International Journal of Economy, Education and Entrepreneuship
p-ISSN: 2798-0138 | e-ISSN: 2798-012X
Vol. 3, No. 1, April 2023
https://doi.org/10.53067/ije3.v3i1

THE EFFECT OF RELIGIOSITY, SOCIAL ENVIRONMENT, AND GOVERNMENT SUPPORT ON THE INTENTION OF MSMEs TO SAVING AT ISLAMIC BANK IN MALANG CITY

Dewi Nurjannah[1,2], Imam Mukhlis[3], F. Danardana Murwani[4]

[1,3,4]Universitas Negeri Malang, Indonesia
[2]Universitas Muhammadiyah Malang, Indonesia
Email: *dewi_n@umm.ac.id[1]*

Abstract

The purpose of this study is to find out the factors that influence the decline in customers who save at Islamic banks. This research was built to study the relationship between religiosity, social environment, and government support on the intention of MSMEs to save at the Islamic Bank in Malang City. This study took three independent variables, namely religiosity, social environment, and government support, and one dependent variable on intention to save. The grand theory uses the Theory of Planned Behavior (TPB). This research is a quantitative study using a questionnaire. The data used in this study is primary data from a sample of MSMEs who have a bank account and have plans to open a savings account at the Islamic Bank in Malang. This study uses a sampling technique accidental sampling. Respondents in this study were 140 respondents. This study uses SmartPLS 3.3.2 to process data to find answers to hypotheses. The results of this study conclude that religiosity and social environment affect the intention of MSMEs to save at an Islamic bank in Malang City, but government support gives different results where government support does not affect the intention to save at the Islamic bank in Malang City this study focuses on internal and external factors that affect the intention MSMEs to saving at Bank Islamic in Malang City.

Keywords: *Religiosity, social environment, government support, interest in saving, islamic banking.*

INTRODUCTION

Technological developments have increased competition in the financial services sector after the entry of many financial technology companies (Kemenkominfo, 2018). Adapting to rapid technological developments and a dynamic environment means that financial service providers must be able to determine strategic changes based on market demand, technological innovation, and competition (Wu et al., 2011).

One of the competitors in the financial services industry currently being considered is Islamic banking. The current growth of the Islamic sector is also creating demand for Islamic finance models. The majority of 87.17 percent of Muslims believe that Islamic banking will have better opportunities in the future. Sharia Banking Statistics (SPS) (Finance, 2018) notes that Islamic banking is growing and developing rapidly, but in its development Islamic banking has many problems. The growth of Islamic banking is based on the 2015 Islamic Finance Outlook (Holmes & Damak, 2014) which shows that the development of Islamic banking is relatively slow and has a small market share.

The stagnant growth of Islamic banking in Indonesia according to the Director of Sharia Banking of the OJK (2015), behind which there are seven main issues. Factors inhibiting the growth of Islamic banking include government support, minimal capital, business strategy, products that are not versatile, low human resources, lack of Islamic banking education, and minimal supervision of Islamic banking (Tempo, 2015).

The low market share of Islamic banking is due to the lack of savings in Islamic banks. Based on several references, interest in saving is caused by several factors (Amin and Rahman, 2011). Amin's research (2011) with the studied religious obligation variable has a positive effect on the intention to save. This research results that there is a significant influence between religiosity and interest in saving by inviting someone to use or try something new, including transactions in Islamic banks. It can be interpreted that religiosity can lead people to carry out behaviors that are closely related to Islamic issues (Sharia). Kurniawan and Septiana (2020) state that religiosity also has a significant effect on the intention to save MSME actors. The social environment is a variable that shows a positive influence on the desire to save. These results are in line with Amin's research (2011) which shows a positive influence between the social environment and the desire to save. The community considers saving activities to be an act of investment, this is due to the acquisition of interest (usury) or profit sharing.

Government support is government action in influencing behavior in society through the household sector, MSMEs, companies, and national and international businesses. The role of government has an important role in the development of banking products including Islamic banking, with government support it will facilitate regulations in running business in banking companies, especially Islamic banking. Several studies have been conducted (Arwan et al, 2018; Pramaishella, 2016; Amin and Rahman, 2011) with inconsistent results.

Religion refers to formal aspects of rules and obligations, while religiosity refers to religious aspects that have been internalized in one's heart. Ghufron and Risnawita (2010) further emphasize that religiosity is the degree of individual attachment to their own religion. When an individual has lived and internalized his religious teachings, then religious teachings affect all of his activities and outlook on life. Religion refers to aspects related to formal commitments while religion refers to religious aspects that are lived from the heart.

Religion is the level of a person's relationship with his religion. When humans live and accept their religious teachings, these religious teachings influence all their actions and thoughts in life. According to Ghufron and Risnawita (2010).

The social environment is individuals or other groups that are around community life, such as neighbors, friends, and other people around them who are not yet known or the general public outside the surrounding environment (Amsyari, 1986). The social environment can be interpreted as the degree to which a person perceives the people around him as family or friends who invite someone to use or try something new. (Permana & Parasari, 2019)

The social environment or social environment can affect individuals who change their behavior to meet the demands of the social environment. The social environment can result from actions, orders, or requests. Social influences also affect communicative behavior individually and in groups (Amin, Rahman, 2011).

Vol. 3, No. 1, April 2023, pp. 324-332
https://doi.org/10.53067/ije3.v3i1.147

Support can come from many sources, such as family, friends, pets, neighbors, co-workers, organizations, government, and others. Support is any kind of verbal or non-verbal information in the form of advice, tangible help, or social action. Or in other forms, it could also be in the form of existence or everywhere, which can provide emotional benefits that affect acceptance behavior. The government as a tool of the state can be interpreted broadly or narrowly. Administration in a broad sense includes all state organs, whether executive, legislative and judiciary, or other state organs that act for and on behalf of the state. Governance can also be understood in a narrower sense, namely officials as executive bodies or more importantly the government as administrators of the state (Manan, 2001).

The initial capital to start saving is by intending, in this way, we will find it easier to set aside money. We intend in advance the purpose, for what we are saving. If there is something you want to buy, then you have to be serious about it. That way saving will be easy and not difficult. In the theory of planned behavior by Ajzen (1991), the most important determinant of a person's behavior is the intention to perform the behavior. An individual may have complete control when there are no barriers whatsoever to displaying a behavior. However, in extreme circumstances the opposite may occur, an individual may have absolutely no possibility of controlling a behavior due to a lack of opportunity, resources, or skills.

According to Ajzen (1991), the intention is assumed to be the capture of the motivational factors that influence behavior and which indicate how hard people are willing to try and how much effort they plan to exert in order to perform the behavior. The intention to engage in certain behaviors is influenced by attitudes towards behavior, subjective norms which can include socio-cultural factors, as well as perceived behavioral control which can be in the form of understanding/knowledge, level of religiosity, and perception.

A conceptual framework is a plan or picture made from a frame of mind about a problem to draw conclusions from that model of thinking (Rianto & Sulistyowati, 2019). Figure 1 below is a conceptual framework that can be built as follows:

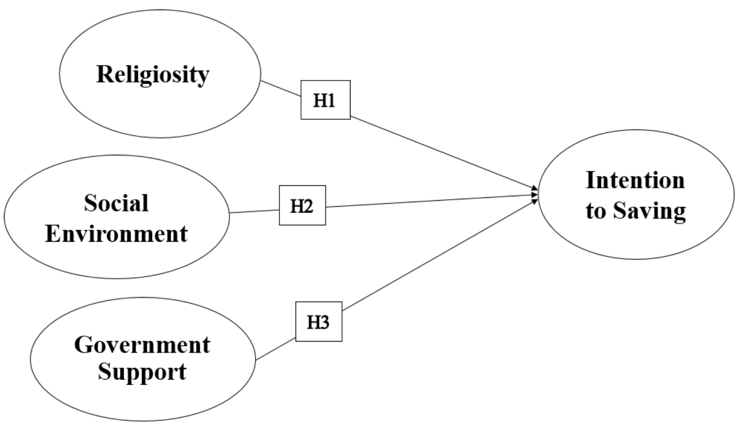

Figure 1. Conceptual Framework

Based on the contextual framework that has been built in this study, several hypotheses can be built as follows:

The Influence of Religiosity on Intentions to Save in Islamic Banks in Malang City

Religion has its own role in deliberation influencing the choice of action. Islamic activities must be based on Sharia principles. Islamic banking must follow the principles, values, and objectives based on Sharia (Islamic) principles. One of the obligations of a Muslim is to choose banking in accordance with Islamic principles (Sharia banking), Gufron & Riswanita (2010), Kuniatan & Septiana (2020). The more a person follows Islamic teachings or his religiosity, the stronger the greater the possibility for MSMEs to save in Islamic banking or Islamic banks. The following can be concluded hypotheses from the above statement:

H1 Religiosity influences the intention to save MSMEs at Islamic banks in Malang City.

The Influence of the Social Environment on the Intention to Save MSME at Islamic Banks in Malang City

The influence of the social environment used in this study refers to subjective norms. Social influence has a positive effect on the intention of MSMEs in using Islamic banking. The better the social influence in the family and society (Amin & Rahman, 2011), the more likely customers are to use Islamic banking. Based on the above arguments, the hypothesis can be drawn:

H2. Social influences affect the intention to save MSMEs at Islamic Banks in Malang City

The Influence of Government Support on MSME Intentions to Save at Islamic Banks in Malang City

Government support has a positive effect on MSMEs using Islamic banking. The stronger the government's support, the greater the intention of MSMEs to use savings at Islamic banks. The statement (Saiful Azhar, 2005) that the government has a strong influence on the demand for Islamic banking products, with government support can increase the intention of MSMEs to use Islamic banking in saving. Based on the above arguments, a hypothesis can be made:

H3. Government support influences the intention to save MSMEs at Islamic Banks in Malang City.

METHOD

This research uses a descriptive quantitative design to explain the characteristics of the group concerned, to estimate the proportion of units in a certain population that exhibits certain behaviors, to determine the perception of product characteristics, to determine how much the relationship between certain variables and specific data has predictions (Malhotra, 2010).

 International Journal of Economy, Education and Entrepreneuship,
Vol. 3, No. 1, April 2023, pp. 324-332
https://doi.org/10.53067/ije3.v3i1.147

Creswell (2014) states that quantitative research is an objective theory-testing approach by examining the relationship between variables. This variable can then be measured with instruments, and the amount of data can be analyzed using statistical methods. In this study uses associative quantitative research types, because researchers want to test empirically and explain how much one variable affects other variables, namely Religiosity (X_1), Social Environment (X_2), Government Support (X_3), and Interest in Saving UMKM (Y).

This study uses a Likert scale with 5 statements 1-5 in order 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree (Sugiyono, 2019)

The population in this study were MSME actors in Malang City who already had a bank account and had the intention of opening a savings account at an Islamic bank, but because the accurate population size was not known, the researcher adopted research from (Joseph F. Hair Jr. William C. Black & Anderson, 2014) where the number of indicators is multiplied by (X) 5 to 10. Based on this argument, the minimum number of samples in this study is (14 x 10 = 140).

This study uses an accidental sampling technique (Gozali, 2018), namely the selection of the accidental sampling method in quantitative research is included in the non-probability sampling technique. It is said to be non-probability sampling if the sampling does not provide equal opportunities for the sample. This research was conducted by distributing questionnaires, which were successfully collected were 140 respondents (MSME actors).

The data analysis method in this study uses primary data from MSME respondents who already have an Islamic bank account and have the intention of opening a savings account at an Islamic bank as the unit of analysis. This study will test the feasibility of the research instrument by testing its validity and reliability (Outer Model test). The next stage is to test the hypothesis in the research (inner model test). The statistical tool in this study uses SmartPLS.3.3.2

RESULTS AND DISCUSSION

Data Validity and Reliability

The validity of this study was tested using Smartpls 3.3.2. According to (Beckett et al., 2017) validity can be tested by looking at the "outer loading" value > 0.6 and the results are valid.

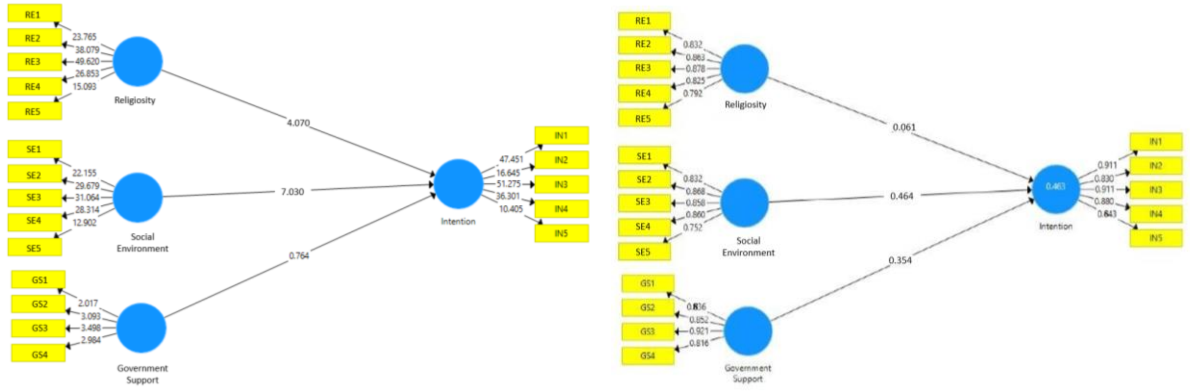

Figure 2. Data Validity

Reliability and AVE

Table 1. Reliability and AVE

	Cronbach'sAlpha	rho_A	CompositeReliability	(AVE)
RG	0,868	0,867	0,876	0,671
SE	0,881	0,886	0,833	0,707
GS	0,872	0,897	0,921	0,687
IS	0,894	0,879	0,835	0,765

The effect of religiosity on the intention to save MSMEs at Islamic Banks in Malang City, where the P-value is 0.000 <0.05 so it can be concluded that religiosity influences the intention to save MSMEs at Islamic Banks in Malang City, which means that religiosity of MSMEs is getting stronger, then the intention to save at an Islamic bank is the higher the statement that meets consistent criteria, which means that this statement can have consistent results when used to measure in different places and times (Sujarweni, 2018).

According to Ghozali (2016), the reliability value is good if Cronbach's Alpha is > 0.7. Based on the table above, religiosity is 0.868, social environment is 0.881, government support is 0.891 and the intention to save MSMEs is 0.894, which means that all these values are above the specified limit of 0.7.

Hypothesis Test

	Original Sample	Sample Mean (M)	STDEV	T Statistics	P Values
Religiousity-> Intention	0,451	0,455	0,078	7,664	0,000
Social Environment > Intention	0,454	0,343	0,087	4,170	0,000
Government support-> Intention	0,064	0,076	0,086	0,030	0,346

Testing the inner model is a test conducted to prove the hypothesis that has been built. The effect of the social environment on the intention to save MSMEs at Islamic Banks in Malang City, where the

Vol. 3, No. 1, April 2023, pp. 324-332
https://doi.org/10.53067/ije3.v3i1.147

P-value is 0.000 <0.05, so it can be concluded that the social environment influences the intention to save MSMEs in Islamic Banks in Malang City, which means that the stronger the influence of the social environment of MSME actors, the higher the intention to save in Islamic banks in Malang City.

The effect of government support on the intention to save MSMEs in Islamic Banks in Malang City where the P-value is 0.346 > 0.05 so that government support has no effect on the intention to save MSMEs in Islamic Banks in Malang City.

Based on the results of the research above, it can be concluded that the following explanation:

There is an influence of religiosity on the intention to save MSMEs at Islamic Banks in Malang City.

This research is in line with research conducted by Amin, Rahman, (2011), Kurniawan & Setiana (2020) where a person or MSME actor with a high level of religiosity makes decisions based on the guidance of his religion (Islam). The results of this study further confirm that MSMEs with strong religiosity and are willing to implement them will choose Islamic banking to save in accordance with their religious teachings, namely Islamic banking.

There is an influence of the social environment on the intention to save MSMEs at Islamic banks in Malang City.

This research is consistent with the research (Amin, Rahman, 2011) that examined this variable in Malaysia. This research also strengthens the claim that humans are social creatures. The influence of the social environment of society puts human behavior into perspective in the long term. As a result, the influence of the greater social environment in society encourages social groups to act together.

Government support has no effect on the intention to save MSMEs at Islamic Banks in Malang City.

This research is also in line with research (Amin, Rahman, 2011) which states that government support has no effect on the intention to save in Islamic banks. Government support in Indonesia for banking, especially Islamic banking, to attract MSMEs is still lacking, so the performance of Islamic banking is limited due to a lack of government regulations that support Islamic banking. The government's role is to support the development of Islamic banks in Indonesia by providing tax breaks, increasing access to MSME capital that is lacking, and increasing MSME literacy which is lacking in Islamic banking.

CONCLUSION

Based on the findings of this study, it can be concluded that the influence of religiosity and the social environment has an influence on the intention to save MSMEs at Islamic banks in Malang City, but government support has no effect on the intention to save MSMEs on Islamic banks in Malang City. Based on the findings above, it can also be concluded that: Religiosity influences the intention to save MSMEs at Islamic banks in Malang City. Where religiosity has a significant effect, the H1 hypothesis is accepted. The influence of the social environment on the intention to save MSMEs at Islamic Banks in Malang City. Where the social environment has a significant influence in this study, then H2 is accepted. The effect of government support on the intention to save MSMEs in Islamic Banks in Malang City Where government support has no effect on the intention to save in Islamic Banks in Malang City, then H3 is rejected.

Based on the research findings above, the researcher recommends managerial implications for Islamic banking to improve its performance, including:

1. Religiosity affects the intention to save MSMEs, so Islamic banking must be able to educate MSMEs that saving at Islamic banks is in accordance with religious orders, Islamic banking can also hold events that aim to educate the importance of saving at Islamic banks because it is in accordance with Islamic principles.
2. The social environment influences the intention to save MSMEs so that Islamic banking can collaborate with Islamic institutional communities, MSME associations, and study groups in order to build an Islamic ecosystem. The Islamic ecosystem that is built is not only based on Islamic economics but can cover a wider range of things.
3. Government support has no effect on the intention to save MSMEs, so Islamic banking must be able to improve better communication with the government. The large and largest number of MSMEs and Indonesian Muslims in the world are expected to be a resource that is not inferior to Islamic countries
4. For Researchers Furthermore, in the next research, you can add other variables such as attitudes, and profit sharing as independent variables and can reach a wider object.

REFERENCES

Amsyari. 1986. *Prinsip-Prinsip Masalah Pencemaran Lingkungan*, Yogyakarta: Pustaka Pelajar.

Arwan, A., Kholid, M., Aniesa, M., & Bafadhal, S. (2018). Pengaruh Kebijakan Pemerintah Terhadap Tingkat Kewirausahaan Di Indonesia (Studi pada Program Kredit Usaha Rakyat Periode Tahun 2008-2014). *Jurnal Administrasi Bisnis* (JAB)|Vol, 60(3), 10–17.

Amin, Hasanudin & Rahman Abdul Abdul Rahim, S. L.S. J. and A. M. C. H. (2011). Determinants of customers'intention to use Islamic personal financing The case of Malaysian Islamic banks. https://doi.org/10.1108/17590811111129 490.

Beckett, C., Eriksson, L., Johansson, E., & Wikström, C. (2017). Multivariate Data Analysis (MVDA). In Pharmaceutical Quality by Design: A Practical Approach (Seventh Ed). United States of America : British Library Cataloguing. https://doi.org/10.1002/97811188 95238.ch8

Creswell J. W., 2014 Research Design Qualitative and Quantitative Approach, California: Sage Publications, Inc.

Vol. 3, No. 1, April 2023, pp. 324-332
https://doi.org/10.53067/ije3.v3i1.147

Ghozali, I. (2016). *Prosedur Aplikasi Analisis Multivariete Program SPSS*.

Ghufron, M. N., dan Risnawita, R. (2010). Teori-teori psikologi. Yogyakarta: Arruz Media. Handayani, SriWiroro Retno Indah dan Suharman. 2012. Konsep Diri, Stress, dan Prokrastinasi Akademik pada Mahasiswa. *Jurnal Psikologi Indonesia*, 1(2)

Holmes, Z., & Damak, M. (2014*). Islamic Finance Outlook 2015*. September 2014.

Joseph F. Hair Jr. William C. Black, & Anderson, B. J. B. R. E. (2014). *Multivariate Data Analysis Seventh Edition.*

Kementrian Komunikasi dan Informatika. (2018). Siaran Pers No. 53/HM/KOMINFO/02/2018. siaran pers no. 53/HM/KOMINFO/02/2018, 1. https://kominfo.go.id/index.php/content/detail/12640/siaran-pers-no-53hmkominfo022018-tentang-jumlah-pengguna-internet-2017-meningkat-kominfo-terus-lakukan-percepatan- pembangunan-broadband/0/siaran_pers

Keuangan, O. J. (2018). Statistik Perbankan Indonesia.3.https://www.ojk.go.id/id/kanal/perbankan/data-dan-statistik/statistik-perbankan-indonesia/Pages/Statistik-Perbankan-Indonesia---November-2018.aspx

Lujja, S., Omar Mohammad, M., & Hassan, R. theory of reasoned action. International Journal of Islamic and Middle Eastern Finance and Management, 9(4), 583–600. https://doi.org/10.1108/IMEFM-08-2015-0092

Kurniawan M, Septiana Eka(2020) Pengaruh Financial Knowledge, Persepsi, Religiusitas dan disposible income terhadap Minat Menabung di Bank Syariah (Studi Pada Pelaku UMKM di Kecamatan Terbanggi Besar Lampung Tengah) AL – Mashsrof, Jurnal Keuangan dan Perbankan Syariah https://doi.org/10.24042/al-mashrof.v1i1.7183,

Manan, B. (2001). Menyongsong Fajar Otonomi Daerah.

Mohammad, H. I. (2019). Mediating effect of organizational learning and moderating role of environmental dynamism on the relationship between strategic change and firm performance. Journal of Strategy and Management, 12(2), 275–297.https://doi.org/10.1108/JSMA-07-2018-064

Patricia, Dianita, Menabung Menurut Pandangan Islam, https://www.kompasiana.com/dianitapatricia/60ba28b7d541df629b748fe2

Pramaishell Naury Ayu, (n.d.). *Pengaruh Modal, Dukungan Pemerintah, dan Kompetensi Sumber Daya Manusia terhadap Kinerja Usaha Mikro, Kecil dan Menengah*. 1–27.

Permana, G. P. L., & Parasari, A. A. A. I. (2019). Pengaruh Hedonic Motivation, Social Influence, Dan Perceived Enjoyment Terhadap Penggunaan Marketplace Pada Umkm Di Bali: Studi Kasus Pada Hipmi Provinsi Bali. Jurnal Ilmiah Manajemen Dan Bisnis, 4(1), 90. https://doi.org/10.38043/jimb.v4i1.2154

Rianto, M. R., & Sulistyowati, A. (2019). *Analisis Faktor Makro Dan Mikro Ekonomi Terhadap Harga Saham Pada Sektor Perbankan Yang Terdaftar Di Bursa Efek Indonesia* (2013- 2017). 15(2).

Saiful Azhar, R. (2005). *Critical Issues on Islamic Banking and Financial Markets*. October.

Sujarweni, V. W. (2018). *Metodologi Penelitian Bisnis dan Ekonomi Pendekatan Kuantitatif*. Pustaka Baru Press.

Taib, F. M., Ramayah, T., & Abdul Razak, D. (2008). Factors influencing intention to use diminishing partnership home financing. *International Journal of Islamic and Middle Eastern Finance and Management,* 1(3), 235– 248.https://doi.org/10.1108/17538390810901168

Tempo. (2015). *Otoritas Jasa Keuangan (OJK) Provinsi Bali (KOMUNIKA).* 20.

Wu, Y., Wei, Z., & Liang, Q. (2011). Top management team diversity and strategic change: The moderating effects of pay imparity and organization slack. *Journal of Organizational Change Management*, 24(3), 267–281.https://doi.org/10.1108/09534811111132686