

# Effects of Learning Quality, Social-Economic Status and Entrepreneurship Spirit on Financial Literacy of Students of Udayana University

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**Abstract:** This research is intended to test quality of learning process, the social economic status of the students' parents as their leaning support, student ability in understanding entrepreneurship spirit and student ability in understanding financial literacy. Conducted in department of management, Non Regular Program Economic and Business (FEB) Udayana University. The data collection is using questionnaire media. Respondents are management students in V semester academic year of 2017 / 2018, Non Regular Program FEB Udayana University. Number of proxy population is 375 students. Sample is using *simple random sampling* technique based on Slovin formula to create 79 samples. Data analysis technique uses descriptive qualitative technique. Result of this study are for the learning quality very effective criteria is 11,54 %, effective criteria is 12,82 %, quite effective criteria is 48,72 %, less effective criteria is 21,79 %, and ineffective criteria is 5,13 %. Parents' social economic status with very effective criteria is 10,26 %, effective criteria is 34,62 %, quite effective criteria is 32,05 %, less effective criteria is 16,67 %, and ineffective criteria is 6,41 %. Entrepreneurship spirit with very effective criteria is 17,95 %, effective criteria is 25,14 %, quite effective criteria is 29,49%, less effective criteria is 24,36 %, and ineffective criteria is 2,56 %. Financial literacy with very effective criteria is 41,04 %, effective criteria is 38,46 %, quite effective criteria is 19,23%, less effective criteria is 21,79 %, and ineffective criteria is 1,28 %.

**Keywords:** Learning Quality, Parents' Social Economic Status, Entrepreneurship Spirit and Financial Literacy.

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## 1. INTRODUCTION

### Background

Current global economic development leads to changes on public financial system. This can be seen from complexity and use of technology on financial products and services, for example broad access on credit disbursement and other financial service products. Results of Euromonitor Internasional survey in 2006, mentioned that in the range of 25 years, namely in 1990- 2015, Indonesian households faced consumption revolution such as consumer spending increase for AC products by 332%, washing machine increase by 291%, and phone increase by 1.643% (Warsono, 2010). By this consumption revolution, it means that there is a shift of household priority from consumption of secondary needs or even tertiary needs into primary needs.

One can or cannot be consumptive, this issues is an effect of limited knowledge on financial literacy. The financial literacy can be defined as one ability to obtain, understand and evaluate relevant information for decision making by understanding financial consequences as a result of global financial complexity development effect (Graham's (1980).

There are there determinant factors giving the most effects on one's financial literacy namely, quality of learning, social economic status and entrepreneurship spirit. The quality of learning in university serves an important role in the formulation process of students' financial literacy. Effective and efficient learning can develop all of the learning objective

goals namely knowledge (cognitive), attitude (affective) and skills (psychomotor). Through a variety of leaning teaching methods, media and sources based on the competence, it is expected to provide provisions for students to obtain proficiency in the field of financial (Lutfi and Iramani, 2008).

Social economic status is one's position in community group that is determined by his or her type of activity, education and income. In taking financial activities, social economic status component serves an important role. Related to students' financial literacy, parents' social economic status will affect on the way students manage their pocket money. Proper management of pocket money leads to an independent student. (Haryono, 2008).

It is not only concerning social economic status, it is necessary for students to have good entrepreneurship spirit. The entrepreneurship spirit is a process of creativity and innovation application in problem solving and finding solution to improve life (Kasmir, 2010). This research is conducted in department of Management as one of the departments as the most wanted one including in universities in Bali. In Non Regular FEB Program Udayana University, department of Management, it has the most number of students with increasing enthusiasts each year. This is caused by graduation of department of management has more opportunities to work in companies. Based on the background description, then it is necessary to conduct a research entitled "Effects of Learning Quality, Social Economic Status and Entrepreneurship Spirit on Financial Literacy of Non Regular Management FEB Students Udayana University.

Based on the background description, it can be formulated problems as follows: (a) How is the learning process in non-regular management FEB students Udayana University. (b) How is the socioeconomic status of the students' parents as the support of non-Regular management students FEB Udayana University. (c) How is the entrepreneurship spirit of students as the support of financial literacy of Non Regular management FEB students Udayana University. (d) How is the students' ability to understand financial literacy.

The aims of this research are: (a) To study the learning process in Non Regular Management FEB student of Udayana University. (b) To study the socioeconomic status of the students' parents as the support of non-Regular management FEB students Udayana University. (c) To assess students' ability to understand entrepreneurial spirit. (d) To assess students' ability to understand financial literacy.

## **2. LITERATURE REVIEW**

### **Financial Literacy**

Financial literacy is a new term and may be still unfamiliar for us. In fact, this knowledge is a knowledge that we often apply in our daily life, we realize it or not. Financial Service Authority (2015) defines Financial Literacy as a series of process or activity to improve consumers' *knowledge, confidence*), and *skills* as well as public ones so that they can manage their finance better. By the definition, it means that financial products and service consumers are expected not only to know and understand financial service institutions as well as financial products and service, they are also expected to be able to change or improve public behavior in financial management so that they can improve their welfare.

### **Quality of Financial Learning in Higher Education**

Higher Education is the highest educational institution creating human resources through education and teaching process as the first dharma of Higher Education Tridharma. Therefore, the process of education and teaching management in higher education must be implemented in emphatically manner based on the Academic Standards formulated by National Education Standards (SNP). In this case, the Academic Standards in question are the Learning Process Standards. The learning management process consists of four main activities, namely learning planning, implementation of learning, assessment of student learning outcomes, and learning supervision and assessment.

### **Social Economic Status**

Social economic status is a combination of economic and sociological measures from one's work experiences and individual or family's social economic as well as relative position towards others, based on income, education and occupation ([https://id.wikipedia.org/wiki/Sosial\\_ekonomi](https://id.wikipedia.org/wiki/Sosial_ekonomi), accessed on 5 January, 2016). Social economic status is one's position in community group that is determined by type of economic activity, education and income.

### **Entrepreneurship Spirit**

Simply, *entrepreneur* defines as a person having brave spirit to take any risks to open any business in various opportunities (Kasmir, 2010). *Entrepreneurs* are person having ability to take and assess business, collect any required resources in order to take benefits and take appropriate actions to ensure success. According to Drucker in Kasmir (2010) *entrepreneurship* is an ability to create new and different things. Meanwhile, Zimmerer (2004) defined *entrepreneur* as a creativity and innovation process in problem solving and finding opportunities in improving business life.

Based on the description, it can conclude that *entrepreneurship* is one's ability to see any opportunities and create different things as well as can meet many people needs and have added value for the company.

### **3. RESEARCH METHOD**

This research was conducted at the Department of Management in Non-Regular Program FEB Unud. The population of this study are all students of Department of Management learning in VI semester and VII semester Academic Year 2017/2018 on Non Regular Program Faculty of Economics and Business Udayana University Denpasar. Based on data taken from I Vice Dean FEB Unud, the number of students in the department of Management is 375 students. The number of sample is calculated based on Slovin formula (Sevilla, 2007), then the number of sample is 78 students. There must be representative sample sizes so that it can support the variables in this study that are used as a basis for data testing. Research populations consisting of subpopulations such as regencies / cities, will provide two things, namely (1) more real homogeneity within each subpopulation or each stratum and (2) real-world inter-popular heterogeneity. Therefore, the sampling technique used is *Proportional Stratified Random Sampling*.

The primary and secondary data obtained will then be analyzed by qualitative descriptive analysis method. The qualitative analysis is used to explain the respondents' opinions / responses to the problems faced in understanding financial literacy

### **4. RESEARCH RESULTS AND DISCUSSION**

#### **Testing Results of Validity and Reliability of Measurement Instruments**

The questionnaires are distributed to obtain data on learning quality, parents' social economic status, entrepreneurship spirit and financial literacy. The questionnaires are tested to 32 non regular students of department of management FEB Udayana University Denpasar. Validity is a size of valid level of an instrument (Sekaran, 1992: 195). Reliability level is necessary to determine whether an instrument used really measures what it should measure. Reliability test is intended to measure the level of instrument consistency.

According to Sugiyono (2016:115), it thought that if each factor has positive correlation and its values is more than 0,30, then the factor is a strong construct. Reliability measurement is conducted by using *Cronbach alpha*. In general, a research instrument is said to be reliable if it has *cronbach alpha* coefficient more than 0,60 (Maholtra 1996:6) argued that if the value of *Cronbach alpha* > 0,6 then, it indicates that the reliability level is acceptable.

These research questionnaires involve 32 instrument items to measure studied variables. Validity test of measurement tools on learning quality, parents' social economic status, entrepreneurship spirit and financial literacy variables indicates that each item is stated to be valid since it has correlation with total score more than 0,30. The reliability testing is conducted to obtain the *Cronbach alpha* coefficient. Based on statistical calculation results, it obtains *Cronbach alpha* coefficient more than 0,60. Therefore, measurement instrument of learning quality, parents' social economic status, entrepreneurship spirit and financial literacy variables is stated to be reliable.

#### **Learning Quality in Higher Education**

Learning quality is financial learning in higher education as a combination of planning, leaning materials, learning methods, used media, as well as assessment process that are conducted to provide understanding concerning financial literacy to the students. Indicators of learning quality include: (a) learning planning. (b) subject materials (c) learning methods (d) learning media. (e) learning assessment.

Respondents' answers on the learning quality of non regular students of department of management FEB, Unud, can be seen in Table 1. as follow:

**Table 1: Classification of Learning Quality**

No.	Classification Range	Classification	Number of Respondents	Value (%)
1	$53,90 \leq KSE \leq 59,75$	Very effective criteria (KSE)	9	11,54%
2	$48,05 \leq KSE < 53,90$	Effective criteria (KE)	10	12,82%
3	$42,20 \leq KSE < 48,05$	Quite effective criteria (KCE)	38	48,72%
4	$36,35 \leq KSE < 42,20$	Less effective criteria (KKE)	17	21,79%
5	$30,50 \leq KSE < 36,35$	Ineffective criteria (KTE)	4	05,13%

Source: processed data

Based on classification calculation on assessment of learning quality in department of management non regular program FEB Unud, it has been conducted very effectively, namely by 53,29% or by 81 respondents, effectively by 25 % or by 38 respondents, quite effective by 8,55 % or by 33 respondents, less effective by 9,21% or by 14 respondents and ineffective by 3,95 % or by 6 respondents. This indicates that effectiveness of learning quality in Department of Management Non Regular Program FEB Unud in average is very effective.

#### Effectiveness of Parents' Social Economic Status

Parents' social economic status is related to the level of students' spending by pocket money that is obtained from their parents. Indicators of social economic status consists of levels of education, income, wealth or facility ownership, and type of occupation.

Respondents' answers on parents' social economic status of the non regular program management FEB Unud can be seen in Table 2 as follow.

**Table 2: Classification of Parents' Social Economic Status**

No.	Classification Range	Classification	Number of Respondents	Value (%)
1	$23,20 \leq KSE \leq 26,00$	Very effective criteria (KSE)	8	10,26%
2	$20,40 \leq KSE < 23,20$	Effective criteria (KE)	27	34,62%
3	$17,60 \leq KSE < 20,40$	Quite effective criteria (KCE)	25	32,05%
4	$14,80 \leq KSE < 17,60$	Less effective criteria (KKE)	13	16,67%
5	$12,00 \leq KSE < 14,80$	Ineffective criteria (KTE)	5	06,41%

Source: processed data

Based on classification calculation on assessment of parents' social economic status in department of management non regular program FEB Unud, it has been conducted very effectively, namely by 10,26 % or by 8 respondents, effectively by 34,62 % or by 27 respondents, quite effective by 32,05 % or by 25 respondents, less effective by 16,67 % or by 13 respondents and ineffective by 6,41 % or by 5 respondents. This indicates that effectiveness of parents' social economic status in Department of Management Non Regular Program FEB Unud in average is very effective.

#### Effectiveness of Entrepreneurship Spirit

Entrepreneurship spirit is one's ability to see any opportunities and create different things as well as be able to meet many people needs and have added value for the company. Indicators of the entrepreneurship spirit include: (a) Actions oriented, (b) simple thinking (c) Focus on execution (d) always finding opportunities.

Respondents' answers on entrepreneurship spirit of the non regular program management FEB Unud can be seen in Table 3 as follow.

**Table3: Classification of Entrepreneurship Spirit**

No.	Classification Range	Classification	Number of Respondents	Value (%)
1	$45,80 \leq KSE \leq 50,00$	Very effective criteria (KSE)	14	17,95%
2	$41,60 \leq KSE < 45,80$	Effective criteria (KE)	20	25,64%
3	$37,40 \leq KSE < 41,60$	Quite effective criteria (KCE)	23	29,49%
4	$33,20 \leq KSE < 37,40$	Less effective criteria (KKE)	19	24,36%
5	$29,00 \leq KSE < 33,20$	Ineffective criteria (KTE)	2	02,56%

Source: processed data

Based on classification calculation on assessment of students' entrepreneurship spirit in department of management non regular program FEB Unud, it has been conducted very effectively, namely by 17,95 % or by 14 respondents, effectively by 25,64 % or by 20 respondents, quite effective by 29,49 % or by 23 respondents, less effective by 24,36 % or by 19 respondents and ineffective by 2,56 % or by 2 respondents. This indicates that effectiveness of parents' social economic status in Department of Management Non Regular Program FEB Unud in average is quite effective.

#### Effectiveness of Financial Literacy

Financial literacy is an ability and skill owned by a student to manage his or her resources to obtain financial goals in the present time and future. Indicators of the financial literacy consists of : (a) general knowledge on basic financial concepts (b) knowledge on investment, (c) *credit and debt management*, (d) knowledge on insurance products.

Respondents' answers on students' financial literacy of the non regular program management FEB Unud can be seen in Table 4 as follow.

**Table 4: Classification of Financial Literacy**

No.	Classification Range	Classification	Number of Respondents	Value (%)
1	$53,90 \leq KSE \leq 59,75$	Very effective criteria (KSE)	32	41,04%
2	$48,05 \leq KSE < 53,90$	Effective criteria (KE)	30	38,46%
3	$42,20 \leq KSE < 48,05$	Quite effective criteria (KCE)	15	19,23%
4	$36,35 \leq KSE < 42,20$	Less effective criteria (KKE)	0	21,79%
5	$30,50 \leq KSE < 36,35$	Ineffective criteria (KTE)	1	01,28%

Source: processed data

Based on classification calculation on assessment of students' financial literacy in department of management non regular program FEB Unud, it has been conducted very effectively, namely by 41,03 % or by 30 respondents, effectively by 38,46 % or by 30 respondents, quite effective by 19,23 % or by 15 respondents, less effective by 24,36 % or by 19 respondents and ineffective by 1,28 % or by 1 respondents. This indicates that effectiveness of parents' social economic status in Department of Management Non Regular Program FEB Unud in average is effective.

## 5. CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

Based on the analysis results that are described in previous chapters, it can be concluded: (1) The learning quality conducted by the students in department of management non regular program FEB Unud, is in the criteria of very effectively, namely by 11,54%, effectively by 12,82 %, quite effective by 48,72 %, less effective by 21,79 % and ineffective by 05,13. (2) Parents' social economic status is in the criteria of very effectively, by 10,26 %, effectively by 34,62 %, quite effective by 32,05 %, less effective by 16,67 and ineffective by 6,41 %. (3) Students' entrepreneurship

spirit is in the criteria of very effectively, namely by 17,94 %, effectively by 25,64 %, quite effective by 29,49 %, less effective by 24,36 % and ineffective by 2,56 %. (4) Students' financial literacy is in the criteria of very effectively, namely by 41,03 %, effectively by 38,46 %, quite effective by 19,23 %, less effective by 24,36 % and ineffective by 1,28 %.

### **Recommendations**

Recommendations that can be given based on these research results are (a) the managements of the Non regular program FEB Unud should conduct sustainable curriculum revision based on the market demands. (b) for further researchers, it is expected to use other variables as well as broaden the research area.

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