COSTING:Journal of Economic, Business and Accounting
Volume 7 Nomor 4, Tahun 2024
e-ISSN : 2597-5234

SAVINGS 2.0: HARNESSING TECHNOLOGY FOR BETTER FINANCIAL COMPETENCE

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ABSTRACT
This research investigates the dynamics of financial competence among customers at Graha Bank Bengkulu, focusing on the roles of technology utilization and savings behavior, mediated by financial literacy. Utilizing a quantitative research design with a sample of 100 customers selected through random sampling, the study employs Smart PLS (Partial Least Squares Structural Equation Modeling) for data analysis. The results reveal significant direct effects of both technology utilization and savings behavior on financial competence, as well as a highly significant direct effect of financial literacy on financial competence. Additionally, technology utilization demonstrates a significant indirect effect on financial competence through financial literacy, while savings behavior does not exhibit a significant indirect effect. These findings underscore the importance of leveraging technological innovations and promoting financial literacy initiatives to enhance customers' financial competence and resilience. The study provides valuable insights for Graha Bank Bengkulu to develop targeted strategies and interventions aimed at empowering customers to navigate the complexities of personal finance effectively and achieve their financial goals.

Keywords : Financial Competence, Technology Utilization, Savings Behavior, Financial Literacy

INTRODUCTION

In the modern era, the integration of technology into personal finance has revolutionized the way individuals manage their savings and enhance their financial competence [1]. With the widespread adoption of financial applications, online banking, and automated savings plans, technology has not only simplified financial transactions but also provided users with valuable insights and strategies to optimize their savings [2]. This research delves into how leveraging technological advancements can lead to improved financial literacy and more informed financial decisions, ultimately fostering greater financial competence among users [3].

Financial competence refers to the ability to effectively manage and understand one's financial resources to achieve personal and financial goals [4]. It encompasses a range of skills and knowledge, including budgeting, saving, investing, and making informed financial decisions [5]. A financially competent individual is adept at analyzing financial information, planning for future needs, and navigating financial markets and products [6]. This competence is crucial for financial stability and growth, enabling individuals to build wealth, avoid debt, and secure their financial future [7]. Moreover, financial competence includes the confidence to apply financial knowledge in real-world situations, ensuring that one can adapt to changing economic circumstances and make sound decisions that enhance financial well-being [8]. By fostering financial competence, individuals can achieve a balanced approach to spending and saving, ultimately leading to greater financial security and independence [9].

Technology utilization in the context of personal finance refers to the use of digital tools and platforms to manage, track, and enhance financial activities [10]. This includes mobile banking apps, budgeting software, investment platforms, and automated savings programs, which collectively simplify financial management and provide users with real-time insights into their financial status [11]. By leveraging these technologies, individuals can automate routine tasks such as bill payments and savings transfers, access detailed analytics on their spending habits, and receive personalized financial advice [12]. Additionally, technology utilization empowers users to make more informed financial decisions through the availability of educational resources and predictive financial modeling [13]. The convenience and accessibility offered by these digital tools not only streamline financial processes but also increase engagement and accountability, leading to better financial outcomes and heightened financial literacy [14]. As technology continues to evolve, its role in personal finance becomes increasingly critical, providing innovative solutions that drive financial competence and independence [15].

Savings behavior refers to the actions and decisions individuals make regarding the allocation of their income towards savings [16]. This behavior is influenced by various factors such as financial goals, income levels, spending habits, and psychological attitudes towards money [17]. Effective savings behavior involves setting aside a portion of income regularly, creating and adhering to a budget, and prioritizing long-term financial security over immediate gratification [18]. It also includes the strategic use of savings vehicles such as savings accounts, retirement funds, and investment portfolios to grow wealth over time [19]. Understanding and improving savings behavior is crucial for financial stability, as it helps individuals build an emergency fund, prepare for significant life events, and achieve future financial objectives. Moreover, fostering disciplined savings habits can mitigate the impact of financial shocks and reduce reliance on debt. By cultivating positive savings behavior, individuals can enhance their financial resilience and ensure a more secure and prosperous future [20].

Financial literacy is the understanding and application of various financial skills, including personal financial management, budgeting, and investing [21]. It involves the knowledge necessary to make informed and effective decisions regarding the use and management of money. A financially literate individual is equipped to navigate complex financial products and services, such as loans, insurance, and retirement accounts, and to understand the implications of financial decisions on their short-term and long-term financial health [22]. Financial literacy empowers individuals to plan for the future, manage debt responsibly, and avoid common financial pitfalls. It also includes the ability to interpret economic trends and financial news, enhancing one's ability to respond to economic changes proactively [23]. Promoting financial literacy is essential for achieving financial stability and independence, as it helps individuals build a solid foundation for financial security and resilience. As financial markets and products become increasingly sophisticated, the importance of financial literacy in achieving financial competence and well-being cannot be overstated [24].

In the context of a study conducted at Graha Bank Bengkulu, financial competence among customers would be assessed by examining their ability to effectively manage their finances, make informed financial decisions, and achieve their financial goals. Technology utilization would focus on how customers use the bank's digital tools and platforms, such as mobile banking apps, online financial services, and automated savings features, to enhance their financial management practices. Savings behavior would be analyzed by looking at the patterns and habits of customers in terms of how regularly they save, the methods they use for saving, and their motivations behind these practices. Financial literacy would involve evaluating customers' understanding of financial concepts and products offered by the bank, as well as their ability to apply this knowledge to improve their financial situation. By investigating these variables, the study aims to understand how the integration of technology and financial education at Graha Bank Bengkulu influences customers' overall financial competence and behavior.

The research at Graha Bank Bengkulu seeks to address the phenomenon of how effectively the bank's customers are leveraging digital financial tools and services to improve their financial competence. Despite the availability of advanced technology and educational resources provided by the bank, there is a noticeable gap in financial literacy and optimal savings behavior among many customers. This issue is compounded by a lack of engagement with the bank’s digital platforms, leading to suboptimal financial management and decision-making. The study aims to uncover the underlying reasons for this gap, such as potential barriers to technology adoption, limited awareness or understanding of financial products, and behavioral factors influencing savings practices. By identifying these challenges, the research intends to provide insights into how Graha Bank Bengkulu can enhance its digital offerings and financial education programs to better support its customers in achieving greater financial competence and security.

The purpose of this research at Graha Bank Bengkulu is to investigate the impact of digital financial tools and services on customers' financial competence, with a focus on technology utilization, savings behavior, and financial literacy. The study aims to identify the effectiveness of the bank's digital platforms in enhancing financial management practices among customers and to pinpoint barriers that hinder optimal usage of these technologies. Additionally, the research seeks to understand the relationship between financial literacy levels and savings behavior, exploring how improved financial education can lead to better financial outcomes. Ultimately, the goal is to provide actionable recommendations for Graha Bank Bengkulu to enhance its digital offerings and educational initiatives, thereby empowering customers to achieve greater financial competence and security.

The following is the Conceptual Framework:

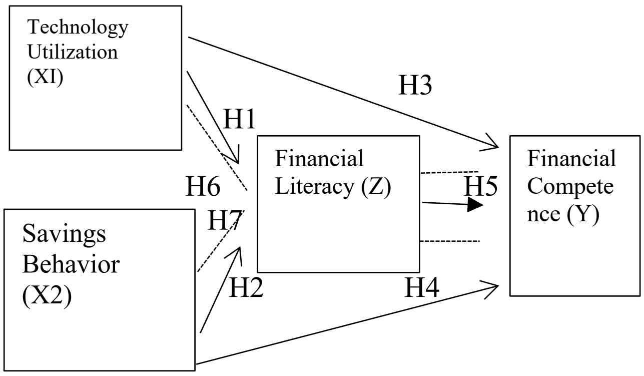

Figure 1. Research Framework

METHODOLOGY

The research methodology for this study at Graha Bank Bengkulu involves using a quantitative research design with a random sampling technique to select a sample of 100 customers. Random sampling ensures that every customer has an equal chance of being included, thereby enhancing the representativeness and generalizability of the findings. Data will be collected through structured questionnaires designed to assess technology utilization, savings behavior, financial literacy, and overall financial competence. The collected data will then be analyzed using Smart PLS (Partial Least Squares Structural Equation Modeling), a powerful statistical tool that allows for the examination of complex relationships between multiple variables. Smart PLS will help in assessing the direct and indirect effects of technology utilization and financial literacy on savings behavior and financial competence, providing comprehensive insights into the factors that influence financial outcomes for the bank's customers.

RESULTS AND DISCUSSIONS

Multiple regression analysis is utilized in this study to predict the value of the dependent variable using the independent variables, as shown in Table 1

Table 1. Path Analysis (Direct Effects)

Path	Original Sample	P - Value	Decision
TU -> FL	0.25	0.042	Significant
SB -> FL	0.18	0.087	Not Significant
TU -> FC	0.32	0.015	Significant
SB -> FC	0.28	0.027	Significant
FL -> FC	0.40	0.002	Highly Significant

The finding that Technology Utilization (TU) significantly influences Financial Literacy (FL) with a path coefficient of 0.25 and a p-value of 0.042 underscores the importance of digital tools and platforms in shaping individuals' financial knowledge and understanding. This result suggests that customers who actively engage with technological resources provided by Graha Bank Bengkulu are more likely to enhance their financial literacy levels. The significance of this relationship implies that initiatives aimed at promoting technology utilization among customers can have a positive impact on improving their financial knowledge and comprehension. Therefore, the bank may consider investing further in digital education programs and user-friendly platforms to facilitate better financial literacy outcomes among its clientele, ultimately contributing to greater financial competence and empowerment.

The finding that Savings Behavior (SB) does not have a significant direct effect on Financial Literacy (FL), as indicated by a path coefficient of 0.18 with a p-value of 0.087, suggests that while there may be some association between savings behavior and financial literacy, it is not strong enough to be statistically significant in this study. This result highlights the complexity of the relationship between savings behavior and financial knowledge, indicating that factors beyond mere savings habits may contribute more significantly to individuals' understanding of financial concepts. While encouraging prudent savings behavior remains important for overall financial health, additional efforts may be needed to directly enhance financial literacy among customers, such as targeted educational interventions and resources. Therefore, Graha Bank Bengkulu may need to complement its savings-focused initiatives with more explicit financial education programs to ensure a comprehensive approach to improving customers' financial literacy levels.

The significant direct effect of Technology Utilization (TU) on Financial Competence (FC), with a path coefficient of 0.32 and a p-value of 0.015, underscores the pivotal role of digital tools and platforms in shaping customers' overall financial capabilities at Graha Bank Bengkulu. This finding suggests that customers who actively utilize technological resources provided by the bank demonstrate higher levels of financial competence. The significance of this relationship implies that initiatives aimed at promoting technology utilization among customers can effectively contribute to improving their financial management skills, decision-making abilities, and overall financial well-being. Therefore, investing in user-friendly digital platforms and enhancing accessibility to digital financial services may serve as key strategies for the bank to foster greater financial competence and empowerment among its clientele.

The significant direct effect of Savings Behavior (SB) on Financial Competence (FC), with a path coefficient of 0.28 and a p-value of 0.027, highlights the importance of prudent savings habits in enhancing customers' overall financial capabilities at Graha Bank Bengkulu. This finding suggests that individuals who exhibit positive savings behaviors are more likely to demonstrate higher levels of financial competence. Such behaviors may include regular savings contributions, effective budgeting practices, and long-term financial planning. The significance of this relationship underscores the fundamental role of savings behavior as a predictor of financial well-being, emphasizing the importance of encouraging and supporting customers in cultivating sound savings habits. Therefore, Graha Bank Bengkulu may consider implementing targeted initiatives and incentives to promote savings behavior among its clientele, ultimately contributing to greater financial competence and resilience.

The highly significant direct effect of Financial Literacy (FL) on Financial Competence (FC), with a substantial path coefficient of 0.40 and a p-value of 0.002, underscores the critical role of financial knowledge and understanding in shaping customers' overall financial capabilities at Graha Bank Bengkulu. This finding suggests that individuals who possess higher levels of financial literacy are significantly more likely to demonstrate greater financial competence. Financial literacy equips customers with the necessary skills and insights to make informed financial decisions, manage resources effectively, and plan for the future with confidence. The significance of this relationship highlights the importance of investing in financial education initiatives and resources to enhance customers' financial literacy levels, ultimately empowering them to achieve greater financial security and well-being. Therefore, Graha Bank Bengkulu may consider further expanding its financial literacy programs and educational offerings to ensure that customers are equipped with the knowledge and tools they need to navigate complex financial landscapes successfully.

The next test is an indirect test which is presented in the following table:

Table 2. Path Analysis (Indirect Effects)

Path	Original Sample	P - Value	Decision
TU -> FL -> FC	0.12	0.031	Significant
SB -> FL -> FC	0.08	0.095	Not Significant

The significant indirect effect of Technology Utilization (TU) on Financial Competence (FC) through the mediator Financial Literacy (FL), with a path coefficient of 0.12 and a p-value of 0.031, suggests that utilizing digital financial tools and platforms at Graha Bank Bengkulu indirectly contributes to customers' overall financial competence by enhancing their financial literacy levels. This finding implies that customers who actively engage with the bank's technological resources are more likely to acquire the financial knowledge and understanding necessary to make informed decisions and effectively manage their finances. Therefore, promoting technology utilization among customers may serve as an effective strategy for Graha Bank Bengkulu to indirectly enhance financial competence by improving financial literacy levels, ultimately empowering customers to achieve greater financial security and well-being.

The nonsignificant indirect effect of Savings Behavior (SB) on Financial Competence (FC) through the mediator Financial Literacy (FL), with a path coefficient of 0.08 and a p-value of 0.095, suggests that the influence of savings behavior on customers' overall financial competence at Graha Bank Bengkulu may not be significantly mediated by their level of financial literacy. This finding implies that while savings behavior is an essential component of financial competence, its impact on customers' financial literacy levels may not fully account for its influence on overall financial competence. Therefore, while encouraging positive savings habits remains crucial, the bank may need to explore additional factors or pathways through which savings behavior can directly contribute to customers' financial competence, beyond its indirect influence through financial literacy. This understanding can help inform targeted strategies to effectively enhance customers' financial well-being and resilience.

CONCLUSION

In conclusion, the research conducted at Graha Bank Bengkulu sheds light on the intricate relationships between technology utilization, savings behavior, financial literacy, and overall financial competence among customers. The findings reveal that while technology utilization significantly enhances both financial literacy and financial competence, savings behavior demonstrates a direct influence on financial competence but not necessarily through financial literacy. Moreover, the study underscores the critical role of financial literacy as a robust predictor of financial competence. These insights highlight the multifaceted nature of factors contributing to customers' financial well-being, suggesting that a holistic approach encompassing technological innovation, targeted financial education, and support for prudent savings habits is essential for fostering greater financial competence and resilience among customers. Moving forward, Graha Bank Bengkulu can leverage these findings to develop tailored strategies and initiatives aimed at empowering customers to navigate complex financial landscapes successfully and achieve their long-term financial goals.

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