

The Determination of the intention to use Islamic banking of Esa Unggul University Students

Sugiyanto¹, Nurjannah Endah R, Muhammad Arief, Dudi Abdul Hadi⁴

Abstract : This study empirically examines factors that influence student interest in using sharia banking using a modified Theory of Planned Behavior/TPB approach. By using this model is expected to find a formula that can be used by islamic banking to increase the number of customers among the students. Respondents are Muslim students at the Faculty of Economics and Business at Esa Unggul University which is active in the even semester of 2018. The sample selection using purposive sampling is done by distributing questionnaires to selected classes. From the result of data analysis of attitude variable to behavior, subjective norm, perception control have positive effect to interest of using islamic banking while the level of religiosity, variable of participation in Islamic mass organization and gender does not influence to interest of using Islamic banking but active respondent in Islamic organization and female respondents have higher tendency to use sharia banking.

Keywords : Behavior, Behavior intention, Attitude toward Behavior, Subjective Norm and Perceived Behavior Control, Degree of Religiosity, Islamic mass organization, Gender.

I. INTRODUCTION

Indonesia is the country with the largest Muslim population in the world, based on data from the Central Bureau of Statistics the number of Muslim population of Indonesia in 2012 is as many as 207 176 162 people or equal to 87.18% of the total population of Indonesia (BPS: 2010). Viewed from the macroeconomic side, Indonesia is a country with high economic growth. The average economic growth in Indonesia is 6.2%, in 2012 with per capita income of \$ 3,563 (World Bank: 2013: 47). Indonesia will become one of the world's leaders by 2020 with per capita income to be predicted at over \$ 7,000

The large number of Muslim population in Indonesia has not been comparable with the growth of Syari'ah-Based Economy in Indonesia. Based on data from Bank Indonesia in 2012, the capitalization of sharia banking assets in Indonesia is only 227,711 billion rupiah (Bank Indonesia Sharia Banking Statistics: 2013: 3) while at the same time the capitalization value of non-syari'ah bank assets is 4,716,845 billion rupiah (Bank Indonesia Sharia Banking Statistics: 2012, 32). The total public funds collected by Bank Syari'ah in Indonesia amounted to 3,411.188 billion rupiahs (BI Sharia Banking Statistics: 2013: 47) in September 2013 at the same time third party funds which can be collected by commercial banks amounted to 3 .520.890 billion rupiah. The total amount of funds collected by sharia banks in Indonesia in September 2013 is equal to 6.57% of the total funds that can be collected by non sharia banking in Indonesia. This also happens in Malaysia, based on Norafifah Ahmad and Haron (2000) research, the amount of fund from third party for sharia banking is RM 31 million ringgit while for conventional banking at the same time the amount of fund from third party is RM 381 million rixdollars. Or it can be said that the amount of third party funds in shari'ah bank is only 10% of total commercial banking fund

The inttention of Muslim investors in Indonesia to invest in finance in the capital market is also not good. The investment value of Indonesian society in the capital market sector is also very low. This is indicated by the capitalization

¹ (sugiyanto@esaunggul.ac.id)
(nurjannah.endah@esaunggul.ac.id)
(muhammadarief@esaunggul.ac.id)
Universitas Esa Unggul^{1,2,3} Widyatama University⁴

value of the Jakarta Islamic Index (JII) as measured by the highest index rate of 709,461 at the same time composite index is 5,214,976. The highest in the third quarter of September year 2013 (BI Islamic Banking Stabilization: 2013: 47)

The low interest of the Indonesian people to invest in the syari'ah banking sector or other shari'ah financial institutions is very ironic because Indonesia is the country with the largest Muslim population in the world. The Indonesian government has provided facilities to develop Syari'ah Banks in Indonesia by making laws and regulations governing sharia banks and establishing Shari'ah Board under the central bank as a banking regulator in Indonesia to handle Syari'ah Bank in Indonesia. With the regulation of syari'ah bank, the contribution of syari'ah bank in economy in Indonesia can be increased

The studies of the interest of the Muslim community using Syari'ah Bank or Syari'ah-based investment in Indonesia indicates that the lack of understanding of the society about the activities based on syari'ah and can not distinguish sharia investment with conventional investment. Secondly, there is a dualism of shariah banking regulators in Indonesia. As known, all banking regulators in Indonesia both shari'ah and conventional is the central bank of Indonesia. so there is a conflict of interest in the regulation.

The research has been done to determine the factors that influence Muslims in using syariah banking results are inconsistent. In general, the study focused on the personal (internal) behavior of respondents about the decision of the selection of syariah bank. Research conducted by Elfachmi Amin Kunaefi (2012) shows that the background of religiosity affects the level of satisfaction and level of customer loyalty. Research undertaken by Muhlis (2011) by dividing the sample into three groups. The first group is a sample that saves money in Syariah bank of religious reasons. The second group is the sample saving in the sharia bank for religious and profit reasons and the third group sample is the bank customer from non Muslim group. The results show that the factor of religiosity only affects the behavior of saving for first group customers. This indicates that some of the Muslim community acts rationally in saving, not only from the religious side but also the profit side.

Research conducted by Vita Vidyan Priaji (2011) shows that attitude, subjective norm, perceived control, religiosity, income, education and age have an effect on the intensity of saving in syari'ah bank. This research supports research result from Mohammad Abduh and Mohammad Azmin Omar (2012) about customer selection criteria shows that the factor of religiosity (Shariah Attribute Complaint attribute) becomes first rank while profitability factor second rank in consideration of choosing syaria bank.

The purpose of this study to determine factors that affect the intention of students in the faculty of economics and business Esa Unggul University using Islamic banking by using theory of planned bahvior.

II. LITERATUR REVIEWS

Banking Function According to the Banking Act No.10 of 1998, one function of banking Article 1 paragraph 2 is as an intermediary institution between people / institutions that have excess funds with people / institutions that lack of funds (banking law no10 of 1998)

To the party with excess bank funds provide interest rates (savings / deposits) while to the party who lacks bank funds earn interest. The difference between the saving / deposit interest and the bank loan interest is referred to as the spread which is one of the sources of income from conventional banks. Differences in the concept of interest that is considered usury in conventional banks is the reason for the establishment of Islamic banks among Muslims. The concept of usury among Muslims is considered to be based on the word of Allah in Sura An Nisaa verse 29

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالطَّلِإِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ وَلَا تَقْتُلُوا أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا ٢٩

O ye who believe! Take not your neighbor's property with falsehood, except by the way of the business that is acting with love among you. And do not kill yourself; surely Allah is Most Merciful to you (QS Aniaa:29)

Surah Ar Ruum verse 39

وَمَا أَنْتُمْ مِنْ رَّبٍّ لَّيِّئُوا فِي أَمْوَالِ النَّاسِ فَلَا يَرِيثُوا عِنْدَ اللَّهِ وَمَا أَنْتُمْ مِنْ زَكَاةٍ تُرِيدُونَ وَجْهَ اللَّهِ فَأُولَٰئِكَ هُمُ الْمُضَعِفُونَ ٣٩

And what usury you give to increase in the wealth of human beings, so it does not add to Allah's side. And what you give in the form of charity which you mean to achieve the pleasure of Allah, then it is those who multiply their wages. (the reward) (QS Aruum:39)

Surah Ali Imran ayat 130

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا الرِّبَا أَضْعَافًا مُّضَاعَفَةً وَاتَّقُوا اللَّهَ لَعَلَّكُمْ تُفْلِحُونَ ١٣٠

O ye who believe! Make no inves from usury.] And fear Allah, that ye may prosper (QS al Imran : 130)

Surah Al Baqarah ayat 278 dan 279

يَا أَيُّهَا الَّذِينَ ءَامَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُّؤْمِنِينَ ٢٧٨ فَإِن لَّمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِّنَ اللَّهِ وَرَسُولِهِ وَإِن تُبْتِغُوا فَكُمُ الرُّعُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ ٢٧٩

278. O ye who believe, fear Allah and leave the rest of usury (which is not collected) if you are believers
279. So if you do not (leave the rest of usury), then know that Allah and His Messenger will fight you. And if you repent (from taking usury), then for you the principal of your treasure; You do not persecute or be persecuted

Based on the Word of God Muslims are forbidden to practice the usury in economic activities. Economic progress during this period due to conventional banking sector. Even one of the indicators of a country's economy can be seen from the condition of banking in that country.

opinions about interest among Muslims themselves are still different. Differences of opinion about conventional banks according to Islam is what causes some Muslims prefer conventional banks and some choose Islamic banks.

Veitzahl rivai and antoni usman (2012: 208) categorize opinions religious leaders (Ulama) about bank interest:

Haram, because of the increase between the amount borrowed by the amount of money returned.

Bank interest is said to be usury if:

1. Interest doubled
2. Being pushy
3. Incriminating.

If one of the three elements does not exist, then the interest of the bank is deemed not to include usury.bank interest is Haram, but there is no bank without interest and bank can not live without interest, then the law is emergency, it is allowed

The research variables used are the development of the theory of planned behavior .The variables that influence student interest to use Islamic banking are:

1. *Attitude Toward Behavior* (X_1).

Attitudes toward behavior are defined as beliefs and positive feelings or as a result of individual evaluations performing certain behaviors that are desired (Jogiyanto 2007: 32). According to the research of Dongliang Zhang (2015: 474-491) attitudes toward this behavior are influenced by envirotnment knowledge and Moral Obligation.

2. *Subjective Norm*(X_2).

Subjective norms are the norms followed by individuals that will influence their behavior. The form of subjective norm is pressure / information to do or not to do something, in the form of social influence and its consideration (Jogiyanto 2007: 32).

3. *Perceived Behavioral Control* (X_3).

Perceptive behavior control can be interpreted as the ease or difficulty of the individual to exercise control over his perceptions. According to Ajzen two factors in perceptual behavior control are factors of the individual or self efficacy and outside the individual or locus of Control.

4. Islamic religiosity (X_4).

The degree of religiosity measures the understanding of the respondents about Islam, the level of implementation of Islam and the understanding of shari'ah / Islamic law. Variables and indicators are developed from Rahmen and Sabir research (2013: 63-69) which sees aspects of religiosity in terms of ideology, rituals, intellectuals, consequences and experiences.

5. *Behavioral Intention (Y).*

Intention can be interpreted as the desire to conduct behavior. This intention is not static, but changes over time. Intention to behavior is a function of behavior, attitudes toward behavior and subjective norms. According to Chiffman and Kanuk in Riska Septifani (2014: 42-55), attitude to buy is a psychological feeling that arises because of the feelings (affective) and the mind (cognitive) of goods or services you want to buy..

6. Personal Values and Demographics.

An investor's perception of the expected risk and level of profit is influenced by internal and external factors.

a.Information.

The quality and quantity of information owned by an investor. The more accurate and the more information obtained by an investor, then the decision is done accurately. Instead the poorer the quality and the less information then the investment decision is not accurateb.

b. Demografi.

Demogarf investor influence on investment behavior of an investor. These demographic aspects are:

- 1) Gender.
- 2) Gender influences perceptions and investment choices.
- 3) Education Level.

The level of education affects the behavior of investing, the higher the level of education the more cautious

4) Group and social community

Social groups based on certain religious beliefs and social values will influence an investor's attitude to invest.

7. Islamic religiosity (X4).

The degree of religiosity measures the understanding of the respondents about Islam, the level of Islamic implementation and the understanding of sharia / Islamic law. Variables and indicators are developed from Rahmen and Sabir research that measure aspects of religiosity in terms of ideology, ritual, intellectual, consequence and experience

Based on the background of the problem and the theoretical basis, the hypothesis as follows:

H1: There is a positive effect Attitudes toward behavior on the intention of using sharia banking.

H2: There is a positive influence of subjective norm on the intention of using sharia banking..

H3: There is a positive effect of behavioral control on the intention of using sharia banking.

H4: There is a positive influence of the degree of religiosity on the intention of using sharia banking.

H5: There is a positive effect on gender the intention of using sharia banking.

H6: There is positive influence of membership on Islamic organization to the intention of using syariah banking.

III.RESEARC METHODOLOGY.

This study uses explanatory design aims to see the influence between independent variables to the predefined dependent variable before. Multiple regression analysis is used to analyze the relationship pattern among variables.

The population are all students of the Faculty of Economics and Business of Esa Unggul University under graduate program are actively enrolled in the even semester of the academic year 2016/17. The number of samples in use between 100 to 200 respondents. Sampling technique purposive sampling, the technique of sampling with the following requirements:

- 1. Muslim Students recorded at least on two semester or more
- 2. Students recorded in the odd semester of the 2017/18 school year

The research model to explain the influence between variables in this study, illustrated the path diagram as follows:

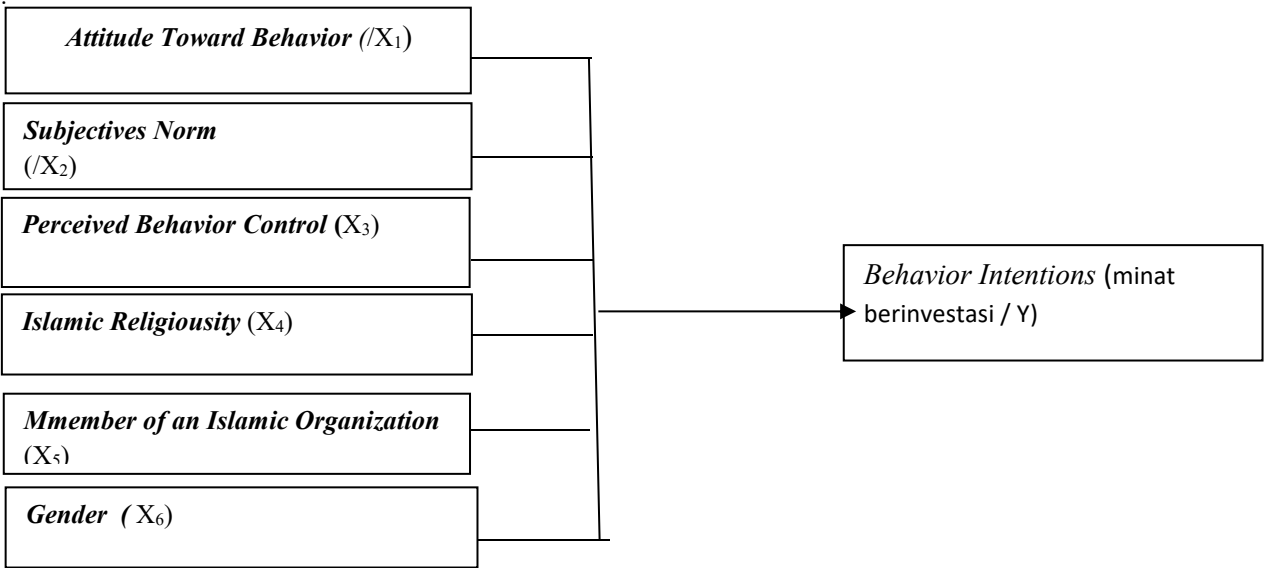


Figure 1: Research Model

III. DISCUSION

Based on data analysis shows the following results

Coefficients

Model	Unstandardized coefficients		Standardized coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-1.130	.883		-1.280	.202		
Sikap_thd_Perl	.222	.048	.226	4.649	.000	.720	1.389
Norma_suby	.276	.048	.266	5.724	.000	.788	1.270
Kontrol_perlk	.360	.049	.363	7.344	.000	.696	1.437
religiusitas	.082	.029	.123	2.812	.005	.881	1.135
Gender	.315	.212	.065	1.482	.140	.891	1.122
ormas_islam	.997	.267	.163	3.741	.000	.892	1.121

a. Dependent Variable: Minat

Table1. : Data analysis

Sources : data analysis

Intention = -1.130 + 0.222 attitude toward behavior+0.276 subjective norms + 0.360 control on behavior + 0.082 religiosity + +0.174 Gender + 0.9971 members of Islamic organization.

Attitudes toward behavior (Jogiyanto: 2007: 36) is the result of a thorough evaluation of a person in behaving. this is the result of an evaluation of past experiences and information received and believed that will turn into confidence.

Attitudes toward behavior have a significant effect on student interest in saving in syari'ah bank. the results showed that the students compare about the services of sharia banks with conventional banks. To increase student interest to use banking syar'ah then syari'ah banking must improve its service so that better conventional banking.

Thus accepting the first hypothesis that there is a positive influence between intention toward behavior toward intention in using syariah banking services. The results of this study are similar to the results of the study (Heikal at all: 727-724) who said that attitudes toward behavior have a positive effect on the interest to pay zakat. The results of this study are also similar to previous research (Hoge) which states that attitudes toward behavior have a positive effect on the decision to do recreation in particular.

Subjective norms are a person's beliefs as a result of the influence of his or her surroundings, whether friends, family or respected persons. From the results of research shows that subjective norms believed by students from friends, family or scholars have a positive effect on interest in saving the bank syari'ah. to increase the interest of students in the use of Islamic banks, the education for the understanding of Islamic banking is not only directed to the students directly but also to people who are considered influential in for students like ulama or parents.

Thus accepting the second hypothesis that there is a positive influence between subjective norm toward intention in using syariah banking services. The influence of subjective norms on behaving interests is in line with research conducted in Malaysia (shah alam and sayuti: 8-200) about the intetion of Muslim communities to buy halal food, but contrary to research conducted by zinse about factors influencing the Muslim citizens of the United States (Zinser: 2015) in choosing sharia

banking services. In this study the results show that subjective norms have no effect on intention in using Islamic banking services. This is understandable because Muslims in the United States are a minority so that the choosing of banking services is more determined by the element of practicality. This Zinser study also shows that subjective norms have no effect on the intention of use determined by the element of practicality. Zinser's research also shows that subjective norms have no effect on intention in using syariah banking services.

Perceived behavior control demonstrates a person's ability to behave on the basis of his or her own ability, the control of this behavior also shows how strong a person is behaving in the desired manner even when there is pressure or obstacles from the surrounding environment. The results of the study show that the more independent a student take a decision, then the greater the effect on interest to use the bank shari'ah.

Thus accepting the third hypothesis that there is a positive influence between perceived behavior control toward intention in using syariah banking services. The results of this study also support previous research (martin at.all) which shows that the control of behavior affects the interest to be active in the physics class. Katabi research (2014) also shows that control over behavior affects the intention to shop online.

The degree of religiosity measures how much the level of religious exercise and understanding of Islam from the respondents. From the results of the study showed that the higher the religiosity of respondents the higher the intention to use syari'ah banking. Student participation in Islamic mass organizations also increased the intention to use syari'ah banking and its influence is t significant. The influence of the level of religiosity to the intention is same from the research conducted by Nizar not significantly influence the intention of using syariah bank.

In this study also found that male students' intention to sharia bank is higher than female students, it shows that female students are more practical thinking that is seen from the ease and facilities offered by banking. While the male students in addition to see the ease also see the side of conformity with religious values and norms.

The sixth hypothesis which states there is a positive influence of membership in religious organizations on the interest to use Islamic banks is accepted with sig value of 0,000. This shows that religious organizations educate their members to always practice religion in every activity including economic and investment activities

IV.CONCLUSION

Based on the result of study and analysis of decision model of syariah bank selection of Esa Unggul students, it can be drawn the following conclusion:

1. Variabel attitude toward behavior, subjective norm variable, perception control, Variables of religiosity, membership variables in Islamic mass organizations have positive effect on intention of using syari'ah banking.
2. Variables gender variables do not affect the interest of using syari'ah banking.

BIBLIOGRAPHY

- 1 Ahmad, Norafifah & Sudin Haron"Perception of Malaysian Corporate Customers Toward Islamic Banking Products & services". International Journal of Islamic Financial Services,Volume 3 No. 4 (2004).
- 2 Alheet, A.F., Hamdan, Y. 2019. Evaluating innovation-driven economic growth: a case of Jordan. *Entrepreneurship and Sustainability Issues*, 7(3), 1790-1802.
- 3 Asri,Marwan. Keuangan Keperilakuan. Yogyakarta: Badan penerbitan Fakultas Ekonomi UGM,2013
- 4 Bank Indonesia"Statistik Perbankan Syari'ah"September 2013
- 5 Bank Indonesai "Statistik Perbankan Indonesia"Vol 11 No. 11 October 2012
- 6 Bodie ,Kane and Marcus. Investment.USA:Irwin,2000.
- 7 Goldberg,Joachim and Rodiger van Nitzsch. Behavioral Finance. USA: John Wiley and Son Inc,2001.
- 8 Grubb ,Michael D. "Selling to Over Confident Customers", *American Economic Review* 2009, 99:5, 1770–1807

- 9 Hussein, Khaled A.” *Ethical investment: Empirical evidence from FTSE Islamic index*”, *Islamic Economic Studies*. Vol. 12, No. 1, August 2004
- 10 <http://sp2010.bps.go.id/index.php/site/tabel?tid=321> Accesed Dec 23,2013 21.00PM
- 11 <http://www.muamalatbank.com/home/about/profile> accaead Dec 22, 2013 23.00PM
- 12 <https://sites.google.com/a/nusumma.com/www/perkembangan-nusumma/m-o-u-1-juni-1990> acced december 24,2013 at 21.00 PM
- 13 <http://sp2010.bps.go.id/index.php/site/tabel?tid=321> accessed Dec 23,2013 21.00PM
- 14 <http://people.umass.edu/aizen/index.html> acceced December 24 2013 at 10.00 PM.
- 15 Jogiyanto. Sistem Informasi Keperilakuan. Yogyakarta: PT. Andi Offset.2007
- 16 Kahneman,Daniel, Mark W Riepe,”*Aspects of investor psychology*”,*Journal of Portfolio Management*; Summer 1998; 24, 4; pg. 52
- 17 Kahneman, James E, Ruth Ann McEwen and Sudip Bhattacharje,”*Toward an Understanding of the Risky Choice Behavior of Professional Financial Analysts*”, *The Journal of Psychology and Financial Markets*2001, Vol. 2, No. 4, 182–189
- 18 Lasri, Abdeslame,Syed Othman Alhabshi and Ahcene lahsasna ,” *Private Equity & Islamic Private Equity , qualitative case study of Malaysian Institutional investors Behavior*”, 4TH INTERNATIONAL CONFERENCE ON BUSINESS AND ECONOMIC RESEARCH (4TH ICBER 2013) PROCEEDING 04 - 05 MARCH 2013. GOLDEN FLOWER HOTEL, BANDUNG, INDONESIA
- 19 Manan,Abdul Hakim. Ekonomi Syari’ah: Dalam Persepektif Kewenangan Peradilan Agama. Jakarta: KencanaPrenada Media Group,2012
- 20 Rivai,Veithzal dan Antoni Nizar Usman. *Islamic Economics & Finance:Ekonomi dan Keuangan Islam bukan Alternatif tetapi Solusi*. Jakarta:PT. Gramedia,2012.
- 21 Sapra,Steven G Claremont California dengan judul “ *Neorofinancial Foundations of Investor s behaviors*”*Doctor Dissertation from Faculty of Economic* Claremont California
- 22 Thaker, H. M. T., Sakaran, K., Nanairan, N., Thaker, M. M. T. and Hussain, H. I. (2020), Drivers of loyalty among non-Muslims towards Islamic banking in Malaysia: Evidence from SmartPLS, *International Journal of Islamic and Middle Eastern Finance and Management*, <https://doi.org/10.1108/IMEFM-07-2018-0211>
- 23 The World Bank “*Indonesians Economic Quarterly: Slower Growth;Hight Risk*” December 2013
- 24 The World Bank, “*Indonesians Economic Quarterly: Slower Growth;Hight Risk*”December 2013.
- 25 Tvede,Lars. *The Psychology of Finance:Understanding the behavioural Dynamics of Market*. Great Britain, 1999.
- 26 Undang Undang No. 7 Tahun 1992 tentang Perbankan di Indonesia dan direvisi menjadi Undang Undang No. 10 tahun 1998
- 27 Wysokińska-Senkus A. 2019. The model of an organization performance measurement in the context of sustainable system management. *Entrepreneurship and Sustainability Issues*, 7(3), 1819-1831.
- 28 Wygand,Jerry J.Paul D Kimmel and Donald E.Keiso.*Financial Accounting: IFRS Edition*. USA: John Wiley and Son Inc,2011