

Original Article

Phenomenological Study: Application of Personal Accounting in Improving the Efficiency of Financial Management of Overseas Students

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Abstract: *This phenomenological study aims to analyze the application of personal accounting in improving the efficiency of financial management of overseas students. This study focuses on using personal accounting, which is a personal financial recording system application, to assist overseas students in organizing and managing their finances. The research method used in this study is a qualitative approach by applying in-depth interviews with many overseas students who are studying at a university. The collected data were analyzed using thematic analysis to identify the main themes that emerged related to the application of personal accounting in the financial management of overseas students. The results showed that the application of personal accounting provides significant benefits in improving the efficiency of financial management of overseas students. Using personal accounting, overseas students can better track and control their expenses, create a more realistic budget, and monitor their financial development over time. In addition, personal accounting also helps reduce financial-related stress and provides a sense of security and a better understanding of the financial situation.*

Keywords: *Financial Management Efficiency, Personal Accounting.*

I. INTRODUCTION

With the increasing number of overseas students in Indonesia today, overseas students refer to students who live away from their hometowns or families to pursue higher education. Overseas students usually experience difficulties in adjusting to a new environment, managing finances, and balancing academic and social duties. Overseas students often experience difficulties managing finances due to various factors, such as a lack of experience managing finances, high living costs, and unexpected expenses. As a result, overseas students can experience serious financial problems, such as debt or lack of money for daily needs. The importance of personal financial management for overseas students has increasingly been spotlighted lately. Overseas students often have their challenges in managing personal finances. In addition to having to meet the needs of daily life, overseas students also have to think about study fees, meals, transportation, and various other unexpected needs. This can cause stress and even imbalance in financial management.

Personal Accounting is one of the solutions that can be chosen and applied to help overseas students in managing their personal finances. With personal accounting, overseas students can record all income and expenses in detail, control expenses, and manage finances to achieve long-term goals such as saving or investing. As expressed (Purwandani & Aji Dedi Mulawarman, 2021), The practice of bookkeeping funds using mental accounting is making small notes on paper or just remembering transactions. However, the application of Personal Accounting in overseas children has not been studied in depth. Ensuring efficiency in managing personal finances is critical to achieving long-term financial success. Through effective financial management, one can increase income, reduce the debt burden, increase savings, and successfully achieve long-term financial goals. This article will discuss some of the ways one can achieve efficiency in personal finance management.

From the above phenomenon, Personal Accounting in overseas children can be studied more deeply. Therefore, a phenomenological study of the application of Personal Accounting in overseas children can be conducted to explore the experiences, perceptions, and meanings that overseas children have in applying Personal Accounting in personal financial management. However, the application of Personal Accounting in overseas children has not been studied in depth.

This research study aims to provide new insights into overseas students' experiences in facing personal financial challenges and how Personal Accounting can help improve the efficiency of financial management. The results of this study can be a reference for overseas children and related parties in providing better financial management solutions for overseas students.



Different from previous research conducted (Pavlova & Kuskov, 2022), The results of the analysis of financial accounting applications show that some functional features of the applications are similar, such as user registration, specific bank card holders, tracking transaction progress, and increased security. However, the apps have limitations in calculating personal finances associated with third-party bank cards or electronic virtual accounts (such as mobile operators). At the same time, research was conducted (Gorshkova et al., 2015). The budget system includes budgets for expenses, income, and investments/savings that enable effective management of personal family finances in the short and long term.

Previous research focused more on developing applications for managing personal finances and family financial management, while the novelty in this study will focus on digging in-depth information from informants, namely overseas students, about their personal accounting by means of interviews and observations.

II. LITERATURE REVIEW

A) Personal Accounting

According to (Du Rietz, 2022), allocating money to various accounts and deposits in this way serves as a control exchange, with the effect that money put into one account cannot be used again for another purpose. Of course, one could argue that personal accounting as an appropriation is a unique exception to how accounting is generally associated with competitiveness, effectiveness, and financial rationality.

Personal Accounting refers to the techniques or methods used by an individual to manage their personal finances. In its daily application, this method involves, among others, income and expenses, financial performance assessment, recording financial transactions, long-term financial planning, and budget planning. The practice of Personal Accounting can help a person control financial flows better and avoid financial problems in the future. By applying personal accounting, one can monitor and manage finances effectively and efficiently, to achieve long-term financial goals such as preparing emergency funds, buying a house, paying for children's education, and planning for retirement.

B) Efficiency in Financial Management

According to (Novi Yushita Amanita, 2017), knowing about finance and having financial literacy can help a person plan their personal finances well. Thus, a person can make the most of his time and money. Maximizing the use of available financial resources refers to efficiency in financial management. In the context of personal accounting, financial management efficiency includes an individual's ability to allocate money wisely and minimize unnecessary expenses. By applying personal accounting, individuals can have a clear picture of income and expenses to make smarter financial management decisions. Thus, efficiency in financial management can help individuals achieve long-term financial goals more effectively and efficiently.

C) Overseas Students

According to (Nuralisa et al., 2016), Overseas students experience a transition period full of changes, such as leaving home, being separated from parents, building new relationships, arranging a new place to live, and learning how to manage finances for the first time. Overseas students are those who continue their education at colleges or universities outside the city or country of origin. Overseas students leave the environment of family and friends to study in a place far from the city or country of origin. Overseas students can consist of domestic students who study at universities in a country different from their home city or province or international students who come to a different country to study. In addition to having to adjust to a new environment, different living habits, and a different language, overseas students also face a variety of new challenges. Nonetheless, these experiences can also provide valuable personal and career development benefits.

In this study, the method used is a phenomenological approach which is considered appropriate to gain a deeper understanding of the views and experiences of subjects related to the application of Personal Accounting in the financial management of overseas students. To obtain data, researchers conducted in-depth interviews and observations to understand the perceptions and experiences of research participants related to the effects of the application of Personal Accounting on the efficiency of financial management. The data collected were then analyzed using the techniques of reduction, presentation, and conclusion drawing, focusing on the findings that emerged from interviews and observations regarding the participants' experiences in applying Personal Accounting in their financial management. It is hoped that by using a phenomenological approach, this research can provide a deeper understanding of the application of Personal Accounting as a solution to improve overseas students' financial management efficiency.

D) Data Analysis and Sources

According to (Farid Hamid 2009), Phenomenological research is concerned with interpreting and understanding reality. The main purpose of phenomenological research is to seek answers about the meaning of a phenomenon. In phenomenological research, there are two main things to focus on, namely textural description and structural description.

1. Textural description: relates to what the research subject experiences in relation to a phenomenon. This aspect includes objective and factual data, such as things that happen empirically.
2. Structural description: focuses on how the subject experiences and gives meaning to his/her experience related to the phenomenon. This aspect includes subjective viewpoints, such as opinions, judgments, feelings, expectations, and other subjective responses of the research subject to the experience. Therefore, phenomenological research aims to provide a deeper understanding of the subject's meaning and experience of a phenomenon.

This study aims to reveal the efficiency of overseas students in managing their finances with a personal accounting approach. The data source in this research is primary data obtained from interviews with several informants. The informants in this study consisted of students who migrated, and this is because they must manage their finances; therefore, this research will get more accurate results from among the informants interviewed.

E) Data Collection Technique

In this study, they used data collection techniques and Structured or standardized interviews. (Imami Nur Rachmawati 2007) The interview schedule in this study contains a series of pre-arranged questions. Each participant will be asked the same questions in the same order. This type of interview is similar to a written survey questionnaire, which can save time and limit the effect of the interviewer if several different interviewers are involved in the research. This approach facilitates data analysis as answers can be found quickly.

F) Data Analysis

The data analysis method used in this research is descriptive data analysis, where the interview results will be described in detail and depth. According to Anugrah (Wan Roky Anugrah et al., 2022), To carry out this analysis, the research data is collected first, then the core of the data is taken, and conclusions are drawn based on the core. To ensure trust in the data, the credibility criterion used is the triangulation technique, where the data obtained will be tested with a variety of different sources.

III. RESULTS AND DISCUSSION

Personal finance management is an important aspect of everyday life. Without proper management, personal finances can become chaotic and risk facing financial problems in the future. One effective tool to help manage Personal finance is personal accounting. In this study, researchers will explain personal accounting and how to apply it in personal finance management based on the results of interviews with informants. The following table contains data on the informants who have been interviewed:

Table 1: Informant Data

No.	Source	Gender	Status	Semester	Date of interview
1	RM/P	Female	Student	4	13/05/2023
2	AG/P	Female	Student	6	14/05/2023
3	PD/P	Female	Student	6	18/05/2023
4	YK/P	Female	Student	4	19/05/2023
5	NAA/P	Female	Student	6	21/05/2023

Source: researcher (2023)

The only initial step that needs to be taken in implementing personal accounting is to set short-term and long-term financial goals. These goals can involve things like savings. Setting clearly defined goals will provide the necessary orientation in personal finance management. In the context of personal accounting, it is important to analyze expenses carefully. Expenses should be grouped into categories such as food, transportation, bills, entertainment, and so on. In the next step, the total expenditure for each category should be calculated and compared with the income. This will help identify spending trends and prioritize expenses that need to be reduced to manage finances more effectively.

I myself feel the effect of rarely eating out is very helpful in saving my expenses, although sometimes the expenses for purchasing personal items may be much greater, but by minimizing eating out and saving a little pocket money, I can feel that the accounting issues discussed are very useful in everyday life as a student. (AG/P)

Set financial priorities, make a regular budget and record all expenses.(YK/P)

The benefits of personal accounting for me are that I can be more efficient, can compare unimportant and important needs, and can plan for the future better and in an organized manner. (PD/P)

Based on the results of interviews with informants, it is revealed that overseas students set certain benchmarks in managing expenses; informants consider that personal accounting is very important and helpful, but the informants also stated that there are separate ways of managing personal finances apart from personal accounting.

I personally think personal accounting is important enough to help, but from me personally, there is a separate way to manage money. (NAA/P)

Based on your analysis, create a budget that matches your income. Set spending limits for each category and try to stick to each budget. If expenses exceed income, identify areas of expenses that can be reduced or eliminated. Discipline in controlling expenses is very important to achieve.

A) Applying Personal Accounting in Personal Financial Management

Managing personal finances is crucial to achieving financial stability and an economically healthy life. One effective method to manage personal finances is by implementing personal accounting. By applying personal accounting, individuals can manage finances more efficiently and avoid financial problems in the future. All informants stated that overseas students apply personal accounting in daily financial management and revealed that experience with personal accounting is very helpful in recording finances so that they can find out the budget spent to meet their needs.

I have applied accounting issues since I was in elementary school because the distance between my house and school is close, so I usually save half of the pocket money given to me in used cans, and during recess, I go home to eat, maybe not every day but I also apply it until now, especially if I want to buy something I like I will definitely save a little at a time. (AG/P)

My experience in applying personal accounting is that it can help me manage my finances well, structured and detailed. According to my experience, personal accounting is very helpful and important for me because it can make it easier to plan and manage finances properly in the long term (PD/P).

Implementing personal accounting helps me to manage financial risks more effectively. It helps in managing and monitoring monthly expenses and income. Increasing savings, by increasing savings, can help me find ways to reduce spending on things that are not important and prioritize spending on things that are important. (RM/P)

By analyzing expenses, personal accounting helps individuals identify spending patterns and find points of overspending. By knowing the areas that need to be reduced, individuals can control spending, save money, and allocate it to more important purposes.

My experience with implementing personal financial management has enabled me to use money wisely according to my needs and has benefited my economy. The experience I gained is that I can minimize my spending on things that are not important such as shopping or for other entertainment, and I also started allocating savings so that they can be saved for emergency funds and my future expenses. (YK/P)

My experience from the application of personal accounting is normal; maybe it is more possible at this time to be able to set aside the money in a real way; the term is knowing where the flow of money goes. (NAA/P)

This study can provide convincing evidence that applying personal accounting in personal financial management brings significant benefits. This indicates that by managing finances well, individuals can improve financial stability, reduce the risk of financial problems, and achieve better financial well-being.

One of the key benefits is the increased ability to make wise financial decisions. Personal accounting helps individuals to make more informed and intelligent financial decisions. By accessing accurate data and conducting in-depth analysis, individuals can consider the long-term consequences of any financial decisions made. This helps prevent impulse purchases or unplanned decisions that disrupt financial stability.

The implementation of personal accounting can reduce the level of financial stress in individuals. By better understanding personal finance, individuals feel more in control and have confidence in managing money. This can reduce anxiety associated with financial matters, improve psychological well-being, and provide peace of mind.

Thus, implementing personal accounting in personal finance management helps individuals manage their finances better and positively impacts financial and mental well-being.

B) Strategies to Increase the Effectiveness of Personal Accounting

Before starting to use personal accounting, it is important to set more specific financial goals. This will help in focusing and providing direction in managing personal finances. Financial goals include making a major purchase, long-term investments, retirement savings, or debt reduction. By having clear goals, it will be possible to utilize personal accounting more effectively to track financial progress and make smarter financial decisions. Informants revealed strategies for improving financial effectiveness following are the results of interviews with informants:

The strategy may be to be more economical and then be able to prioritize needs (NAA / P)

I myself am also not good at answering about what strategies I use, but to manage my finances while migrating, I as much as possible to rarely eat out, because I myself feel that if I cook my own food, it will be more efficient, for example, 15,000 money for eating out if you eat outside can only eat once, but if you buy cheap vegetables with 15,000 it can be for 2 times cooking and eating. (AG/P)

Make a breakdown of expenses and avoid debt that is consumptive in nature.(YK/P) Recording every expense and income, prioritizing important things, saving money.(PD/P)

To increase the effectiveness of using personal accounting, it is important to evaluate and refine the approach used regularly. Conduct regular reviews of daily financial records for progress towards planned financial goals. Identify points where you can improve your financial management or make necessary adjustments, such as changing spending habits, changing financial priorities, or adjusting financial plans. Regular evaluation and correction will ensure that personal accounting remains relevant and effective as financial and life goals change.

Personal accounting is a useful tool for managing personal finances. However, for it to be effective, appropriate strategies are needed. In this study, several strategies have been discussed to improve the effectiveness of using personal accounting, conducting regular monitoring of expenses, making a budget, making details of each shopping, avoiding consumptive debt, prioritizing, increasing understanding of personal finance, and conducting regular evaluation and improvement. By applying these strategies, the use of personal accounting can be optimized to achieve a better personal financial condition.

C) Challenges in Managing Overseas Student Finances

One of the main difficulties overseas students face is the high cost of living in the new place of residence compared to the area of origin. As an overseas student, you have to bear the costs of accommodation, food, transportation, extravagant friendships and daily necessities. This high cost of living can quickly eat up your budget if not managed wisely.

The obstacle was a lack of awareness about the importance of managing finances regularly and effectively. The difficulty is an excessive lifestyle, such as spending money on luxury goods and following the latest trends, causing me to spend more than I should. (RM/P)

The obstacles in implementing personal counting may be the environment during the day because sometimes the environment makes it more difficult for us to manage finances, especially friends and relationships. The difficulty faced is maybe the association of friends, how my friends sometimes often invite me to go out to do things that might be enough to drain money like that (NAA/P)

Overseas students lack adequate knowledge and understanding of personal financial management and are lazy about keeping records of expenses, perhaps not knowing how to budget, prioritize spending, or track expenses. Lack of financial education can lead to ineffective financial management and increase uncontrollable financial risks.

The obstacles that often occur are laziness and rarely record my expenses or arrangements. The difficulties I face are the first internal factor, namely myself, because of the need for self-control not to buy something, especially for women, and also including external factors, namely friends, because friends' invitations to go shopping or eat out make us forget to save more. (AG/P)

Not recording and accounting for all expenses. Laziness, such as not recording transactions and the desire to spend continuously.(YK/P)

Based on the results of the interviews, it can be concluded that overseas students face several major obstacles in managing finances, including a lack of awareness of the importance of managing finances regularly and effectively, a tendency to live in an excessive style and follow the latest trends that have an impact on excessive spending, reluctance or rarely

recording detailed expenses, lack of self-control in refraining from purchasing desired items, as well as the influence of friends and social environment that encourages unnecessary spending.

To overcome these barriers, steps that can be taken include raising awareness of the importance of financial management through reading, attending courses, or utilizing available resources. In addition, it is important to implement disciplined financial management by recording all expenses and creating a realistic monthly budget. Overseas students also need to commit to reducing excessive lifestyles, keeping up with the latest trends, and developing the ability to exercise self-control and make wise financial decisions, including refraining from unnecessary purchases. It is also important to seek support and build a social environment that supports healthy financial management and communicate financial goals to friends. With the right awareness, discipline and support, overseas students can overcome these obstacles and achieve greater financial stability.

IV. CONCLUSION

The lack of a stable income or source of income is also an obstacle in managing finances for overseas students. Overseas students may rely on scholarships, parental assistance, or part-time jobs that do not guarantee consistent income. This makes it difficult to manage a budget and meet daily needs. A high level of independence can also be a challenge in managing finances for overseas students. Overseas students must learn to be independent and responsible for their own finances without constant supervision or assistance from parents. This requires discipline and self-awareness to manage finances well. In addition to these challenges, social and environmental pressures that encourage following a consumptive lifestyle and spending money unnecessarily can also be an obstacle. Peers or social environments that influence spending patterns can make it difficult for overseas students to control spending. The results showed that the application of personal accounting provides significant benefits in improving the efficiency of financial management of overseas students. By using personal accounting, overseas students can better track and control their expenses, create a more realistic budget, and monitor their financial development over time. In addition, personal accounting also helps reduce financial-related stress and provides a sense of security and a better understanding of their financial situation.

Suggestions to overcome this challenge, it is important for overseas students to improve their understanding of personal financial management through financial education and available resources. Overseas students can attend financial seminars or workshops, read books or articles on personal finance management, or seek help from financial experts or financial counselors. In addition, it is important for overseas students to make a regular budget and prioritize important expenses. Overseas students also need to be disciplined in recording every expense and income to track the flow of money better. Engaging in cost-effective or free activities can also help reduce unnecessary expenses. Self-awareness and willingness to change ineffective spending patterns are also important. Overseas students need to consider well before making major purchases or following consumptive trends. Overseas students can also look for cheaper or more economical alternatives to fulfilling their daily needs. By overcoming these challenges and applying personal accounting in a disciplined manner, overseas students can manage their finances more effectively and achieve better financial stability in the future.

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