feasible in the future.

## Methods

The quantitative technique and descriptive data analysis used in this study are presented as statistics, and the analysis's conclusions are given an explanation in the form of a story. A quantitative research approach can be defined as a positivist research approach that is used to study specific populations or samples, gathering data via the use of research instruments and statistical data analysis in order to evaluate preconceived assumptions. (Sugiyono, 2017).

## Results and Discussion

### Reliability of Uji Composite and Cronbach Alpha

The following table shows the results of the analysis of the respondents' questionnaire entries using the Calculate Algorithm approach for Construct Reliability and Validity, along with their respective Cronbach Alpha and Composite Reliability values:

**Table: Cronbach Alpha and Composite Reliability**

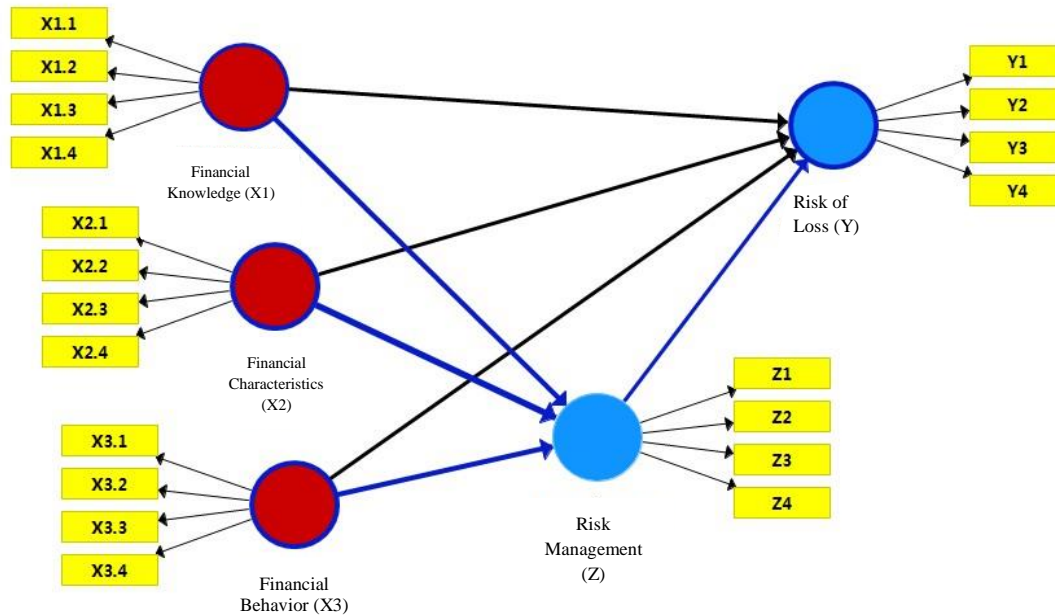
	<b>Cronbach's Alpha</b>	<b>Composite Reliability</b>
Risk Management (Z)	0.884	0.921
Financial Knowledge (X1)	0.945	0.961
Financial Behavior (X3)	0.857	0.904
Risk of Loss (Y)	0.864	0.909
Financial Characteristics (X2)	0.879	0.917

Source : Processed via SmartPLS 3.0

Each construct in this study has a Composite Reliability value that falls between 0.904 and 0.961, or is greater than the Rule of Thumb value of 0.7, according to the analytical results shown in Table 7. A dependability level construct's feasibility value is limited to a value that falls between 0.857 and 0.945, or more than 0.6, according to the Cronbach Alpha value that was obtained.

### Inner Model Test (Structural Model)

Figure: Research Structural Model



Five (five) different approaches were employed in this research to test the structural model, also known as the inner model test: total effect analysis, 'R square test, estimate for path coefficients, prediction relevance (Q square), and goodness of fit (GoF) test. Each method's explanation can be summed up as follows:

**Analysis of the Total Effect (Level of Influence Strength)**

The Total Effect analysis is evaluated taking into account that if the analysis's value is closer to +1, the relationship between the constructs can be classified as strong or as having a positive influence; if, on the other hand, the value obtained from the Total Effect analysis results is closer to -1, the relationship can be classified as weak or as having a negative influence.

**Testing Hypotheses Using Path Coefficient Estimates (Path Coefficient Values)**

The Estimate for Path Coefficient Direct Effect Analysis (Analysis of Direct Relationship Path Coefficients) and Estimate for Path Coefficient Indirect Effect Analysis (Analysis of Indirect Relationship Path Coefficients), which were obtained for the Estimate for Path Coefficients Direct test, make up the two (two) analysis results for the hypothesis test. Effect: Value of the Direct Relationship Path Coefficient

**Calculate the Route Coefficients Direct Impact (Value of the Direct Relationship Path Coefficient)**

The Estimate for Path Coefficients analysis findings Direct Effect is displayed in the table below.

**Table: Path Coefficients Direct Effect Analysis Estimate (Direct Relationship Path Coefficient Value)**

Based on the results of the analysis, decision making for each hypothesis based on the Estimate for Path Coefficients Direct Effect proposed in this research is described as follows:

	Original Sample (O)	Sample average (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Financial Knowledge (X1) -> Risk of Loss (Y)	<b>-0.017</b>	<b>-0.017</b>	<b>0.043</b>	<b>0.399</b>	<b>0.690</b>
Financial Characteristics (X2) -> Risk of Loss (Y)	<b>0.067</b>	<b>0.069</b>	<b>0.051</b>	<b>1.307</b>	<b>0.192</b>
Financial Behavior -> (X3) Risk of Loss (Y)	<b>0.213</b>	<b>0.217</b>	<b>0.093</b>	<b>2.271</b>	<b>0.022</b>
Risk Management (Z) -> Risk of Loss (Y)	<b>0.731</b>	<b>0.724</b>	<b>0.088</b>	<b>8.334</b>	<b>0.000</b>
Financial Knowledge (X1) -> Risk Management (Z)	<b>0.267</b>	<b>0.261</b>	<b>0.096</b>	<b>2.782</b>	<b>0.0006</b>
Financial Characteristics (X2) -> Risk Management (Z)	<b>0.081</b>	<b>0.076</b>	<b>0.119</b>	<b>0.627</b>	<b>0.496</b>
Financial Behavior (X3) -> Risk Management (Z)	<b>0.619</b>	<b>0.628</b>	<b>0.119</b>	<b>5.179</b>	<b>0.000</b>

Source : Processed via SmartPLS 3.0

Based on the results of the analysis, decision making for each hypothesis based on the Estimate for Path Coefficients Direct Effect proposed in this research is described as follows:

**'R Square Test (Determinant Test)**

The results of the analysis for the R Square Test (R2) in this study can be seen in the following table:

**Table: R Square Test (R2)**

	R Square	Adjusted R Square
Risk Management (Z)	0.836	0.830
Risk of Loss (Y)	0.937	0.934

Source : Processed via SmartPLS 3.0

The level of ability of the variables Financial Knowledge (Financial Knowledge), Financial Attitudes (Financial Attitude), and Financial Behavior (Financial Behavior), on the Variable Level of Management Understanding of Risk Management, namely 0.836 or if the percentage is 83.6%, can be concluded based on the results obtained from the R Square Test (R2).

**At PT. Moya Indonesia, managing loss risk is positively impacted by management's financial knowledge, but not significantly.**

As per the definition provided by multiple experts, financial knowledge pertains to an individual's proficiency in financial concerns. In light of the research's findings, it is stated that while financial knowledge generally has a beneficial affect, its impact on loss risk management can be characterized as negligible.

These results essentially confirm the findings of Nurlia et al. (2022), who found that management's incapacity to anticipate future possibilities plays a larger role in managing the risk of failure.

According to this condition, financial knowledge essentially plays a part in managing the risk of loss incurred by a business; however, the emphasis on managing it is not on handling it after a loss has happened, but rather on management's capacity to create a system that facilitates customers' ability to make payments. In addition, the role of financial knowledge can be applied to the investigation of factors that lead to client payment arrears,

**The management of loss risk at PT. Moya Indonesia is positively impacted by the financial attitude of the management, but not significantly.**

Nurlia (2022) defines the nature of finance as a description that guides an individual's financial management. With this knowledge, it is evident that there is no correlation between the influence and Loss Risk Management important since the focus of Financial Characteristics or Attitudes is not on solving loss issues, but rather on how management develops financial management policies.

## Conclusion

The following is a description of the conclusions that were reached following the application of the SmartPLS approach to the analysis of several problems that were examined in this research:

1. At PT. Moya Indonesia, financial knowledge from management has a beneficial but insignificant impact on managing the risk of losses.
2. The Management of Loss Risk at PT. Moya Indonesia is positively impacted by the financial attitude of the management, but not significantly.
3. The Practice of Finance (Financial Behavior) At PT. Moya Indonesia, management has a favorable and substantial impact on how the risk of loss is handled.
4. At PT. Moya Indonesia, managing the risk of loss is positively and significantly impacted by the degree of risk management comprehension..

## References

- Nurlia, N., & Juwari, J. (2019). Pengaruh Return On Asset, Return On Equity, Earning Per Share Dan Current Ratio Terhadap Harga Saham Pada Perusahaan Sub Sektor Otomotif Dan Komponen Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal GeoEkonomi*, 10(1), 57-73.
- Pahlawan, M. R., Nurlia, N., Laba, A. R., Pakki, E., & Hardiyono, H. (2019). Pengaruh Kualitas Produk Dan Kualitas Pelayanan Terhadap Peningkatan Kepuasan Dan Loyalitas Pelanggan Perusahaan Daerah Air Minum (Pdam) Kota Makassar. *Journal of applied business administration*, 3(2), 228-244.
- Halik, J., Halik, M., Nurlia, N., Hardiyono, H., & Alimuddin, I. (2021, February). The Effect of Digital Marketing and Brand Awareness on the Performance of SMEs in Makassar City. In *ICONEBS 2020: Proceedings of the First International Conference on Economics, Business and Social Humanities, ICONEBS 2020, November 4-5, 2020, Madiun, Indonesia* (p. 84). European Alliance for Innovation.
- Nugraha, M. A. P., Violin, V., Anantadjaya, S. P., Nurlia, N., & Lahiya, A. (2023). IMPROVING FINANCIAL LITERACY THROUGH TEACHING MATERIALS ON MANAGING FINANCE FOR MILLENNIALS. *Jurnal Ekonomi*, 12(01), 1028-1032.
- Pahlawan, M. R., Laba, A. R., & Pakki, E. Hardiono, dan Nurlia. (2019). Pengaruh Kualitas Produk dan Kualitas Pelayanan Terhadap Peningkatan Kepuasan dan Loyalitas Pelanggan Perusahaan Daerah Air Minum (PDAM) Kota Makassar. *Journal of Business Administration*, 3(2), 228-244.
- Mismiwati, M., Nurriqli, A., Nurlia, N., & Lestari, W. (2023). Liquidity And Leverage's Impact On Profitability From 2018 To 2022. *International Journal of Economics and Management Research*, 2(1), 174-183.
- Nurlia, N., Suar, A., Bastian, A., & Santosa, T. A. (2023). Kajian Meta-Analisis: Pengaruh Kebijakan Fiskal Terhadap Ekonomi Makro Di Indonesia. *Innovative: Journal Of Social Science Research*, 3(4), 4358-4366.
- Moorcy, N. H., Hayati, D., & Nurlia, N. (2018). Pemberdayaan Perempuan Pada Bidang Koperasi Di Kelurahan Penajam, Kecamatan Penajam, Kabupaten Penajam Paser Utara. *Jurnal Abdi Masyarakat Ilmu Ekonomi (JAMIE)*, 1(01), 15-21.
- Nurlia, N. (2018). Pengaruh Perputaran Piutang, Perputaran Total Aktiva Dan Perputaran Modal Kerja Terhadap Net Profit Margin Lembaga Pembiayaan Non Bank Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal GeoEkonomi*, 9(2), 88-99.
- Saraswati, W., & Pramudia, D. R. (2023). Pengaruh Corporate Governance Dan Earning Management Terhadap Kinerja Perusahaan Dengan Political Connections Sebagai Variabel Modertating Sektor Barang Konsumsi Di Bursa Efek Indonesia. *Telaah Ilmiah Akuntansi Dan Perpajakan*, 1(3).
- Nurlia, N., Daud, I., & Rosadi, M. E. (2023). Ai Implementation Impact On Workforce Productivity: The Role Of Ai Training And Organizational Adaptation. *Escalate: Economics And Business Journal*, 1(01), 01-13.

Fattah, A., Wagimin, N., & Nurlia, N. (2023). Enhancing Cybersecurity Awareness Among University Students: A Study On The Relationship Between Knowledge, Attitude, Behavior, And Training. *Jsi: Jurnal Sistem Informasi (E-Journal)*, 15(1).

Hendrawaty, E., Widiyanti, M., & Sadila, I. (2020). CEO financial literacy and corporate financial performance in Indonesia: Mediating role of sources of investment decisions. *Journal of Security and Sustainability Issues*, 9, 118-133.

Setiawan, M. A., Salim, U., & Khusniyah, N. (2021). The mediating role of social capital in the relationship between financial literacy and financial inclusion. *Jurnal Aplikasi Manajemen*, 19(4), 782-790.

Amalia, V., Sawitri, N. N., & Fikri, A. W. N. (2023). THE EFFECT OF FINANCIAL LITERACY AND FINANCIAL SELF EFFICACY ON DECISIONS TO USE SHOPEEPAY DIGITAL PAYMENT SERVICES (In Generation X in Kampung Delima, East Bekasi). *EKONOMIKA*, 12(1), 362-373.