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Determination of Student Financial Behavior: The Mediating Effect of Self-Efficacy and Locus of Control

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ABSTRACT

This study investigates the effects of financial literacy, digital financial literacy, financial attitudes, and hedonistic lifestyles orientation on financial behavior with self-efficacy and locus of control as mediating variables. The study used a quantitative approach with a survey design involving 200 students at Makassar State University. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings indicated that financial literacy, digital financial literacy, and hedonistic lifestyle significantly influence self-efficacy, in contrast, financial attitude does not have a statistically significant effect on self-efficacy. Furthermore, financial literacy, digital financial literacy, and financial attitude significantly influence to locus of control, while hedonistic lifestyle does not exert a meaningful influence on this construct. Concerning financial behavior, both financial literacy and financial attitude show significant direct effect, whereas digital financial literacy and hedonistic lifestyle do not exhibit significant direct relationships. In addition, self-efficacy is found to have a significant effect on financial behavior, while locus of control does not significantly predict this outcome. The mediation analysis indicates that only hedonistic lifestyle has a significant indirect effect on financial behavior through self-efficacy, whereas other indirect effect through self-efficacy and locus of control are not statistically significant. These findings suggest that self-efficacy functions as a more salient psychological mechanism than locus of control in connecting cognitive determinants and lifestyle orientation to financial behavior. The study contributes to the theoretical literature by clarifying the differential role of self-efficacy and locus of control. It offers practical implications, emphasizing that improving students' financial behavior requires strengthening their confidence in financial decision-making, and enhancing financial literacy.

Keywords: Financial attitudes, hedonistic lifestyle, self-efficacy, locus of control, financial behavior.

INTRODUCTION

In an era of rapid economic growth and digital technology, there has been a significant shift in financial management, particularly among students. The transition phase in personal financial management poses unique challenges for students, including limited income, increased consumption needs, and easy access to products. In these circumstances, students are prone to making irrational financial decisions, such as excessive consumption and irregular financial planning. Therefore, students must develop good financial behavior to manage their personal finances effectively and responsibly (Damayanti et al., 2020). *The Theory of Planned Behavior* explains that financial behavior is influenced by attitudes, social norms, and individual self-control.

The determinants of financial behavior, such as financial literacy, digital financial literacy, financial attitudes, and hedonistic lifestyle, do not necessarily exert direct effects. Their influence may operate indirectly through relevant psychological mechanisms. In this study, self-efficacy and locus of control are conceptualized as mediating variables that transmit the effects of these antecedent factors on financial behavior. Self-efficacy refers to an individual's belief in their capability to effectively manage and regulate financial matters (Deviana et al., 2025; Wulandari & Nesneri, 2024). Individuals with higher levels of self-efficacy are more likely to demonstrate confidence in translating financial knowledge into practical financial behavior. In contrast, locus of control reflects the degree to which individuals perceive outcomes as contingent upon their own actions rather than external forces.

The purpose of this study to examine the determinants of students' financial behavior by analyzing both the direct and indirect effects of financial literacy, digital financial literacy, financial attitudes, and hedonistic lifestyle orientation. These variables are positioned as key antecedents in explaining variations in financial behavior among university students. Prior empirical evidence has consistently demonstrated a positive association between financial literacy and financial behavior (Chen & Volpe, 1998; Lusardi et al., 2010; Xiao, 2008). Nevertheless, more recent studies have reported mixed findings, suggesting that the effect of financial literacy on financial behavior is not uniformly significant and may vary according to social context and respondent characteristics (Refianti & Zoraya, 2024; Yusri & Nurjannah, 2025). These inconsistencies highlight the need for further investigation, particularly by incorporating potential mediating effects to better understand the conditions under which financial literacy translates into improved financial behavior. Research related to digital financial literacy and financial behavior indicates that these factors contribute to more adaptive financial management practices in the era of a cashless society and the use of financial technology (Hasyimi & Purnomo, 2024; Sintiani, 2025).

Research results with affective dimensions, such as financial attitudes, can also influence financial management behavior (Perry & Morris, 2005a; Xiao, 2008). On the other hand, a hedonistic lifestyle that implies a tendency toward consumptive behavior has a negative impact on individual financial stability (Dew & Xiao, 2011a). However, most studies examine the influence of these variables directly without considering the internal psychological mechanisms that may bridge these relationships. From the perspective of Social Cognitive Theory, self-efficacy constitutes a central psychological construct that shapes individuals' beliefs regarding their capacity to make and implement decisions, including those related to financial matters (et al., 2023a; Sabri et al., 2020). A strong sense of self-efficacy enhances individuals' confidence in their ability to evaluate alternatives, manage financial challenges, and execute appropriate financial actions. In contrast, locus of control refers to the degree to which individuals attribute outcomes to internal factors, such as personal effort and ability, or to external forces beyond their control (et al., 2018a; Perry & Morris, 2005a). Individuals with a more internal locus of control are more likely to perceive financial outcomes as contingent upon their own decisions and behaviors. Empirical evidence indicates that both self-efficacy and locus of control are significant predictors of financial behavior, underscoring their relevance in explaining individual

differences in financial decision-making and management practices (Hisyam et al., 2025; Novitasari, 2025).

This research aims to comprehensively examine the determinants of students' financial behavior by investigating the effects of financial literacy, digital financial literacy, financial attitudes, and hedonistic lifestyle orientation, with self-efficacy and locus of control as mediating variables. To address existing gaps in the literature, the study proposes and tests an integrative conceptual model that captures the complex interrelationships among these constructs. Specifically, this research integrates cognitive (financial literacy and digital financial literacy), affective (financial attitudes), lifestyle (hedonistic orientation), and psychological (self-efficacy and locus of control) dimensions within a unified structural framework, employing Structural Equation Modelling (SEM) as the primary analytical approach.

METHOD

This study adopts a quantitative approach employing an explanatory research design to investigate the causal relationships among the independent, mediating, and dependent variables. Specifically, it aims to analyze the direct and indirect effects of financial literacy, digital financial literacy, financial attitudes, and hedonistic lifestyle orientation on students' financial behavior, with self-efficacy and locus of control positioned as mediating constructs. The target population comprised active undergraduate students enrolled in the Faculty of Social and Legal Sciences, majoring in Administrative Sciences, at Makassar State University. Eligible participants were those who had experience managing personal finances and utilizing digital financial services. A purposive sampling technique was applied, with the following inclusion criteria: (1) active undergraduate student status, (2) receipt of regular allowances or income, and (3) use of digital financial services, such as e-wallets or mobile banking applications. A total of 200 respondents participated in the study. Data were collected through structured questionnaires administered online to enhance efficiency and broaden respondent reach.

All research variables were measured using a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The research instrument was developed by adapting indicators from previous studies that had been tested for validity and reliability. Data analysis testing using Structural Equation Modeling–Partial Least Squares (SEM- PLS) with the help of Smart-PLS software. The first test was to measure the measurement model (outer model) through convergent validity testing (loading factor and AVE), discriminant validity, and construct reliability (Cronbach's alpha and composite reliability). Next, testing the structural model (inner model) through testing the path coefficients and determination coefficient values (R-Square). The final testing stage is conducting significance and mediation tests using the *bootstrapping* procedure to assess the direct and indirect effects between variables. Table 1.1 shows the operational definitions and measurement indicators for each variable used in this study.

Table 1.1 Operational Definitions and Indicators Measurement of Variables

Variable	Operational Definition	Measurement Indicators	Reference
Financial Literacy	The level of student's understanding of basic concepts of personal financial management	Understanding of management income, saving, investment, financial risk	(Lusardi & Mitchell, 2014)
Digital Financial Literacy	Student's ability to understand and use digital-based financial services	Ability to use digital financial services, understanding of features awareness of digital transaction security	(Otoritas Jasa Keuangan, 2022)
Financial Attitudes	Individual views and evaluations of personal financial management	Financial planning, expenditure control, long-term financial orientation	(Rajna et al., 2011)
Hedonistic Lifestyle	A lifestyle orientation focused on pleasure and non-essential consumption	Pleasure-based consumption, following trends, non-essential spending	(Solomon, 2018)
Self-Efficacy	An individual's belief in their ability to manage personal finances	Belief in managing income, controlling spending, achieving financial goals	(Hisyam & et al., 2025; Novitasari, 2025)
Locus of Control	Individual belief regarding control over the results obtained in financial management	Internal locus of control (personal effort and decisions determine financial outcomes)	(Hisyam & et al., 2025; Novitasari, 2025)
Financial Behavior	Actual patterns of Behaviorin personal financial management	Budgeting, saving, controlling expense, financial decision-making	(Dew & Xiao, 2011a; Xiao, 2008)

RESULT AND DISCUSSION

Respondent Descriptives

The characteristics of respondents observed in this study include gender, major, and year of enrollment. The following table presents the descriptive results of the respondents.

Table 1.2 Characteristics of Respondents Based on Gender

Gender	Frequency	Percentage
Male	57	28,5%
Female	143	71,5%
Total	200	100%

Source: Research Results, 2026

Table 1.2 shows that there were 57 male respondents (28.5%) and 143 female respondents (71.5%). These results indicate that the majority of respondents were female.

Table 1.3 Characteristics of Respondents Based on Major

Major	Frequency	Percentage
Business Administration	80	40%
Public Administration	70	35%
Office Administration	50	25%
Total	200	100%

Source: Research Results, 2026

Table 1.3 shows that there were 80 respondents (40%) majoring in business administration, 70 respondents (35%) majoring in public administration, and 50 respondents (25%) majoring in office administration. These results indicate that the majority of respondents majored in business administration.

Table 1.4 Respondents Characteristics Based on Year of Entry

Year of Entry	Frequency	Percentage
2023	60	30%
2024	100	50%
2025	40	20%
Total	200	100%

Source: Research Results, 2026

Table 1.4 shows that 60 respondents (30%) entered university in 2023, 100 respondents (50%) entered university in 2024, and 40 respondents (20%) entered university in 2025. These results indicate that the majority of respondents entered university in 2024.

Data Analysis

The measurement model or outer model is a model that shows how each indicator relates to its latent variable. In this study, there are seven latent variables measured by 28 indicators. Convergent validity testing was conducted to determine the extent to which latent variables explain the variance of their indicators. In this study, convergent validity was assessed by evaluating the outer loading of the indicators and the Average Variance Extracted (AVE). The minimum value set for outer loading must be greater than or equal to 0.7 (≥0.7), therefore it can be said to be valid and meet convergent validity. Meanwhile, convergent validity measured by AVE must be at least 0.5 or higher (≥0.5). An AVE value of 0.5 or higher indicates that, on average, the variable or construct can explain more than half of the variance of its indicators.

Table 1.5 First Iteration Loading Factor Values

Variable	Indicator	Outer Loading	Variable	Indicator	Outer Loading
Financial Literacy	LK1	0,797	Self-Efficacy	SE1	0,838
	LK2	0,824		SE2	0,785
	LK3	0,800		SE3	0,886
	LK4	0,859		SE4	0,786
	LKD1	0,744		LOC1	0,850
	LKD2	0,819		LOC2	0,849

Digital Financial Literacy	LKD3	0,842	Locus-of-Control	LOC3	0,885
	LKD4	0,704		LOC4	0,692
Financial Attitude	SK1	0,770	Financial Behavior	PK1	0,840
	SK2	0,813		PK2	0,844
	SK3	0,811		PK3	0,859
	SK4	0,742		PK4	0,856
Hedonistic Lifestyle	LH1	0,732			
	LH2	0,854			
	LH3	0,842			
	LH4	0,759			

Source: Research Results, 2026

Table 1.5 shows that the majority of indicators in each variable in this study have a loading factor value greater than 0.7 and are considered valid. However, there is one indicator that has a loading factor value of less than 0.7, which means it has a low level of validity and needs to be eliminated or removed from the model, namely the locus of control (LK4) indicator with a loading factor value of 0.692.

Table 1.6 Second Iteration Factor Loading and AVE Values

Variable	Indicator	Outer Loading	AVE Value	Variable	Indicator	Outer Loading	AVE Value
Financial Literacy	LK1	0,798	0,673	Self-Efficacy	SE1	0,838	0,680
	LK2	0,822			SE2	0,785	
	LK3	0,800			SE3	0,886	
	LK4	0,859			SE4	0,786	
Digital Financial Literacy	LKD1	0,747	0,607	Locus-of-Control	LOC1	0,882	0,785
	LKD2	0,817			LOC2	0,869	
	LKD3	0,839			LOC3	0,905	
	LKD4	0,707					
Financial Attitude	SK1	0,770	0,616	Financial Behavior	PK1	0,840	0,722
	SK2	0,809			PK2	0,844	
	SK3	0,813			PK3	0,858	
	SK4	0,744			PK4	0,857	
Hedonistic Lifestyle	LH1	0,734	0,637				
	LH2	0,852					
	LH3	0,841					
	LH4	0,760					

Source: Research Results, 2026

Table 1.6 shows that all outer loading values for each indicator are greater than 0.7 and AVE values are greater than 0.5; therefore, all indicators in this study are declared valid. Discriminant validity testing was conducted to evaluate the extent to which a variable differs from other variables or constructs. In this study, discriminant validity was measured using two measures, namely cross-loadings and the Fornell-Larcker criterion. An outer loading indicator on a related variable must be greater than any cross-loadings, namely its correlation with other variables. Meanwhile, to meet the discriminant validity criteria, the Fornell- Larcker criterion compares the square root of the AVE value with the correlation of the latent variable.

Table 1.7 Cross Loading Factor

Indicator	Variable						
	Financial Literacy	Digital Financial Literacy	Financial Attitude	Hedonistic Lifestyle	Self-Efficacy	Locus of Control	Financial Behavior
LK1	0,798	0,442	0,518	0,545	0,492	0,570	0,635
LK2	0,822	0,407	0,478	0,498	0,469	0,501	0,516
LK3	0,800	0,302	0,440	0,400	0,323	0,455	0,453
LK4	0,859	0,364	0,542	0,514	0,482	0,511	0,571
LKD1	0,285	0,747	0,481	0,492	0,509	0,461	0,415
LKD2	0,371	0,817	0,507	0,494	0,570	0,507	0,425
LKD3	0,345	0,839	0,582	0,567	0,498	0,506	0,429
LKD4	0,454	0,707	0,652	0,612	0,486	0,556	0,365
SK1	0,368	0,583	0,770	0,627	0,570	0,552	0,353
SK2	0,481	0,642	0,809	0,677	0,642	0,576	0,488
SK3	0,522	0,589	0,813	0,674	0,520	0,613	0,424
SK4	0,536	0,409	0,744	0,568	0,501	0,540	0,399
LH1	0,491	0,454	0,651	0,734	0,510	0,469	0,421
LH2	0,461	0,573	0,640	0,852	0,677	0,471	0,455
LH3	0,469	0,683	0,666	0,841	0,711	0,580	0,541
LH4	0,518	0,481	0,643	0,760	0,491	0,541	0,540
SE1	0,452	0,589	0,581	0,670	0,838	0,535	0,563
SE2	0,381	0,437	0,501	0,536	0,785	0,466	0,455
SE3	0,462	0,563	0,611	0,638	0,886	0,623	0,594
SE4	0,499	0,582	0,650	0,635	0,786	0,631	0,547
LOC1	0,530	0,550	0,604	0,513	0,586	0,882	0,576
LOC2	0,541	0,630	0,661	0,609	0,649	0,869	0,527
LOC3	0,591	0,553	0,666	0,599	0,595	0,905	0,560
PK1	0,528	0,441	0,416	0,516	0,585	0,506	0,840
PK2	0,557	0,386	0,425	0,511	0,509	0,455	0,844
PK3	0,621	0,446	0,453	0,501	0,507	0,583	0,858
PK4	0,576	0,506	0,514	0,562	0,632	0,575	0,857

Source: Research Results, 2026

Table 1.7 shows that each indicator has the highest loading factor value for the targeted construct compared to the loading factor value for other constructs, therefore all indicators in the study are declared valid.

Table 1.8 Fornell-Larcker Criterion

Variabel	Hedonistic Lifestyle	Financial Literacy	Digital Financial Literacy	Locus of Control	Financial Behavior	Self-Efficacy	Financial Attitude
Hedonistic Lifestyle	0,798						
Financial Literacy	0,604	0,820					
Digital Financial Literacy	0,694	0,468	0,779				
Locus of	0,648	0,626	0,652	0,886			

Control							
Financial Attitude	0,615	0,672	0,525	0,626	0,850		
Self-Efficacy	0,756	0,546	0,664	0,689	0,659	0,825	
Financial Attitude	0,713	0,607	0,713	0,727	0,533	0,714	0,785

Source: Research Results, 2026

Table 1.8 shows that all AVE root values of all variables have the highest correlation values with other variables, so it can be concluded that the model in this study has good discriminant validity. The outer model, in addition to being measured by assessing convergent validity and discriminant validity, can also be assessed by looking at the composite reliability and Cronbach's alpha values. A latent variable can be said to have good reliability if the composite reliability and Cronbach's alpha values are greater than 0.7.

Table 1.9 Reliability Test

Variable	Composite Reliability	Cronbach's Alpha
Financial Literacy	0,892	0,839
Digital Financial Literacy	0,860	0,782
Financial Attitude	0,865	0,792
Hedonistic Lifestyle	0,875	0,809
Self-Efficacy	0,895	0,843
Locus of Control	0,916	0,863
Financial Behavior	0,912	0,872

Source: Research Results, 2026

Table 1.9 shows that all latent variables measured in this study have composite reliability and Cronbach's alpha values greater than 0.7, therefore it can be said that all latent variables are reliable. Next, an inner model (structural model) test was conducted. The inner model can be evaluated by looking at the R-Square (indicator reliability) for the dependent variables and hypothesis testing. The higher the R-Square value, the better the prediction model of the proposed research model. The path coefficient values indicate the level of significance in hypothesis testing.

Table 1.10 R-Square Values

Variable	R-Square
Self-Efficacy	0,626
Locus of Control	0,614
Financial Behavior	0,602

Source: Research Results, 2026

Table 1.10 shows the R-Square values of the self-efficacy variable at 0.626, the locus of control variable at 0.614, and the financial behavior variable at 0.602. This explains that the variables of financial literacy, digital financial literacy, financial attitude, and hedonistic lifestyle have an influence of 62.6% on self-efficacy, 61.4% on locus of control, and 60.2% on financial behavior. Meanwhile, the remaining 37.4%, 38.6%, and 39.8% are influenced by other variables outside this study.

Path coefficients are used to show the direct effect of independent variables on dependent variables. Meanwhile, specific indirect effects are used to show the indirect effect of independent variables on dependent variables through mediating variables. A hypothesis can be accepted or rejected by considering the significance values between variables, t-statistics, and p-values. These values are seen from the bootstrapping results and rules of thumb used in this study, which are t-statistics > 1.96 (5% significance level), with a significance level of p- value < 0.05 (5%) and a positive beta coefficient.

Table 1.11 Direct Effects

Relationships Between Variables	Original sample (O)	T statistics (|O/STDEV|)	P -values	Results
Financial Literacy (X1) -> Self Efficacy (Z1)	0,413	3,831	0,000	Significantly Influential
Financial Literacy (X1) -> Locus of Control (Z2)	0,280	3,878	0,000	Significantly Influential
Financial Literacy (X1) -> Financial Behavior(Y)	0,402	6,062	0,000	Significantly Influential
Digital Financial Literacy (X2) -> Self Efficacy (Z1)	0,210	2,682	0,000	Significantly Influential
Digital Financial Literacy (X2) -> Locus of Control (Z2)	0,254	3,536	0.000	Significantly Influential
Digital Financial Literacy (X2) -> Financial Behavior(Y)	0,071	0,901	0,368	Not Significantly Influential
Financial Attitude (X3) -> Self Efficacy (Z1)	0,170	1,528	0,127	Significantly Influential
Financial Attitude (X3) -> Locus of Control (Z2)	0,383	4,030	0,000	Significantly Influential
Financial Attitude (X3) -> Financial Behavior(Y)	-0,279	2,750	0,000	Significantly Influential
Lifestyle Hedonis (X4) -> Self Efficacy (Z1)	0,413	3,831	0,000	Significantly Influential
Lifestyle Hedonis (X4) -> Locus of Control (Z2)	-0,009	0,098	0,922	Not Significantly Influential
Lifestyle Hedonis (X4) -> Financial Behavior(Y)	0,184	1,883	0,060	Not Significantly Influential
Self-Efficacy (Z1) -> Financial Behavior(Y)	0,321	3,282	0.001	Significantly Influential
Locus of Control (Z2) -> Perilaku Keuangan (Y)	0,190	1,876	0,061	Not Significantly Influential

Source: Research Results, 2026

Table 1.11 shows the direct effect of independent variables on dependent variables. The results conclude that the variables of financial literacy, digital financial literacy, and hedonistic lifestyle have a significant effect on self-efficacy, while the variable of financial attitude does not have a significant effect on self-efficacy. The variables of financial literacy, digital financial literacy, and financial attitude have a significant effect on locus of control, while the variable of hedonistic lifestyle does not have a significant effect on locus of control. The variables of financial literacy and financial attitude have a significant effect on financial behavior, while the variables of digital financial literacy and hedonistic lifestyle do not have a significant effect on financial behavior. Furthermore, the variable of self-efficacy has a significant effect on financial behavior, while the variable of locus of control does not have a significant effect on financial behavior.

Table 1.12 Indirect Effects

Relationships Between Variables	Original sample (O)	T statistics (|O/STDEV|)	P -values	Results
Financial Literacy (X1) -> Self Efficacy (Z1) -> Financial Behavior(Y)	0,031	1,168	0,244	Not Significantly Influential
Financial Literacy (X1) -> Locus of Control (Z2) -> Financial Behavior(Y)	0,053	1,529	0,127	Not Significantly Influential
Digital Financial Literacy (X2) -> Self Efficacy (Z1) -> Financial Behavior(Y)	0,067	1,959	0,244	Not Significantly Influential
Digital Financial Literacy (X2) -> Locus of Control (Z2) -> Financial Behavior(Y)	0,048	1,550	0,122	Not Significantly Influential
Financial Attitude (X3) -> Self Efficacy (Z1) -> Financial Behavior(Y)	0,055	1,441	0,150	Not Significantly Influential
Financial Attitude (X3) -> Locus of Control (Z2) -> Financial Behavior(Y)	0,073	1,670	0,122	Not Significantly Influential
Hedonistic Lifestyle (X4) -> Self Efficacy (Z1) -> Financial Behavior(Y)	0,132	2,553	0,011	Significantly Influential
Hedonistic Lifestyle (X4) -> Locus of Control (Z2) -> Financial Behavior(Y)	-0,002	0,086	0,931	Not Significantly Influential

Source: Research Results, 2026

Table 1.12 shows the indirect effect of independent variables on dependent variables through mediating variables. The results conclude that only the hedonistic lifestyle variable

through the self-efficacy mediating variable has a significant effect on financial behavior, while the financial literacy, digital financial literacy, and financial attitude variables through the self-efficacy mediating variable do not have a significant effect on financial behavior. Furthermore, each of the variables of financial literacy, digital financial literacy, financial attitude, and hedonistic lifestyle through the mediating variable of locus of control does not have a significant effect on financial behavior.

Discussion

The findings of this study indicate that financial literacy and digital financial literacy have a significant effect on self-efficacy. These results are consistent with *Social Cognitive Theory*, which emphasizes that mastery experience is the main source of self-efficacy formation (Bandura, 1997). Individuals with higher levels of literacy tend to have stronger perceptions of competence in financial decision-making (Arofah et al., 2023b; Farrell et al., 2016). However, the finding that a hedonistic lifestyle also has a significant effect on self-efficacy provides a new conceptual contribution. Previous literature has mostly associated hedonistic lifestyles with consumptive behavior and the risk of financial instability (Dew & Xiao, 2011b). The results of this study indicate the possibility of *an overconfidence effect*, where consumptive orientation is not always accompanied by low self-confidence, but can actually strengthen perceptions of financial competence. Conversely, financial attitudes do not significantly affect self-efficacy. This shows that the affective dimension does not automatically shape personal competence beliefs, even though in the literature, attitudes are often positioned as predictors of behavior (Perry & Morris, 2005b). These findings expand the discourse by emphasizing the differentiation between affective evaluation and competence-based beliefs.

The results of the study on financial literacy, digital financial literacy, and financial attitudes toward locus of control proved to be significant. These results are in line with the argument that increased cognitive capacity strengthens internal locus of control orientation (Cobb-Clark, 2015; Kesavayuth et al., 2018a). However, a hedonistic lifestyle does not have a significant effect on locus of control, indicating that lifestyle preferences do not directly shape perceptions of the source of control over financial outcomes. These findings support the view that locus of control is a relatively stable dispositional construct (Rotter, 1966). The self- efficacy variable was found to have a significant effect on financial behavior, consistent with previous studies that place it as a proximal determinant of financial actions (Farrell et al., 2016; Sabri et al., 2020). On the other hand, locus of control does not have a significant effect on financial behavior. These results differ from some literature that assumes that locus of control directly improves the quality of financial behavior (Kesavayuth et al., 2018b). Furthermore, the results of the study indicate that digital financial literacy does not significantly affect financial behavior. Although digital literacy improves access and transaction efficiency, it does not automatically improve the quality of behavior in financial management. The results of this study indicate that digital transformation is facilitative, but its effectiveness still depends on individual psychological factors.

The results of the indirect effect test show that only a hedonistic lifestyle has a significant effect on financial behavior through the mediation of self-efficacy. These findings indicate that

self-efficacy plays an important role in the psychological process of transforming lifestyle orientation into actual financial actions. Conceptually, these results can be explained through *the Social Cognitive Theory* of, which emphasizes that individual behavior is not solely determined by external characteristics, but by individuals' beliefs in their ability to manage certain situations. Thus, a hedonistic lifestyle does not directly determine the quality of financial behavior, but when individuals have a high level of self-efficacy, this lifestyle orientation can be directed or controlled in financial management practices. These findings contribute new insights by showing that self-efficacy functions as *a buffering mechanism* that can reduce the potential negative impact of a consumptive lifestyle on financial behavior.

Conversely, financial literacy, digital financial literacy, and financial attitudes did not show a significant indirect effect through self-efficacy. These results indicate that although literacy and attitudes can increase self-confidence, this increase is not strong enough to translate into behavioral change through mediation. In other words, the relationship between literacy and financial behavior in this study is more direct than through psychological mechanisms. These findings enrich the literature, which previously tended to assume the existence of a psychological mediating pathway between literacy and behavior, and show that the role of self-efficacy is more contextual and not universal for all antecedent variables.

Furthermore, the absence of a mediating effect of locus of control on all independent variables confirms that this construct does not function as an effective mediator in the tested financial behavior model. The results of this study indicate that dispositional control orientation does not significantly bridge the relationship between literacy, attitudes, and lifestyle and financial behavior. This reinforces the argument that locus of control is more general and stable, and therefore less sensitive in explaining specific and contextual variations in financial behavior. Compared to locus of control, domain-specific self-efficacy appears to have stronger mediating capacity.

Theoretically, these findings confirm the importance of distinguishing between generalized beliefs and task-specific beliefs. This study shows that only beliefs directly related to financial competence (self-efficacy) are able to bridge the influence of lifestyle on behavior, while general locus of control does not have significant mediating power. Thus, this study contributes to the literature by providing empirical evidence that mediation mechanisms in financial behavior are selective and do not apply uniformly to all antecedent variables. Practically, these results imply that interventions to improve financial behavior should focus on strengthening self-efficacy, especially for individuals with hedonistic lifestyle tendencies. Educational programs that only improve literacy without building personal competency beliefs are unlikely to produce sustainable behavioral change.

CONCLUSION

This study shows that financial behavior is directly influenced by financial literacy, financial attitudes, and self-efficacy, while digital financial literacy, hedonistic lifestyle, and locus of control do not have a significant direct influence. Financial literacy and digital financial literacy play a role in increasing self-efficacy and locus of control, but only self- efficacy is proven to contribute significantly to financial behavior. In terms of indirect effects, hedonistic lifestyle significantly influences financial behavior through the mediation of self- efficacy, while

other mediating effects are insignificant, including all indirect effects through locus of control. These findings confirm that self-efficacy is a more specific and operational psychological mechanism in bridging cognitive factors and lifestyle to financial behavior compared to locus of control, which is more general in nature.

Based on the results of testing in the study, efforts to improve financial behavior should not only focus on increasing literacy, but also on strengthening self-efficacy through applied approaches such as budget management training, financial decision-making simulations, and experience-based learning. Financial education programs also need to consider individual lifestyle aspects in order to be able to direct consumptive tendencies in a more controlled manner. Suggestions for further research include conducting tests with more complex models and using different populations and contexts, as well as adding other psychological variables, such as self-control or financial stress, in order to gain a more comprehensive understanding of the determinants of financial behavior.

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