THE ROLE OF LOCUS OF CONTROL IN CONSUMER CREDIT DEBT BEHAVIOR DURING THE PANDEMIC COVID-19 BY USING RELIGIOSITY AS A MODERATING VARIABLE

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Abstract: This study aims to empirically analyze the influence of locus of control variables on debtor behavior. In addition, this study also includes religiosity as a moderating variable to influence locus of control on the debtor behavior of consumption credit debtors during the Covid-19 pandemic. This research is quantitative, namely by conducting direct research on 155 respondents, objects to be analyzed using the statistical tool STATA version 14. The source of data in this study is primary data, namely, through surveys of respondents to obtain information in the form of respondents' opinions about debt management behavior during the pandemic Covid-19, the object of this research is Muslim respondents who have debt financial institutions, both Islamic/conventional and non-banking banks. The results showed that locus of control moderated by religiosity had a negative and significant effect on debt behavior so that the higher the locus of control moderated by religiosity, the lower the intensity of debt during the Covid-19 pandemic, religiosity had a positive and significant effect on debt repayment behavior where individuals who experience an increase in the locus of control moderated by religiosity will increasingly understand and carry out religious orders, namely to immediately pay off debts so that they do not become a burden in their lives. These findings indicate that the concept of locus of control can be used as an individual psychological factor to determine attitudes in making decisions on debt behavior, where individuals who have an increased locus of control are moderated by high religiosity, and these individuals have good self-control in managing debt.

Keywords: Locus of Control, Religiosity, Debt Behavior

CITATION
INTRODUCTION

Their behavior generally causes debt behavior in individuals, inability to manage money, and inability to hold back when they want to own an item and follow a lifestyle in the surrounding environment. Managing personal finances is not easy, considering there are some difficulties in managing one's finances. Currently, what happens to individuals is to make purchases of goods not only because of needs but because of factors of desire, prestige, self-esteem, and following the lifestyle of others, which is caused by the Locus of control of individuals who are not good at managing money which can have an impact on debt behavior. The problem of debt behavior can be overcome or not occur if the individual has an exemplary locus of control. Individuals who have an excellent locus of control can have the ability to restrain and suppress their behavior in deciding debt behavior. In times of crisis, such as the current Covid-19 pandemic, attention must be paid to financial behavior in economic and financial theory. As the origin of financial behavior, psychology encompasses aspirations, cognition, emotions, culture, and justice perceptions. The aspirational aspect encourages bankers to attach importance only to their status and wealth, ignoring credit risk. The cognition aspect forms an overconfidence that bankers put aside risk managers and continue increasing the company's leverage (Meirs and Hersh, 2011). The ability to adapt to the current uncertain circumstances is the most appropriate strategy for survival.

Similarly, financial conditions need to be adjusted to income and knowledge: managing finances during the Covid-19 pandemic is challenging because it requires a different strategy from what is usually done. From a psychological perspective, individual debt concerns attitudes, subjective norms, and behavioral control. Individuals before the Covid-19 pandemic stayed away from debt; during the Covid-19 pandemic, most individuals received debt as part of covering needs due to income being less than expenses. Conclusion Cosma and Pattarin (2010) and Wang et al. (2011) that attitudes influence the emergence of attendance for various debts. The stronger the attitude toward using credit, the more likely it is to finance consumption through debt, so attitudes play an active role in determining the debt behavior. Several previous studies have also examined the Locus of control on debt behavior; among them, Tokunaga (1993) concluded that adding psychological variables to financial characteristics can significantly improve the ability to manage credit properly. The credit users with an external locus of control have low self-efficacy, viewing money as a source of power and prestige.

Ozsahin et al. (2018) research discussed the specifics of the Locus of control on debt repayment behavior. The study aimed to explore the psychological determinants relevant to debt repayment behavior. Their research found that attitudes of responsibility, time orientation, fear of sanctions, sense of collectivism, Locus of control, and decision-making style were among the leading personal and attitudinal factors that explained repayment behavior. The effect of debt on society causes significant psychological and cognitive impairment and can alter decision-making. The study's results revealed that awareness is the primary determinant of debt repayment behavior. Moreover, responsibility is the main characteristic of the debt payers, and irresponsibility is a common characteristic of irregular payers. It can be concluded that the debt behavior of each individual plays an active role in contributing positively or negatively, in line with the study of Minibas (1999), Mien and Thao (2015), Sonya et al. (2013), Perry and Morris (2005), Prawitz et al. (2013), Lea et al. (1995), and Frankham et al. (2019), that the occurrence of debt behavior can be synchronized with the concept of Locus of control because self-control is needed to be able to control the desire to owe so as not to fall into debt behavior that poses a prolonged risk.

Previous studies still do not measure the Locus of control variable in the self-control of debt behavior and partial debt repayment during the Covid-19 pandemic, so individuals are directly less able to control the desire to owe because they are pressed for needs beyond the ability to pay back debts that have been decided. Thus, it is necessary to have the concept of Locus of control in each individual to control debt behavior and repay debt properly. Previous research has not explored the antecedents of financial knowledge and effective ways for consumers to understand finance individually. There is a lack of exploring the sources that influence socially oriented values and beliefs to better prepare individuals for decision-making and a lack of understanding of the causal problems
that arise in each individual. The role of Locus of control in previous studies still seems biased, so further research needs to be done. The discussion of financial attitudes and behaviors using variable Locus of control in previous studies mainly discussed the behavior of credit card debt in students instead of debt behavior to maintain the needs of life in financial crisis conditions during the Covid-19 pandemic.

The novelty element in this research is to focus on the Locus of control variable as an independent variable that affects debt behavior and debt payment behavior as a bound variable that will be tested partially and include the religiosity component as a moderator variable. This study further emphasizes the influence of moderation of religiosity on each individual's debt behavior and repayment. Religiosity in this research is a tool to measure the strength of Locus of Control's influence on debt behavior during the Covid-19 pandemic. Locus of control is a form of trust possessed by each individual towards the events that occur in his life which are influenced by internal aspects such as expertise, attention, and effort. At the same time, his external elements of him include one's fate, luck, and the influence of others. In Islam, belief allows a person to influence his behavior. Without a Locus of control, the individual always feels in doubt, so his young soul is affected by aspects beyond the control of the individual.

LITERATURE REVIEW
Locus of Control

Locus of control is a source of the belief that an individual must believe in the events that occur in his life or even events that occur because the control of his life comes from something that happens to him and accept or not accept responsibility for the actions of the individual. Larsen and Bursh (2002) defined the Locus of control as how far a person perceives the relationship between his actions and the consequences or results. Locus of control is defined as a person's perception of the causes of success or failure in carrying out his work. Locus of control is how an individual interprets the cause of an event.

Rotter's (1966) research stated that the Locus of control refers to the extent to which individuals see themselves as controlled and responsible for the consequences of what has been done. Le-
Debt Behavior

According to Hornby (1993), debt is a sum of money given to others because it relates to the use of goods (services). A person is said to be in debt if he has a bank loan or credit card or cannot pay household bills. Debt is a person or household borrowing money in the hope that it will be repaid. Debt also means financial obligations one has to others due to the inability to foresee future circumstances. Keynes also argued about debt behavior, namely that when a person's income increases, the level of consumption also increases. However, the consumption growth is not equal to or relatively higher than income growth. Conversely, if a person's income decreases, then his level of consumption decreases, but the decrease is not proportional to the reduction in income.

Katona (1951), in his research the produced that debt behavior seems to be a somewhat complex phenomenon. First, there is a relationship formed between costs exceeding revenues. Second, borrowing behavior involves spending on durable goods more often when incomes increase. Third, a person's needs are more significant than his income. Fourth, individuals will not be in debt if financial management is stable and reasonable. First, there is a relationship formed between the costs exceeding revenues. Second, borrowing behavior involves spending on durable goods more often when the incomes increase. Third, a person's needs are more significant than his income. Fourth, individuals will not be in debt if financial management is stable and reasonable. Katona (1951) also mentions the factors that cause people to engage in debt behavior; firstly, the inability to meet the necessary income expenses. Secondly, the Reluctance to maintain spending usually at the income level and the third is the willingness to bear extraordinary costs.

Religiosity

Religiosity is a comprehensive unity of elements which will make the individual a religious person and claim to have a religion. In Islam, religiosity reflects the practice of creed, sharia and morals; if these elements are fulfilled, the individual is genuinely religious. Daradjat (2005) put forward the term religious consciousness (religious consciousness) is an aspect of religion that is felt in mind and can be tested through introspection or can be said to be a mental aspect of religious activity, while religious experience (religious experience) is an element of feelings in spiritual consciousness. These, namely feelings, lead to beliefs produced by an action.

Glock and Stark (1970) stated that religiosity is the level of an individual's understanding of the religion he adheres to and an even level of explanation. The religion of Islam reflects religiosity as creed, sharia and morals, or in other words: faith, Islam and ihsan. If the individual possesses all these qualities, then the individual is genuinely religious.

HYPOTHESIS DEVELOPMENT

Locus of Control on Debt Behavior

Debt behavior must be motivated by the intention to owe. The intention is influenced by locus of control, where individuals will try to meet expectations for themselves or those around them. Therefore normatively, individuals will carry out debt or non-debt behavior influenced by the environment.

Minibas (1999) found that the higher the externality, the reason for unforeseen needs became the main reason for debt. Meanwhile, when the externality is lower, the reasons for debt are influenced by personality traits and unnecessary expenses. In a comparative study of debtors and non-debtors, debtors' reasons for debt are influenced by personality traits and unnecessary expenses. Minibas measures locus of control using Rotter's (1966) scale, using analytical techniques associated with words. In analyzing the data used, an analysis of the average frequency and the average priority line of the words became the respondent's answers. The four groups were formed: high frequency-low average; high-average high-frequency; low-average low-frequency; low frequency-low average. Tests using word analysis are grouped between social representations of debt behavior, credit, credit card debt, and purchases in installments. The findings related to spending on credit cards, buying attitudes with installments, and saving attitudes did not contradict each other. In particular, credit cards and purchases with installments were not seen as debt. This finding proves that social representations related to debt, credit cards and the installment purchases are found to be different from one another.
Locus of control studies on financial behavior mainly was conducted on university students and tested their effect on the credit behavior. Perry and Morris’s research (2005) examined financial literacy behavior and saw locus of control as a moderation of the relationship between the financial knowledge and the income. The research findings prove that the consumers tend to save, budget, and control some of their expenses depending on the level of perception of their control over results, knowledge, and financial resources. Locus of control has a significant influence on the responsible financial management behavior, both directly and indirectly, although there are still many cases with a small impact. In particular, it was found that individuals with a locus of control influence financial literacy and income behavior.

Internal locus of control is an individual view of predicting an event, and the individual behavior plays a role. These individuals believe that the success or failure of a person depends on his attitude, his responsibility in running his business, in this case, his decision to go into debt during the Covid-19 pandemic. While the external locus of control is a perspective in which all the results obtained, good or bad, is beyond his control. External locus of control believes more in factors beyond his control so that the individual feels confident that his life is determined by chance, luck, and fate in deciding to go into debt during the Covid-19 pandemic. So this study put forward the following hypothesis.

**H1:** Locus of control has a positive influence on debt behavior.

**Religiosity Moderates the Effect of Locus of Control on Debt Behavior**

In the Islamic view of religiosity as a guideline from a religious point of view, an increased level of religiosity cannot ensure that an individual is free from indebtedness. In Islamic teachings, excessive consumptive behavior is highly discouraged. If the understanding of each individual is good, the individual should buy something tailored to his needs, not just to fulfill his desires. With increased awareness, these individuals are more likely to protect themselves and make choices about their behavior when in debt. However, if they do owe, they are responsible for paying the obligation by the agreed deadline.

Religion is very influential on the attitude shown by each individual. The level of religiosity in individuals will affect their behavior (attitude). So highly religious individuals will show a positive attitude, and conversely, individuals who have low religiosity, then these individuals will show a negative attitude. Religion has a good influence on human attitudes and behavior. A person will easily adjust to other people if he has high religious values and will not behave deviously in making decisions.

The existence of individual beliefs to control their behavior and be responsible for their own lives makes individuals with a good locus of control capable of prosocial behavior. Religiosity is related to the formation of prosocial behavior. Individuals can have a high level of religiosity if they have higher religious attachments to carry out their spiritual teachings and obligations obediently. Religiosity refers to the level of individual attachment to their religion. It shows that the individual has lived and carried out his religious teachings so that it influences all his actions and views of life, in this case, in determining the debt behavior. The research hypothesis is formulated as follows.

**H2:** Locus of control moderated by religiosity has a negative effect on debt behavior.
METHOD

This research is the quantitative research which, according to the level of explanation, is included in the causality research because this study was conducted to test hypotheses regarding the causality relationship between one or several variables with one or several other variables (Sugiyono, 2017). Based on the research model developed, it is expected to explain further the causality relationship between the independent variable and the dependent variable, namely to determine the relationship of Locus of control with debt behavior and debt repayment to credit consumers, as well as being able to make research implications that are useful for developing science and as a method and technique for solving the problem under study.

The primary data source in this study was obtained through a survey of respondents to receive information in the form of respondents' opinions on debt management behavior during the Covid-19 pandemic. Data were obtained directly by distributing questionnaires to respondents by the character of this study. The questionnaire used is a closed or structured questionnaire, where respondents cannot answer the questions in the questionnaire according to their own opinions, then analyzed using the statistical tool STATA version 14 to answer the research hypothesis.

In determining the sample, researchers use purposive sampling techniques to assess respondents to be sampled based on specific criteria (Siregar, 2015). The criteria used to select samples in this study are Individuals are Muslim, The individuals with jobs (self-employed, private employees, non-private employees, factory employees, freelancers), and Individuals with loans in financial institutions such as Islamic or conventional or non-banking banks such as P2P lending. Determining the number of samples used, the sample assumption from Sekaran and Bougie (2010), determining if the number of samples carried out more significant than 30 and less than 500 is appropriate for almost all studies, and the number of samples used in this study was 155 respondents.

Locus of Control

The Locus of control measurement scale will produce the interval data consisting of 19 statement items with four statements as filler that are not used in the assessment, so only 15 statement items are used. Each statement item is divided into two statements, a and b. It is in order to distinguish between internal and external Locus of control. As for distinguishing between internal and external, the internal-external Locus of control scale Rotter (1966) used the distinguished individuals based on their characteristics in controlling themselves and their way of thinking about facing the problems in life. The Locus of control measurement scale will produce interval data consisting of 19 statement items with four statements as filler that are not used in assessment. Only 15 statement items are used. Each statement item is divided into two statements, a and b. It is in order to distinguish between internal and external Locus of control. As for determining between internal and external, the internal-external Locus of control scale Rotter (1966) used determined individuals based on their characteristics in controlling themselves and their way of thinking about facing problems in life. The indicators used in this study are internal including ability and own doing and individuals oriented to the internal Locus of control are more convinced that the events experienced in their lives are primarily determined by their abilities and efforts. Internal Locus of control indicators are individual success is due to hard work, individual failures are due to one's actions, individuals become leaders because they have abilities, individuals determine the future through luck, and his actions determine the life of the individual.

External include chance and other powerful powers. Individuals oriented towards the external Locus of control are grouped into two categories: powerful others and chance. Individuals with a robust other orientation believe that the more influential the people around them determine life. In contrast, chance-oriented people believe life and events are primarily determined by fate, luck, and chance. External Locus of control indicators are individual success is due to luck, individual failure due to misfortune, individuals become leaders because there is opportunity, individuals determine the future through ability, and others determine an individual's life.

The measurement scale of internal and external Locus of control assessments is tested with nominal scale data, that is, data obtained by categorization or classification, where high values (1) for external and low values (0) for internal. So the
lower the respondent's score, the respondent has an internal Locus off control, which means that the respondent believes that the events mainly come from their behavior and actions. Conversely, the higher the respondent's score, the respondent has a high external locus of control, which means the respondent believes that the other forces, fate, or chance determine the events. In this assessment with an internal-external scale, the cutting limit for the Locus of control is 7, where respondents with a value below 7 include internal Locus of control. In contrast, respondents with a value above 7, including external Locus of control, are used in the study.

The higher the subject's score (close to 15), the greater the tendency towards the externalities. Conversely, the lower the subject's score (close to a score of 0), the greater or stronger the internality. To categorize issues into internal or external types, the total score obtained from each subject refers to locus of control internal (score 0 – 6) and locus of control external (score 7 – 15).

Debt Behavior

Debt is the behavior of individuals carrying out borrowing activities (debt) to meet their needs and desires. Debt behavior is also an individual's decision to make debt behavior decisions, which can be influenced by attitudes, subjective norms, perceptions of control, and planned behavior (Theory of Planned Behavior). Debt behavior is measured using indicators expressed by Katona (1951), which consist of scale indicators are, inability to meet the necessary expenses of income, unwillingness to keep ordinary costs at the income level, and willingness to make unusual expenses.

Religiosity. Religiosity as a moderation variable is expected to influence debt behavior. Religiosity combines activities interrelated with religious science, especially for Muslims. Religiosity is a belief system that is believed by understanding essential values that have been formed in religion and can influence a person's past behavior when deciding with confidence in himself. Measurement of religiosity as a moderation variable using Glock and Stark (1970) indicators was modified to suit the characteristics of respondents by using five dimensions of religiosity as follows.

Ideologies. Explain the level of belief of individual Muslims in the truth of religious teachings that are fundamental and dogmatic, such as the pillars of faith and Islam. An indicator of the ideological element is the degree to which the individual accepts and acknowledges things in a religion.

Ritualistic. As a dimension of the level of worship, the extent to which individuals perform ritual obligations in their religion, such as prayer, fasting, zakat or other muamalah practices. An indicator in the ritualistic dimension is the degree to which individuals perform and practice religious teachings.

Intellectual. The dimension of knowledge about religion explains how far a person knows about the teachings of his faith, especially those in the holy book of the Qur'an. The indicator used for the intellectual dimension is the extent to which the individual knows and understands religious teachings.

Consequential. The consequential dimension becomes a measure for individuals in measuring the extent to which behavior has been following religious teachings with manifestations in social life. The indicator used for the consequential dimension is how the implications of spiritual teachings affect individual behavior in social life.

Experiential. This dimension explains that the experience or feeling the individual has gone through is always close to Allah SWT, so he fears sin and many others. The indicator used in the experiential dimension is the religious feeling that the individual has experienced and felt.

RESULTS

Based on the results of collecting structured questionnaire data using the Google form, 155 respondents returned the questionnaire to the researcher. The collected data has been verified to eliminate invalid data that may affect the research results. The descriptive statistical test in the Table 1 with observational data of 155 respondents shows that the mean locus of control is 0.388, with a mean value below 0.5, indicating that some respondents have an internal locus of control type, with a minimum value of 0 and a maximum value also indicating a value of 0.8 which indicates that there are also respondents with an external locus of control type.

The religiosity variable has a minimum value of 1.083, which means that the respondent giv-
es the lowest rating of 1.083, and a maximum value of 4, which means that the respondent gives the highest value of 4. The mean value of religiosity is 3.476, indicating that the religiosity variable is high because the average respondent has a value of 3.476 while having standard deviation of 0.465 that the measurement of the spread of data from the religiosity variable of 0.465 from 155 respondents is smaller than the mean value which means the research is homogeneous.

In the debt behavior variable, 155 respondents have a minimum value of -4 and a maximum value of -2 with a mean value of -2.602, indicating a tendency to engage in debt behavior. Based on the reliability test using STATA, it was found that the statements in the questionnaire distributed to respondents were declared reliable, then obtained an Average inter-item covariance value of 0.0520, a number of items in the scale value of 68 and a Scale reliability coefficient value of 0.8673. Thus, the reliability test results can be obtained with a reliability coefficient of 0.8673 > 0.6 (cut value). The value of the reliability coefficient is expressed to meet the reliability assumption.

Table 1. Results of Descriptive Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loc</td>
<td>155</td>
<td>0.388</td>
<td>0.158</td>
<td>0</td>
<td>0.8</td>
</tr>
<tr>
<td>Religion</td>
<td>155</td>
<td>3.476</td>
<td>0.465</td>
<td>1.083</td>
<td>4</td>
</tr>
<tr>
<td>Debt</td>
<td>155</td>
<td>-2.602</td>
<td>0.344</td>
<td>-4</td>
<td>-2</td>
</tr>
</tbody>
</table>

Source: Processed Data (2023)

Table 2. Summary Results of Hypothesis Testing with Moderation Interaction on Debt Behavior

| Variables          | Coef debt | Std err | P>|t| |
|--------------------|-----------|---------|------|
| Loc                | 0.008**   | 0.004   | 0.032|
| Religio            | 0.175     | 0.156   | 0.263|
| c.loc#c.religio    | -0.003**  | 0.001   | 0.019|
| Age                | -0.000    | 0.003   | 0.921|
| gender_            | 0.097*    | 0.057   | 0.092|
| religi_            | -0.039    | 0.058   | 0.497|
| educ_              | 0.033     | 0.027   | 0.211|
| loaninstall_       | 0.024     | 0.074   | 0.742|
| crecard_           | -0.097    | 0.069   | 0.157|
| loanfin_           | 0.037     | 0.073   | 0.609|
| Constant           | -3.214*** | 0.597   | 0.000|
| Observations       | 155       |         |      |
| R-squared          | 0.130     |         |      |

Standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.10

Source: Processed Data (2023)
Hypothesis Testing

In the Table 3 the regression model obtained from the locus of control test moderated by religiosity towards debt behavior, the regression equation model is obtained as follows.

\[
\text{Debt Behavior} = -3.214 + 0.008\text{loc} + 0.175\text{relig} - 0.003\text{loc}\times\text{relig} - 0.000\text{age} + 0.097\text{gender} - 0.039\text{relig} + 0.033\text{educ} + 0.024\text{loaninstall} - 0.197\text{crecard} + 0.037\text{loanfin} + e
\]

Coefficient of determination \(R^2\) is 0.130, which means that all locus of control variables moderated by the religiosity variable can explain debt behavior by 13%. In comparison, the remaining 87% is influenced by other variables outside the regression model that are not examined. Based on Table 3, the value for the locus of control variable is 0.032 <0.05, and the religiosity variable that moderates the locus of control is 0.019 <0.05. It can be concluded that the two variables have a significant effect on debt behavior. Thus H0 is accepted. The positive regression coefficient means that the locus of control, moderated by religiosity, negatively affects debt behavior. The better the locus of control (internal) moderated by religiosity, the lower the decision into the debt.

The test included the religiosity variable as a moderating variable and an explanatory variable as a control variable. The test results were obtained where the locus of control had a positive and significant influence on debt behavior. Significant findings were also generated on the effect of gender on debt behavior. Positive gender findings on debt behavior indicate that female respondents have a higher intention to owe debt than male respondents because women are more consumptive than men. This finding is in line with the findings of Hayes' research (2006) which showed that female students tended to feel less self-controlled than male students and considered planning for the future less critical.

DISCUSSION

Locus of Control and Debt Behavior

Testing hypothesis 1 shows that locus of control has a significant influence on debt behavior. The direction of the positive coefficient means that the locus of control has a significant positive effect on the decision to owe. These findings prove that external locus of control behavior tends to increase debt behavior. It can be stated by obtaining a t-test value of 0.030 <0.05. Thus it can be concluded that locus of control has a positive and significant effect on the decision into the debt.

These findings support the research of Mien and Thao (2015), Perry and Morris (2005), Mini-bus (1999), and Sonya et al. (2013), where they found external locus of control levels indicating poor financial behavior so that the higher the external locus of control, the less able to control himself in debt behavior. This research also aligns with study of Peltier (2016) and Pinto et al. (2004), where their research proves that impulsive variables and locus of control significantly influence credit card debt behavior. However, the results of this study do not support Norvilitis et al.'s (2006) findings, which state that the role of the locus of control and self-esteem is considered unclear in influencing debt behavior.

External locus of control is an individual's belief in events occurring for reasons beyond control. It is related to the behavior of individuals who think that their lives are more determined by forces outside the control of their self-control abilities. In this case, individuals' external locus of control is easily influenced by the desire to owe even beyond their financial means.

Individuals who have an external locus of control easily trust advice or information from other people, and the individual is easily influenced by things beyond his awareness to behave in debt. Moreover, during the Covid-19 pandemic, declining the economic capacity forced individuals with an external locus of control to easily make debt decisions because promotions for the ease of the indebtedness enticed them. However, some respondents previously had an external locus of control which changed to individuals with an internal locus of control during the Covid-19 pandemic. These individuals were more careful in determining their debt behavior due to a higher risk that would impact their finances.

It is inversely proportional to individuals who have an excellent locus of control or tend to be internal. The decision to owe will be lower because individuals who have an internal locus of control believe in their beliefs, so these individuals will make decisions to owe by adjusting the neces-
sary needs and considering the risks that will occur when making decisions beyond their control. Individuals with an internal locus of control tend to be more careful in controlling their financial management. This finding is also in line with the research findings by Perry and Morris (2005), which stated that the tendency of individuals with an internal locus of control to save, budget, and control most of the expenditure depends on the level of perceived control it has. Internal locus of control has a significant impact on responsible financial management behavior, both directly and indirectly, although in many cases, the impact is small. From the results of the hypothesis testing that has been done, hypothesis 1 can be proven.

The Covid-19 pandemic has impacted most individual economies, such as decreased income, difficulty meeting basic needs, and job loss. Individuals who are economically depressed and do not have sufficient resources to deal with these pressures will tend to increase the crisis in themselves and their families. Research by Azzara et al. (2022) stated that the impact of the Covid-19 pandemic has increased economic pressure on most individuals as measured by the difficulty in meeting basic needs and a drastic decrease in income which has an impact on reducing the quality of life. In addition, Raharjo et al. (2015) found that economic pressure can increase conflict and feelings of depression and minimize family welfare and quality of life. It means that families who can control pressure, especially the economy, will reduce problems to improve their quality of life. In addition, there is a concept that can see the spread of economic pressure and the level of stress felt by families during the Covid-19 pandemic.

The Moderation Role of Religiosity

The results of testing hypothesis 2 show that religiosity moderates the locus of control and has a significant influence on debt behavior. The direction of the negative regression coefficient means that the locus of control, mediated by religiosity, has a negative and significant effect on debt behavior. In contrast, the locus of control, moderated by religiosity, has a negative and significant impact on debt behavior. This result is proven based on the t-test of 0.017 < 0.05, which means that the higher the locus of control because it is moderated by religiosity, the lower the debt behavior.

The relationship of religiosity as a moderating locus of control on debt behavior has a negative effect because if individuals with good religiosity have religious values and a high level of faith, they will do something more rational and not do things prohibited by religion, especially in making the decisions. Differences in the religiosity of each individual also can cause differences in behavior in debt.

The results of this study differ from a study conducted by Bawono (2014), who found that the higher the level of individual religiosity, the higher the consumption. Consumption here is defined as spending on religious activities. With sufficient income, on the other hand, the Muslim individuals who consume to follow the teachings of their religion by holding religious activities such as recitations which can issue a budget that exceeds their income, causing debt behavior.

The role of religiosity as a moderating variable is a factor that is closely related to religion and activities that are driven by the supernatural, not only performing worship but also covering the beliefs of each individual's heart. Jalaluddin (2009) stated that religiosity could encourage each individual to behave by the rules and beliefs of the religion he adheres to so that the encouragement of debt behavior is based on the individual's heart beliefs, "with the religiosity factor as moderation in this study shows the impact of individual caution in the decision to take on debt. Religiosity influences the personal decisions for a Muslim, especially when the individual decides to be in debt.

RECOMMENDATIONS

In accordance with the limitations found in this study, the researchers suggest further research to expand the distribution of questionnaires to respondents by increasing the number of samples taken so that the resulting data is more accurate. It is hoped that future research will assist respondents when they experience difficulties when answering questions; it is expected that other, more robust variables will be used to determine debt behavior factors to obtain better results than in previous research.

CONCLUSIONS

From the results of the locus of control test, which was moderated by religiosity having an in-
fluence on debt behavior during the Covid-19 pandemic, it can be concluded that the results of this study are as follows. First, from the locus of control testing without involving the religiosity variable as a moderating variable, we found insignificant results on the effect of locus of control on debt behavior and incentives to increase debt payments. Significant findings where the religiosity variable is tested directly on the debt behavior and debt repayment, the higher the individual religiosity can reduce the intention to owe, but with high religiosity, it significantly reduces the intention to pay debts because individuals who already have debt before the Covid-19 pandemic are still running until During the Covid-19 pandemic, they felt unable or tended to slow down paying their debts due to a decrease in monthly income, which had a profound impact on individuals who had their businesses and private employees.

Second, the locus of control test involving the religiosity variable as a moderating variable proves that the role of religiosity as a moderating variable plays a vital role in controlling individual desires to owe, with a high locus of control moderated by religiosity. It has a positive impact on individuals not to become easily in debt because of individual religiosity. They will be more careful about getting into debt if there is no urgent need. Religiosity is the foundation of the individual to be able to control the desire to behave in debt.

REFERENCES
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