

IMPACT ANALYSIS OF FINANCIAL LITERAY ON UTILIZATION AND MANAGEMENT OF SALARY INCREASE AMONG EMPLOYEES AT PT. BANK SULSELBAR BRANCH PALOPO

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ABSTRACT

Will ultimately influence personal financial stability and overall company financial performance. This research uses a survey approach which is classified as quantitative-based research. The main data source used is primary data. The survey process involves distributing questionnaires via the Google Forms platform to respondents. This research requires a sample of 106 employees from PT. Bank Sulselbar Palopo Branch. The analysis was carried out using the multiple linear regression method and SPSS version 25 (Statistical Product and Service Solutions) data processing tools. The results of this research show that financial literacy has a positive and significant effect on the utilization and management of salary increases, while salary increases do not have a positive and significant effect on the utilization and management of salary increases.

Keywords: *Financial Literacy, Salary Utilization, Salary Increase Management, Employees*

1. INTRODUCTION

A deep understanding of financial literacy among employees plays an important role in how they manage and utilize salary increases. Especially for PT. Bank Sulselbar Palopo Branch, this analysis is very relevant because banks generally expect a higher level of financial knowledge from their employees compared to other industries. The purpose of this research is to evaluate how financial literacy influences employee habits in using and managing salary increases, which will ultimately influence personal financial stability and overall company financial performance. According to research Xiao, J.J., & O'Neill, (2018) employees with good financial literacy tend to use salary increases for long-term investments and debt repayment, which not only improves their personal financial situation but also reduces financial stress. However, according to research by Smith, AB, & Johnson, (2020) , although employees with high financial literacy may be more likely to make long-term investments and pay off debt with salary increases, it is possible that most employees may lack the necessary knowledge or skills. enough to make smart financial decisions.

This research emphasizes the importance of financial literacy in managing employee salary increases, which can have a positive impact on company financial management. Employees who are adept at managing finances tend to be more productive and less stressed regarding personal financial matters, improving their performance (et al., 2019). At PT. Bank Sulselbar Palopo Branch, where salary increases often occur based on performance, the ability to manage additional income is crucial to avoid "lifestyle inflation" and inefficient or impulsive use of salary increases.

The results of this research are expected to provide guidance for PT. Bank Sulselbar Palopo Branch in designing a training program aimed at increasing employee financial literacy. The main focus of this research is whether the financial literacy of employees at the bank influences the way they manage salary increases (Young et al., 2019). Its significance is important because managing salary increases is a crucial part of personal finance, and the level of financial literacy can substantially influence an individual's financial decisions. Correlation between financial literacy and managing employee salary increases, companies can develop appropriate programs to improve employee financial well-being and overall company performance (Karim et al., 2019).

2. LITERATURE REVIEW

With dynamic changes in the economy and banking sector, employees at PT. Bank Sulselbar Palopo Branch and the banking sector as a whole are faced with complex challenges in managing their salary increases wisely. Having a good understanding of financial literacy is the key to managing additional income effectively, including investment, debt management, and long-term financial planning (Goyal & Kumar, 2021). However, a lack of understanding of financial literacy can result in less than optimal management, such as excessive spending or inappropriate investments. (Bire et al., 2019) Therefore, research on the impact of financial literacy in PT. Bank Sulselbar Palopo Branch is essential for identifying financial literacy strategies and programs that are beneficial for employees in the banking sector. Findings from the study indicate that the level of financial literacy plays a significant role in determining the extent to which employees can manage their salary increases effectively. Previous research has shown that financial knowledge influences financial behavior. (Babiarz & Robb, 2013) .

FINANCIAL LITERACY

Lusardi, A., & Mitchell, (2020) highlighted the important role of financial literacy in making effective financial decisions. They found that increasing financial literacy can give individuals better abilities in managing income and investments, thereby reducing long-term financial risks. Financial literacy refers to an individual's skills and understanding of objective information and knowledge related to personal financial management and decision making (Rosita, Jumawan Jasman, 2023) Financial literacy has a central role in achieving financial stability which is very important to ensure the financial survival of individuals, families, companies and the national economy as a whole (Swiecka & Ye, 2020) . Financial decisions taken by individuals depend on the financial knowledge, skills and attitudes they possess (Aw, 2019) . In their research, it was expected that employees with higher levels of financial literacy would be more inclined to allocate their income into investments because they had a deeper understanding of the market and greater confidence in managing their investments.

EMPLOYEE SALARY INCREASE

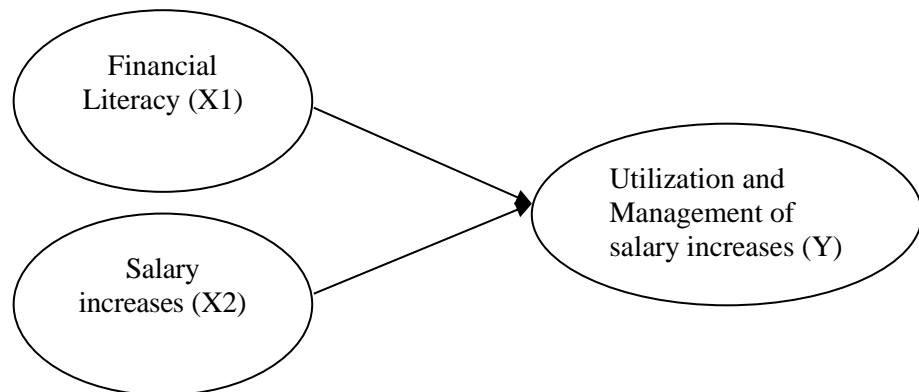
The rewards received by employees or workers from their company or workplace are in the form of salary, as recognition of their abilities and contributions, as well as a form of appreciation from the company to the workers (Afriany & Julitawaty, 2022) . Pay increases have long been one of the main strategies for increasing employee motivation. Research by Johnson, R., (2019) shows that increasing salaries can significantly increase employee motivation, which ultimately contributes to increasing individual performance and overall organizational productivity. The dissemination of information about wages

also has an important impact on the labor market, including in terms of wage discrimination policies and collective bargaining processes. (Cullen et al., 2023) .

MANAGEMENT OF SALARY INCREASES

Salary is one of the important things for every employee who works in a company, because with the salary earned, a person can meet their daily needs (Saputra & Mahaputra, 2022). Salary increase utilization refers to the way employees utilize the additional income they get from salary increases (Connell, G., & Mann, 2018) Research shows that people with high levels of financial literacy usually use their salary increases for long-term investments and savings, not for immediate consumer spending. These findings confirm that financial literacy has a significant impact on how individuals choose to allocate their additional income more efficiently.

Raise management includes strategies implemented by employees in managing their discretionary income. Ferreira, C., & Palacios, (2019) Showing that employees who have higher financial literacy tend to be more skilled at planning and investing their additional income strategically. These findings confirm that increasing financial literacy results in changes in behavior that is more responsible in managing personal finances.



Picture 1: Framework

3. RESEARCH METHODOLOGY

This research uses a survey approach which is classified as quantitative-based research. The main data source used is primary data. The survey process involves distributing questionnaires via the Google Forms platform to respondents (Soviatri & Rismawati, 2024) . The questionnaire was created to obtain direct information related to the research topic. This questionnaire consists of a series of questions designed to measure various relevant indicators using a four-choice Likert scale, where 1 = no, 2 = poor, 3 = sufficient, and 4 = yes. The population in this study were employees of PT. Bank Sulselbar Palopo Branch . .

Based on these results, this research requires a sample of 106 employees from PT. Bank Sulselbar Palopo Branch. There are two classifications of variables in this research, namely independent variables and dependent variables. The independent variables used are Financial Literacy and Salary Increases, while the dependent variable is Utilization and Management of Salary Increases. This research uses a

quantitative approach in data processing. Analysis was carried out using the method regression multiple linear and tool help with processing SPSS data version 25 (Statistical Products and Service Solutions). Before carrying out multiple linear regression analysis, a classical assumption test is carried out. Researchers also evaluated the questions in the questionnaire by involving validity and reliability tests.

Test Assumption Classic

For verify that equation regression Which built is linear and admitted valid For forecasting purposes, the analysis will involve classical assumption tests, which include normality tests, heteroscedasticity tests, and multicollinearity tests (Mutlu & Özer, 2022).

Analysis Regression Linear Multiple

Technique statistics Which used For test hypothesis is regression linear multiple. Linear Multiple Analysis regression is used For investigate connection and impact between two variables or more to One or more dependent variables (Alamsyah, 2020).

Test Hypothesis

Process testing hypothesis is carried out For evaluate significance from coefficient regression (Chairani et al., 2021). In this research, hypothesis testing was carried out using the following method:

1. Test Q (Test Partial)

Base For interesting conclusion is as following:

a.If level significance > 0.05 , so H_0 accepted And H_1 rejected. Matter This indicated that Individual independent variables do not have a significant influence on the dependent variable.

b. If level significance < 0.05 , so H_0 rejected And H_1 accepted. Matter This indicated that Individual independent variables have a significant influence on the dependent variable.

2. Test F (Test Simultaneous)

Process testing This involve hypothesis following:

H_0 : No there are variables independent Which influential significant to variable response (significance level > 0.05) .

H_1 : There's at least one variable independent Which own influence significant to variable response (significance level < 0.05) .

4. RESULTS AND DISUSSION

Validity Test

Results study show that every variable on every statement assessed in a way significant. For rate it can seen from table r, Because formula table r is $df = N-2$ So $106-2 = 104$, so table r = 0.1606 . From results calculation validity on table, all over indicator questionnaire stated valid Because r count more big from r table.

Table 1.1 Test Validation

No.	Variable	Instrument code	Pearson Mark correlation	Information
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1	Financial Literacy	X1.1	0.635	Valid
		X1.2	0.519	Valid
		X1.3	0.626	Valid
		X1.4	0.676	Valid
2	Salary increases	X2.1	0.420	Valid
		X2.2	0.222	Valid
		X2.3	0.407	Valid
		X2.4	0.271	Valid
3	Utilization and Management of salary increases	Y1.1	0.266	Valid
		Y1.2	0.185	Valid
		Y1.3	0.197	Valid
		Y1.4	0.248	Valid

Source : This data processed with SPSS , 2024

Reliability Test

From this data processing, 15 indicators were tested, including all indicators of Financial Literacy (X1), and Salary Increases (X2), and Management and Utilization of Salary Increases (Y). Therefore, it can be stated that all statements related to these variables show a high level of consistency. This can be concluded based on the fact that the Cronbach's Alpha value exceeds value R Predefined tables. The R Table value used in this analysis is 0.1606 with a significance level of 0.05 or 5%.

Table 1.2 Reliability Test

Variable	Alpha Cronbach	Information
Financial Literacy	0.729	Reliable
Salary increases	0.733	Reliable
Management and Utilization of Salary Increases	0.652	Reliable

Source: This data was processed using SPSS, 2024

Normality Test

Table 1.3 One-Sample Kolmogorov-Smirnov Test

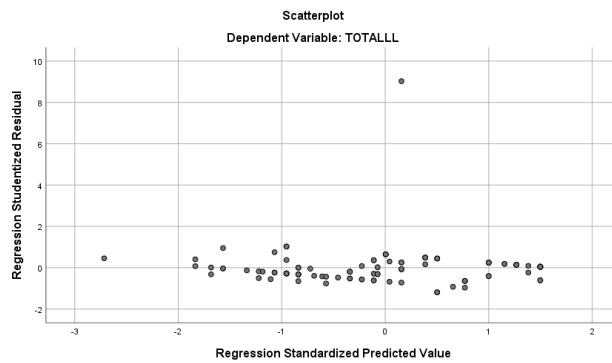
Kolmogorov-Smirnov	Unstandardized Residual
N	104
Asymp.Sig .(2-tailed)	,033

Source : Data Processed Using SPSS, 2024

From the table above, the normality test is given in the form of an Asymp.Sig (2-tailed) value of 0.33 which is greater than the significance level of 0.05. This shows

that the significant test results from the one-sample Kolmogorov-Smirnov test for all variables are greater than 0.05 . Therefore, it can be said that in this study, the data has a distribution that conforms to a normal pattern.

Test Heteroscedasticity



Picture 2: Scatterplots Heteroscedasticity
Source : Data processed with SPSS , 2024

In the image above you can see that the points in the image are distributed randomly both above and below the number 0 on the Y axis. This means No happen heteroscedasticity in the model regression. Therefore, It can be concluded that there are no signs of heteroscedasticity in this regression model. Based on the results of this classical assumption test, it can be concluded that this model meets the criteria for use.

Multicollinearity Test

Table 1.4 Results Test Multicollinearity

Variable	Tolerance	VIF
Financial Literacy	0.709	1,411
Salary increases	0.709	1,411

Source : Data processed with SPSS, 2024

From the table above, it can be concluded that for the Financial Literacy variable (X1), the VIF value is $1.411 < 10$, or the tolerance value is $0.709 > 0.1$. Therefore, it can be concluded that there is no indication of multicollinearity problems in this variable. The same thing also applies to the Salary Increase variable (X2), where the VIF value has the same value as the v variable (X2), namely $1.411 < 10$, and the tolerance value is 0.709 which is greater than 0.1, thus there are no signs of a sign of the emergence of multicollinearity.

Multiple Linear Regression Analysis

Table 1.5 Multiple Linear Regression Results

Model	Not standardized	Coefficient	Coefficient	Q	Sig.
	B	Standard Error	Beta		
(Constant)	3,852	2,682		1,437	0.154
X1	0.610	0.207	0.323	2,943	0.004
X2	0.141	0.201	0.77	0.703	0.484

Source: Data processed with Spss, 2024

Based on data processing, results Multiple linear regression analysis can be seen, resulting in the following regression model: $Y = 3.852 + 0.610x_1 + 0.141x_2$. From this equation, the constant value of 3.852 means that if the Financial Literacy and Salary Increase variables are zero, then the Utilization and Management of Salary Increases value is 3.852. Variable Financial Literacy has a coefficient value positive regression of 0.610, which means that if the financial literacy variable increases, financial management will increase will experience increase of 0.610, with assumption variable independent other the value is fixed. The Salary Increase variable has a positive regression coefficient value of 0.141, which means that if the variable Salary increases increase, the Utilization and Management of Salary Increases will increase by 0.141, with assuming other independent variables remain constant.

Determination Coefficient Test

Determination has a value range between 0 to 1. Value coefficient of determination Which small indicates that the capabilities of the variables independence in explaining the dependent variable is very limited.

Table 1.6 Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.370 ^a	0.137	0.120	3,100

Source : Data Processed (2023)

TESTING HYPOTHESIS

T - TEST

Table 1.7 Results t- test

Model	Not standardized	Coefficient	Coefficient	Q	Sig.
			Standard		

	B	Standard Error	Beta		
(Constant)	3,852	2,682		1,437	0.154
Financial Literacy	0.610	0.207	0.323	2,943	0.004
Salary increases	0.141	0.201	0.77	0.703	0.484

Source : Data processed with SPSS, 2024

1. Influence Financial Literacy (X1) To Utilization And Management Of Salary Increases (Y)

Based on the data listed in Table 1.7, the calculation for the Financial Literacy variable (X1) shows that the calculated t-value is 0.323 while the t-table value with degrees of freedom ($df=N-2 = 106-2=104$) is 0.1606. Therefore, it can be stated that $t\text{-count } 0.323 < t\text{-table } 0.1606$ and significance value (sig) $0.004 < \alpha 0.05$. This indicates that in this research, Financial Literacy has a significant effect on the Management and Utilization of Salary Increases .

2. Influence Salary Increases (X2) On The Utilization And Management Of Salary Increases (Y)

Based on the calculation results for the variable Increase (X2), it shows that the t-count value is 0.703, while the t-table value with ($df=N-2 = 106-2=104$) is 0.1606 . Therefore, the calculated t-value is $0.703 > t\text{-table } 0.1606$, and the significance value (sig) is $0.484 > \alpha 0.05$. This indicates that in this research, Financial Literacy does not have a significant influence on the Management and Utilization of Salary Increases.

TEST F

The purpose of the F test is to assess whether all independent variables together have a significant impact on the dependent variable.

Table 1.8 Results Test Simulation (F Test)

Model	Sum Of Squares	df	Mean Square	F	Sig
Regression	154,391	2	77,195	8,034	0.001 ^b
Residual	970,523	101	9,609		

Source : Data processed with SPSS, 2024

It is known that the significance value for the simultaneous influence of X1 and (X1), And Salary increases (X2) in a way significant influential to Y

5. CONCLUSION

The conclusion of this research is that financial literacy has an important role in the

way employees at PT. Bank Sulselbar Palopo Branch takes advantage of and manages their salary increases. The findings show that employees' level of financial literacy significantly influences how they manage additional income from salary increases, while the salary increase itself does not have a significant effect.

These results emphasize the importance of increasing financial literacy among bank employees to increase the effectiveness of their personal financial management. Therefore, PT. Bank Sulselbar Palopo Branch can design appropriate and effective financial literacy programs to improve employee financial welfare and company performance.

Therefore, this study makes an important contribution in understanding the role of financial literacy in managing employee salary increases at PT. Bank Sulselbar Palopo Branch. Apart from that, the results of this research also provide a basis for designing appropriate programs to improve the financial well-being of employees and overall company performance. The implication of the research is the need for PT. Bank Sulselbar Palopo Branch and similar institutions increase employee financial literacy through training programs. Adjusting salary increase management policies based on employee financial literacy can also help improve more efficient financial management and overall company performance.

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