

## SAVING BEHAVIOR IN ISLAMIC BANKING THE MODERATION RELIGIOSITY

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**Abstract:** *This study aims to determine the factors that influence the saving behavior of muslim community to use the Islamic banking in Madiun. Data collection was done by distributing questionnaires. A total of 210 questionnaires were distributed and the total of 165 questionnaires were returned Analyses were performed with PLS method. The results analyzes showed that attitude, Perceived behavior control and subyek norm shows a influence is significant on intention. as well as the variables religiosity are taken as moderation couldn't explain the relationship between and intention on saving behavior in Islamic banks. The study has implications for Islamic bank that can appropriately target the customers using islamic bank selection determinants that are valued by the customers. This paper is one of the few that has used a quanlitative approach to study saving behavior for Islamic banking. Furthermore, the paper employs this methodology in the context of madiun city, which enriches the studies done in this context and area.*

**Key Word:** *Attitude, Subject Norm, Intention, Religiosity, Islamic Banks*

### 1. INTRODUCTION

The growth of Islamic banking in Indonesia showed a fairly good growth, it can be seen from the asset growth of 31.8% nationally, despite experiencing a slowdown of 17.7% from the previous year. Deposit Account 12.3 million, an increase of 9.2% nationally, the rate of growth more BUS lower than the USS where BUS 16.1% and amounted to 22.6% USS. Siregar 2014, but globally grow 15-20% per year (Alam, 2011). Total assets of Islamic banking nationally in 2014 amounted to 229 trillion rupiah. When compared with the total population of Indonesia. Why people's desire to save in Islamic banking is still fairly small when Indonesia is predominantly Muslim society? This study seeks to answer these questions.

Savings play an important role in a person's life because it is a picture of prosperity, a source of income typing precarious state and is also a tool for the purchase of either cash or credit (Anong & Devaney, 2010; Hira, 1987; Lee, Park, & Montalto, 2000). Based on these reasons individuals tend to be working hard on the productive age period in order to generate as much revenue as possible to save as well as consumption.

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Different views began to emerge at the time of the analysis concerns the realm of the factors that determine the behavior of savings on everyone (society). Some researchers say there is no consensus among economists and policy makers about the model or the most relevant determinant to explain the observed behavior savings (Fisher, 2006). This is because every community has the urge psycho - social, psycho-cultural, and individual belief system - each.

Mehbood ul Hassan (2007) conducted a study with the finding that the strength of the vision of Islam encourages the public perception, that the savings interest rate is not a problem for most Muslims. They prefer a legitimate investment returns and allowed, it does not matter how high or low returns if compared with the interest rate or inflation of conventional banks.

Research conducted by Khan (2010) about the influence of religious belief on depositor behavior in an emerging market, providing evidence that religious belief can have a significant impact on individual choice in choosing banking services. This study found that islamic banks in Pakistan enjoyed a growth rate of deposits is much larger than conventional banks. Abdelghani (2012) examined the preferences of malaysian society in the islamic banking found that religion has a dominant role in determining savings in islamic banking customers.

On the other hand research that religion is not the primary motivator utilization of Islamic banks. This phenomenon at - least shown by the results Anny Rahmawati, et al, (2000) and Jazim Hamidi. et al, (2000). Research Anny Rahmawati, et al, (2000) about the potential, preferences and behavior of the people in West Java concluded that religious considerations factor is not an important factor in influencing the propensity to use services of Islamic banks.

## **2. LITERATURE REVIEW AND HYPOTHESES**

Theory of planned behavior is a theory of human behavior proposed by Ajzen Icek in 1985. This theory proposed by Ajzen Icek (1988-1991) to help understand how we can change a person's behavior. Attitude toward the behavior (attitude) refers to the level of someone evaluating a behavior is good or not good, and can also be said to someone on a behavioral study. Attitude toward the behavior is determined by the beliefs of the behavior beliefs and the costs or benefits of such behavior (Ajzen, 1991). Attitude is included feelings about something you want to achieve from the behavior he is doing (Sharma et. Al. 2003). many studies showing that attitude affects a person's intentions as the results of Shih et al (2004) Vankatesh (2000).

Subjective norm in the Theory of Planned Behavior is a social factor. Subjective norm refers to a person's feelings about how to perceive the pressure of the

environment to do / not to do something or normative values prevailing in the society and the environment (Ajzen, 1991). there exist differences in the results of research on the effect of subjective norm on the person's intentions. This is shown by research conducted Davis et al (1989), Mathieson (1991) and Lewis et al (2003) which states that there is no significant relationship between subjective norm against one's intention, on the other hand Ramayah et al (2003), Yulihastri (2004), Gopis and Ramayah (2007) showed that the results of subjective norm is a strong predictor of a person's intention in malaysia.

Another factor to be considered a person to perform a behavior is intention. Intention in the Theory of Planned Behavior is a factor in the perception of a person's ability to control the behavior that will be done.

Based on the findings of various studies on the hypothesis that will be tested are:

- H1: Attitude has a significant influence on the intention of saving the Islamic banks
- H2: Subjective Norms have a significant influence on the intention of saving the Islamic banks
- H3: Perceptions of control on the behavior has a significant influence on the intention of saving on Islamic banking
- H5: Intention to have a significant effect on saving behavior in Islamic banking

### **3. RELIGIOSITY**

Religiosity is a complex integration between the knowledge of religion, religious feelings and actions in a person in all aspects of life. Some scholars of Islamic economics has made an interesting conclusion with regard to the relationship between economic behavior and the level of confidence / faith community (Omer, 1992). According to him, the economic behavior is largely determined by the level of one's faith or community. This behavior then forming propensity of consumption and production behavior in the market. The perspective also affects the savings behavior.

Alam (2011) in his research concluded that religion has a very strong influence on the behavior of a person. Kotler (2000) mentions the influence of religion in the purchase decision, but does not assert that religion has a strong influence in the purchase decision because religion is a small part of a culture.

Mehboob ul Hassan (2007) defines that the Muslim population into 3 didefinisikan religious character. First, a devout Muslim who really-really avoid conventional banks or interest-based banks. This group has only islamic

bank account. The second category is less devout Muslim. This group utilizes islamic banks and conventional banks together-together. third, Muslim categorize disobedient, this group only has a conventional bank account despite Islamic banks in the region around them. Research Omer (1992), Gerrard and Cunningham (197), Al Sultan (1999), Diponegoro University (2000), Okumus (2005), Mehboob ul Hssan (2007). Kadom Shubber and Alzafri (2008) concluded that religion is the main motivation and a significant factor for Muslim customers. Hasi is more representative of the first group of Muslims. While reflecting the second group was shown by the results of research and El Bdour Erol (1989), Haron et al (1994), Anny Ratnawati et al (2000), Asraf wajdi and Nurdinawati Irwani (2006) who showed that religion was not a major factor for customers utilizing Islamic banking but economic benefit factors play a major role.

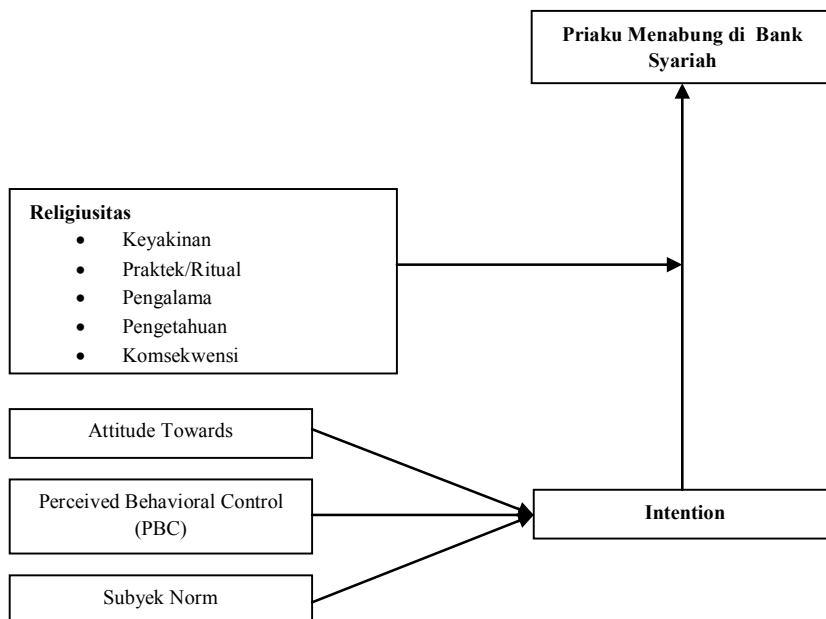
Based on the above research hypotheses to be tested in this study are:

H4: Religiosity moderate the relationship between intention on saving bihaviour in the islamic Bank

#### 4. MODEL

Is based on the framework in each of the above variables, the modeler’s savings behavior in Islamic banking in this study:

Figure 1: Research Framework



## 5. METHOD

The population in this study is the owner of a savings account customers mudharabah Islamic banks in the Madiun area. sampling techniques in this study using a non probabiliti sampling technique is by convenience sampling method. questionnaires distributed 210 questionnaires were returned questionnaires while as many as 185 questionnaires. Having observed there are many fields of research instruments (questionnaires) are not perfect / complete. Instruments incomplete eliminated from further analysis process, so that used in this study were 165 questionnaires.

## 6. ANALYSIS OF RESULTS

This study uses analysis Partial Least Square (PLS) with exogenous constructs in the research consisted of subjects Norm, Religiosity, Bihaviour Perceived Control (PBC) and Attitude.. Religiosity reflected with fifteen indicators, Subject Norm reflected by five indicators, the PBC are reflected by five indicators and Attitude reflected by the five indicators and Intention reflected by two indicators. While this study that endogenous is saving Bihaviour.

## 7. RESULTS AND CONCLUSIONS

There are three criteria in the use of data analysis techniques to assess the outer Smart PLS models: convergent validity, discriminant validity and composite reliability. convergent validity of the measurement model with reflective indicators (indicators seen as an effect of a construct that can be observed / measured) assessed based on the correlation between item scores / component scores were estimated by Software PLS. The size of individual reflective said to be high if more than 0.70 correlated with the construct being measured. But according to Chin, 1998 (in Ghozali, 2006) to study the early stages of development of measurement scale loading value of 0.5 to 0.6 is considered adequate. In this study will be used limit loading factor of 0.50. Results of measurements Convergent construct validity of the attitude, subjective norm and contral in behavior, and religiosity all indicators loading factor values greater than 0.5 with support for T statistic  $> 1.96$ ; means all valid indicators, so that used for subsequent analysis.

Discriminant validity is done to ensure that every individual concept of different latent variables with other variables. From the calculations, the loading factor values for each indicator of each latent variable still has a loading factor most value greater than the value of loading if associated with other latent variables. This means that each latent variable has good discriminant validity.

Further evaluation on the outer model is a composite reliability. Composite reliability test the value of reliability indicators in a construct. All constructs reliably meet the criteria. This is indicated by the composite reliability values above 0.70 as recommended criteria

**Table 1**  
**Composite Reliability**

	<i>Composite Reliability</i>
Attitude	0.860468
Intention	0.863016
PBC	0.893841
Religi	0.947718
SN	0.823764
Saving	

Value Average Variance Extracted (AVE) of each construct is required to be above 0.50

**Table 2**  
**Average Variance Extracted**

	<i>AVE</i>	<i>Explanation</i>
Attitude	0.553392	> 0,50
Intention	0.759039	> 0,50
PBC	0.627863	> 0,50
Religi	0.548160	> 0,50
SN	0.493317	< 0,50
Saving		

Based on Table 2 shows that the AVE to construct Subjects Norm AVE values below 0.50, but because of all the variables have a high value, the composite reliability of these indication does not make variable-variabel are removed from the equation.

PLS model goodness of fit is measured by the value of the Q-square predictive relevance, to measure how well the observed values generated by the model and parameter estimation. Testing goodness of fit using predictive value-relevance ( $Q^2$ )

**Table 3**  
**Value R-Square**

<i>Variabel</i>	<i>R Square</i>
<i>Intention</i>	0.589977
Saving behavior	0.822871

Based on Table 3 can be created equations to calculate the Q-square predictive relevance as follows:

$$\begin{aligned}
 Q^2 &= 1 - (1 - R_1^2) (1 - R_2^2) \\
 &= 1 - (1 - 0,348) (1 - 0,677) \\
 &= 0,789
 \end{aligned}$$

The calculation result shows the predictive value relevance of 0.789 or 78.9%, so the model is said to have predictive value worth relevant. Relevance predictive value of 78.9% indicates that the diversity of data that can be explained by the model amounted to 78.9%, or in other words, the information contained in the data of 78.9% can be explained by the model. While the remaining 21.1% is explained by other variables (which is not contained in the model) and error.

The basis used in testing the hypothesis that there is value in the output path coefficients inner models. Table 4 gives the estimated output for testing the structural model.

**Table 4**  
**Effect of Inter Construct Research**

	<i>Original Sample F(O)</i>	<i>T Statistics ( O/STERR )</i>	<i>T Kritis</i>	<i>Explanation</i>
Attitude -> Intention	0.266172	3.552213	1,96	Significant
Intention -> Saving	0.125066	2.555409	1,96	Significant
PBC -> Intention	0.338654	3.912766	1,96	Significant
Religiosity -> Intention	0.188483	1.686645	1,96	Not Significant
SN -> Intention	0.284676	4.027913	1,96	Significant

From the above table is obtained first hypothesis testing results show that the effect of Attitude variables significantly influence the intention of saving at Islamic Bank shows the path coefficient of 1.266 with Tstatistic 3.552. Tstatistic value greater than Ttable (1,960). This result means that the Attitude significantly influence to

the intention Saving These results support previous research conducted by Ajzen (1991), and research Dharmmesta and Vault (1999) which states that the variables that affect individual intentions to do some things (intention to use) is variable attitude, subjective norm, and perceived behavioral control.

The second hypothesis testing results show that the effect of variable Subject Norm significantly influence the intention of saving at Bank Syariah shows the path coefficient of 1.284 with Tstatistic 4.027. Value Tstatistic greater than Ttable (1,960). This result means that the Subject Norm influence significantly affect the intention Saving, These results are consistent with research barnet and Persley (2004) and Ajzen (1992) which states that the interest (intention to use) is influenced by perceived behavioral control and subjective norms. Ajzen (2004) also stated that perceived behavioral control has a strong influence on interest (intention to use).

The third hypothesis testing results show that the influence of percived Bihaviour Control variables significantly influence the intention of saving at Bank Syariah shows the path coefficient of 1.338 with Tstatistic 3.912. Value Tstatistic greater than Ttable (1,960). This result means that percived bihaviour control berpengaruh significantly to saving intentions. These results are consistent with research barnet and Persley (2004) and Ajzen (1992) which states that the interest (intention to use) is influenced by perceived behavioral control and subjective norms. Ajzen (2004) also stated that perceived behavioral control has a strong influence on interest (intention to use). Ajzen (2002) says that behavioral control affects the intention is based on the assumption that Perceived behavioral control magnified by the individual will provide implications in the person's motivation. Research by Terry and O'Leary (1995) found that self-efficacy affects one's intention to behave but not the behavior itself (Tavousi et al 2009). While research by Bobek and Hatfield (2003) and Mustikasari (2007) stated that the PBC influence on behavior intention.

The fourth hypothesis testing results show that the influence of one's religiosity significantly influence the intention of saving the Islamic banks show the path coefficient of 1.188483 to the value of 1.686645 Tstatistic, value Tstatistic smaller than Ttable (1,960). This result means that religiosity does not affect the intent of saving in islamic banking, which means that the fourth hypothesis in this study was rejected. The results of this study reinforce the findings Erol & El Bdour (1989) has conducted research in Jordan and found that religion is not the main motivation for customers who use Islamic banks. Relatives and neighbors play an important role in customer awareness with knowledge Islamic banking. While research Erol, Kaynak and El Bdour (1990) found the conclusion that the factors - an important factor for customers who have an Islamic bank is a fast and efficient service, reputation and image of the bank, and the bank secrecy. In Malaysia, Haron, et al. (1994) conducted a study of 301 Muslims and non-Muslims. According to religious motivation is not a major factor Muslims choosing in a islamic bank.



Both groups saw a very important quality of service satisfaction. Then Naser, et al. (1999) conducted a study and concluded that the factors - the most important factor that determines the attitude towards Islamic banks are demographic (the burden of family responsibilities, proximity of the bank, convenience, productive age) followed later religious factors.

The five hypothesis testing results show that the effect of variable intention significant effect on saving behavior in the islamic bank shows the path coefficient of 1.1250 with value Tstatistic of 3.430 value Tstatistic greater than Ttable (1,960). This result means that the intention (intention) significantly influence saving behaviour These results support the research Wellington et. al. (2006) in which the intention is the feeling when someone planning or intending to do, which will soon be manifested in behavior. These results are also consistent with research Ajzen (2004) which states that the intention can be a powerful influence directly on Usage behavior.

## **8. LIMITATIONS OF RESEARCH**

The respondents of this research is an Islamic commercial bank depositors customers only and on saving deposits category. The conclusion of this study apply only to the behavior of customers in Islamic banks which have categorized saving account deposits. The results of this study apply only to the behavior of customers in Islamic banks in Madiun, and / or other areas that have the same characteristics. Can be researched more about savings behavior in the wider area. This possibility is based on the differences in social, cultural, economic and general level of religiosity bank customers who tend to live in urban areas compared to bank customers who live in rural areas with religious understanding each attribute.

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