Application of the Theory of Planned Of Behavior Against the Intention of MSMEs in Taking Bank Loans (Bank Jateng Purbalingga Case Study)

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ABSTRACT

Financial knowledge needs to be understood by every UMKM actor because the complexity of financial instruments and financial decisions is needed in everyday life. The most common problem of MSMEs is funding. The conceptual model based on the theory of planned behavior (TPB) states that the intention of MSME actors is determined by Attitudes, Subjective Norms, and Behavioral Control. The factors mentioned above play a role in the decision to make MSME funding. This study aims to determine the intention of MSMEs towards funding at Bank Jateng Capem, Purbalingga City. Data were collected by distributing questionnaires through MSMEs in Purbalingga Regency. The data used in this study were analyzed using Moderated Regression Analysis and performed with SPSS software. The results showed that attitudes, subjective norms, and behavioral control had a positive effect on the intention of MSME actors to make funding decisions at Bank Jateng Capem, Purbalingga City.

Keywords: Theory of Planned Behavior, Funding, UMKM, Financial Behavior

1. Introduction

Financial knowledge focuses on knowledge that is fundamental to the field of finance such as interest rates, time value of money, and the calculation of returns and risks. Financial knowledge can also affect the way a person thinks about financial conditions and influences making the right decisions in better financial management for business owners. Financial knowledge needs to be understood by every UMKM actor because the complexity of financial instruments and financial decisions is needed in everyday life (Aisa Amagira, 2010).

(Jianjun Li, 2020) argues that financial knowledge can influence the way a person thinks to understand and improve financial assets. A person who has an understanding of financial understanding can understand and risk in the selection. Therefore, someone who has a lot of knowledge is more careful in making decisions and risks.

Micro enterprises make a significant contribution to the economic development of a country because these types of companies can create a bridge between purchasing power margins and a larger population with products that are affordable and available for public consumption. (Sucuahi, 2013).

The obstacles in the growth of MSMEs come from the internal and external environment. Internal barriers include managerial skills as well as the location and network around where the business is run. Meanwhile, external obstacles include financial, economic, and technological barriers, crime and

corruption, infrastructure, competition, and labor (Garwe, 2010). This financial obstacle can be illustrated by the difficulty of obtaining funds or production capital from financial institutions or banks due to less promising credibility, making it difficult for banks to issue loans or funding to MSMEs.

Lending or funding aimed at Micro, Small and Medium Enterprises (MSMEs) has a major impact on national economic growth. Capital structure decisions include financing, amount of funding, and size of proportion. Increased financial strength will be seen in good judgment. The promoter can open MSME investments or sell shares to outside investors or other buyers (Prasanna Kulkarnia, 2014).

This research was conducted based on data from Bank Jateng, Purbalingga Branch, where productive credit had not reached the expected target of 100%, inversely proportional to consumer credit which could exceed the target figure. Therefore, this study wants to find out what factors influence the intention of MSMEs to take loans from banks that need to be done. To determine the selection of MSME funding in initial venture capital, this study adopts a psychological theory, namely Theory Planned Behavior. Predict the factors that influence the decisions of MSMEs in choosing to fund.

2. Literature Review

Theory of Planned Behavior has been considered superior in many studies in explaining individual behavior (Aubele, 2014). The attitude variable refers to the extent to which the attitude of the owner-manager of SMEs towards financing their business through commercial bank loans is either positive or negative. According to (Ajzen, 2006), attitude has two components that work together. The first component is the individual's belief about the consequences of the behavior and the second component is the individual's positive or negative evaluation of each consequence. (Espel, Brettel, Breuer, & Abedin, 2009) explained that the "decomposition approach" model of attitude formation uses consequence constructs. This means that sub-hypotheses are developed for each consequence, which allows a better analysis of the effect of each on attitudes.

According to (Espel, Brettel, Breuer, & Abedin, 2009), obtaining a bank loan adds to the business value of an MSME by leading to MSME growth, profit, and tax optimization. The risk of negative consequences from obtaining a bank loan increases the operational and financial risk to the business being run, defining risky situations as expected outcomes that are more uncertain and goals harder to achieve. They generally take out these loans for investment or working capital purposes to expand their business to new locations or introduce new products. This can result in fluctuations in income and cash flow, which limits their liquidity.

MSMEs generally stake their wealth in their business, and thus, the perceived risk associated with financing through debt can adversely affect their intention to take out commercial bank loans. Finally, costs have negative consequences because obtaining a commercial bank loan costs money and results in pressure to meet targets, share and disclose information, and reduce owner influence on company operating decisions. (Espel, Brettel, Breuer, & Abedin, 2009)

Based on the description above, the hypothesis proposed is :
H₁: The attitude of MSME managers towards financing with commercial bank loans is positively related to their intention to finance their business by taking out commercial bank loans.

According to (Ajzen, 2006), This variable refers to the MSME estimate of social pressure to take or not take out commercial bank loans. This variable assesses MSME beliefs about how people in their environment are. Subjective Norms also assess whether MSMEs are important to behave as expected.

Based on the description above, the hypothesis proposed is :
H₂: The subjective norms of MSME managers affect the intention of MSME actors to take financing by taking funds from banks.

This variable refers to the extent to which MSMEs perceive that they have control over behavior and how confident they are to be able to perform a behavior and assess internal and external factors. (Ajzen, 2006). Accordig to (Espel, Brettel, Breuer, & Abedin, 2009) like Attitude variables, also Perceived Behavioral Control variables need to be broken down into three factors.

The first factor is internal and relates to the level of understanding of MSME actors about financing using bank loans. The better they understand the financing instrument, the more likely they are to use it. The second factor is related to the perception of MSME managers about the ease of accessing bank loans. The third factor is related to the confidence of MSME managers related to the opportunities available in the market.

Based on the description above, the hypothesis proposed is :
H₃: The behavioral control felt by MSMEs is positively related to the intention to finance MSME businesses by taking funding from banks.

The research design model has been illustrated in Figure 1.

Figure 1. Research Model
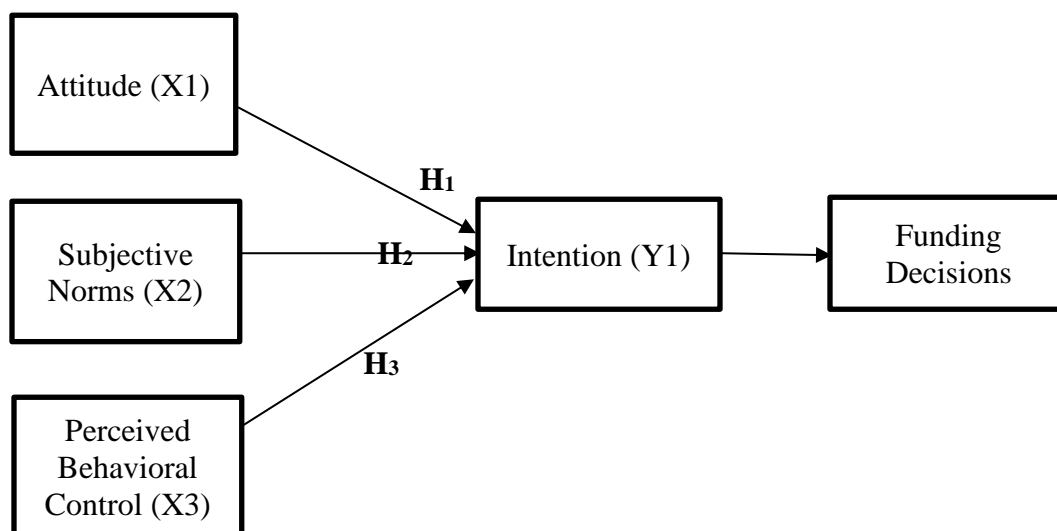
3. Research Methodology

The population of this study was the MSME actors in Purbalingga Regency, who were randomly selected using the simple random sampling method with a sample size of 108 people. This research uses quantitative research with a cross-sectional approach.

The measuring instrument used is adopted from (Yasmeen Al Balushi, 2018) each of which uses 4 items. The independent variable in this study is an attitude (X_1), Subjective Norms (X_2), Perceived Behavioral Control (X_3), and the dependent variable is the intention of the funding decision (Y). Variable Measurement. The research instrument used a questionnaire on a Likert scale with a score range of 1-5. Data were analyzed using Regression Analysis with the SPSS program.

4. Results
4.1 Reliability and validity analysis

Reliability test using Cronbach's Alpha. The statement item is said to be reliable if the r alpha value is greater than r table (0.7). Validity test using Pearson Product Moment. The calculated r value is greater than r table (0.361) with a significance level of 0.05. This shows that all questionnaire statement items in this study are reliable and valid.

Table 1. Reliability Test Results

	Cronbach's Alpha	N of Items
X1	.839	4
X2	.768	4
X3	.775	4
Y	.839	4

Table 2. Validity Test Results

	Person Correlation	N of Items
X1	(0.675-0.884)	4
X2	(0.409-0.780)	4
X3	(0.556-0.909)	4
Y	(0.686-0.793)	4

4.2 Ordinary Least Square
4.2.1 Normality test

The results of the analysis of the normality test using the Kolmogorov-Smirnov show that the Asymp. Sig. (2-tailed) or the p value of Standardized Residual (0.853) > 0.05 or p > 0.05, the standardized residual value curve is said to spread normally, so that the data is normally distributed.

Table 3. Normality Test

		Standardized Residual
N		108
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	.98588164
Most Extreme Differences	Absolute	.059
	Positive	.052
	Negative	-.059
Kolmogorov-Smirnov Z		.608
Asymp. Sig. (2-tailed)		.853

a. Test distribution is Normal.

b. Calculated from data.

4.2.2 Multicollinearity test

Multicolonierity can be seen from (1) the tolerance value and its counterpart (2) Variance Inflation Factor (VIF). Based on the questions, it can be concluded that the regression model does not occur multicollinearity. This value is by the requirements for symptoms of multicollinearity (tolerance > 0.10 or VIF < 10). Or in other words, the independent research variable is free from symptoms of multicollinearity, because of the VIF value <10.

Table 4. Multicollinearity Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	6.269	.871		7.202	.000		
Sikap	.281	.070	.369	3.990	.000	.460	2.176
Norma Subjektif	.217	.074	.283	2.937	.004	.422	2.370
Kontrol Perilaku	.167	.074	.211	2.247	.027	.445	2.248

a. Dependent Variable: Funding Intent

4.2.3 Heteroscedasticity Test

Heteroscedasticity can be determined by calculating the regression efficiency of each independent variable on its absolute residual value (e), if the probability value is greater than the alpha value (0.05). The results of the heteroscedasticity test show that the regression model does not contain heteroscedasticity because the significance value of the three independent variables is obtained by a sig (p) > 0.05.

Table 4. *Heteroscedasticity* Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.931	.489		1.902	.060
Sikap	-.049	.040	-.175	-1.228	.222
Norma Subjektif	.058	.041	.209	1.403	.163
Kontrol Perilaku	-.015	.042	-.052	-.358	.721

a. Dependent Variable : ABRES

4.3 Regression Analysis

4.3.1 Coefficient of determination

From the calculation, the coefficient of determination (adjusted) is obtained at 0.580. This means that 58% Y will be explained by variations in the variables X1, X2, and X3, while 42% will be explained by other factors besides the three independent variables.

Table 5. Analysis of the coefficient of determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.769a	.592	.580	1.007

a. Predictors: (Constant), Attitudes, Subjective Norms, Behavior Control

4.3.2 Simultaneous effect test (F)

The variables X1, X2, X3 simultaneously affect Y, simultaneously or together it shows the results of the calculated F value of 50.279 with a significant F of 0.000 or the p value is less than 0.05 (5%), thus stating that simultaneously all independent variables, namely X1, X2, X3, affect Y.

Table 6. Simultaneous effect test (F)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	153.104	3	51.035	50.279	.000b
Residual	105.563	104	1.015		
Total	258.667	107			

a. Dependent Variable: Niat Pendanaan

b. Predictors: (Constant), Attitudes, Subjective Norms, Behavior Control

4.3.3 Multiple Linear Regression Analysis

A multiple linear regression test is used to determine how the influence of attitude variables (X1), subjective norms (X2), behavioral control (X3) on the intention of funding decisions (Y).

Table 7. Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.269	.871		7.202	.000
Attitude	.281	.070	.369	3.990	.000
1 Subjective Norms	.217	.074	.283	2.937	.004
Behavior Control	.167	.074	.211	2.247	.027

a. Dependent Variable: Funding Intent

Table 7 shows the results that the attitude variable (X1), subjective norm (X2), behavior control (X3) has a significance value of $p < 0.05$. This shows that this variable has a positive effect on the intention of funding decisions.

5. Discussion

The results of this study are in line with the results of the study (Patiro & Budiyanti, 2016) and (Ahmed Tolba, 2016) This shows that the intention to apply for a loan from a bank is significantly influenced by attitudes, subjective norms, and perceptions of behavioral control. And in line with research (Yasmeen Al Balushi, 2018) who argue that factors such as attitudes, subjective norms, behavioral control, and intentions influence MSME financial funding decisions. Attitude, Subjective Norms, and Behavioral Control are variables found to be significant predictors of behavioral intention (Kennedy, 2013) (Cucinelli, Gandolfi, & Soana, 2016). The intention is influenced by attitudes, subjective norms, and behavioral control are the strongest indicators of behavior (Farah, 2017).

6. Conclusion

Based on the results of the study, there is an influence of attitude, subjective norms, behavioral control on the intention of funding decisions at MSMEs in Purbalingga Regency at Bank Jateng Purbalingga. About 60% of the MSMEs surveyed did not have bank loans and the results showed that the intention of MSMEs to apply for bank loans was generally low, especially among small businesses. Medium to large MSMEs shows a higher intention to apply for bank loans other than MSMEs that already have bank loans.

The limitation of this study is that there are similarities in several direct questionnaires. Respondents gave ambiguous answers and the number of MSMEs from all walks of life, small, medium, and large. Future research recommends adding other variables such as Education or Promotion, expanding the study population, and avoiding similar questions
other.

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