HOW DO COMMUNITY PERCEPTIONS, SHARIA FINANCIAL LITERACY, AND CULTURAL INFLUENCES IMPACT SAVING DECISIONS IN SHARIA BANKS? *(Study in Malang City Community)*

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ABSTRACT

This research aims to determine the relationship between culture, Sharia financial literacy, and public perceptions of savings decisions at Sharia Banks. This research uses quantitative methods with a correlation-type method. The research population in this study was residents of Malang City. The sampling technique used was non-probability sampling and snowball sampling. In this study, the sample consisted of 100 respondents, and primary data was used as a data source by giving questionnaires to respondents through documentation and direct observation using multiple linear regression analysis, namely instrument stages, classical assumptions, multiple linear regression analysis, and hypotheses. This study reveals that culture, Islamic financial literacy, and public perception influence saving decisions. Meanwhile, in the partial t-test, cultural variables influence the decision to save, and Sharia financial literacy and public perception do not influence the decision to save.

Keywords: **Culture, Sharia Financial Literacy, Public Perception and Saving Decisions**

INTRODUCTION

Indonesia is a country with the largest Muslim population in the world and has the potential to become a leader in the field of sharia finance. The growing awareness of the Indonesian population regarding the issue of halal matter and the strong support from stakeholders has been the cause of the development of the Indonesian halal industry ecosystem, one of which is the sharia banking industry. Sharia banking has a very important role in the availability of facilities for all economic activities in the halal industry. The reputation of the sharia banking industry in Indonesia has increased significantly over the last 3 decades. From year to year, product innovation, improvements in service and network development show a positive influence. Thus, the drive to accelerate adaptation in the digital era is also influenced by the large number of sharia banks taking corporate action.

According to Siregar et al., (2020) the emergence of Islamic banks does not just fulfill the interests of the Indonesian Muslim community because it is not a guarantee. However, this is a real antithesis to the development of Islamic banks, which actually progress more slowly than conventional banks. Sharia banking carries out its functions according to the instructions of the Koran and Hadith. In this case, sharia banking operational procedures are managed and supervised by Islamic law which prohibits sharia banking and other sharia institutions from charging interest or additional fees. Sharia banks have several contracts, including murabahah, mudharabah, musyarakah, ijarah, wadiah, istisna, salam and qardh.

According to Siregar et al., (2020) one of the causes that has had the impact of decreasing interest in the sharia banking market is the public's perception that sharia banking has the same type of operations as conventional banking, only with the addition of the sharia label. This has had an impact on the operational continuity of sharia banks, so that people are still hesitant to carry out transactions at sharia banks, even if they are only savings transactions. At this time, many people still do not really understand the importance of saving for the future, because savings begin within oneself. Before saving, people must clearly understand the uses and goals they want to achieve. With knowledge about the uses and goals to be achieved, society in general will have a logical mind about gathering information about how to save safely and provide benefits. In general, people do not want to lose assets that they already own, such as the element of usury, but their knowledge is less than optimal, which makes people keep saving.

Indonesia's policy regarding sharia banks is written in Law no. 21 of 2008 and it is hoped that this policy will provide motivation for the operations of the Indonesian sharia banking industry to be more organized while still aiming at the goal of development. Specific evidence of this policy is the increasing increase in the sharia banking system in each period. On a national scale, according to the Indonesian Sharia Financial Development Report for June 2023, Malang City is sourced from the OJK. Gross assets amounted to 2,908 billion, financing amounted to 2,129 billion, third party funds amounted to 2,359 billion, and FDR amounted to 90.25%. Among independent sharia banking, BRI sharia and BNI sharia, sharia banking generally has a large contribution to the growth of assets owned by banks sharia.

Cultural influences can be the cause of the decision to save at a sharia bank. According to Saiful (2018:34) community culture is the basis of an organization's philosophy which contains similar norms, beliefs and values that characterize the way an organization works. Culture is the root cause of customer desires and behavior. All customer behavior needs to be researched. Every group or society certainly has a culture and the influence of culture on purchasing behavior will be different. Customer behavior is based on culture and its impact will always develop over time on society and human behavior will tend to absorb cultural habits and customs (Machmud & Rukmana, 2017:35).

Apart from cultural factors, factors that can influence the decision to save at a sharia bank are the sharia financial literacy factor. According to Bhabha, et al (2014) financial literacy has a role in all activations of awareness, knowledge, skills, attitudes and behavior in an effort to make efficient financial decisions and achieve individual financial goals. It is very important to continue to improve financial literacy regarding sharia financial institutions and products. A high financial literacy index according to sharia law will encourage economic growth in Indonesia, because the majority of Indonesia's population is Muslim. People who understand sharia finance in all aspects influence the improvement of the country's economy.

Another factor that can increase the decision to save is public perception. According to Supiani, et al (2021), research results show that different public perceptions have a significant positive impact on the decision to save at Islamic banks. Public perception is an impression of an object obtained at the stages of detecting, organizing and interpreting the object. The images received at the viewing stage will be organized and interpreted to create meaning for each individual, while the perception process is a unified activity within each individual.

Various attitudes, behavior and perceptions of the public regarding sharia banking include the low level of knowledge and understanding of sharia banking, especially due to the dominance of conventional banking. The existence of differences in assessments regarding profit sharing, benefits and products can have an impact on public interest in using sharia banking products. Therefore, there is a need for further research related to the influence of culture, sharia financial literacy and public perceptions on the decision to save at sharia banks.

THEORETICAL BASIS

Theory Planned Behavior (TPB)

The Theory of Planned Behavior argues that attitude towards behavior is the key point that can predict action, while it is necessary to take into account a person's attitude to examine subjective norms and measure the existence of control based on a person's behavior. If there is a positive attitude, people's encouragement of the environment and the view of ease because there are no challenges in behaving so that the intention to behave increases (Ajzen, 1991).

Influence Of Culture

According to Hawkis (2012) culture is something complex that includes knowledge, beliefs, customs, morals, art and other abilities and habits in every society. Culture is the main factor that shapes consumer desires and behavior. Every organization and every society has a culture and has a diverse impact on purchasing behavior. According to Afandi (2018:101) there are several indicators to measure organizational culture, including: implementation of norms, implementation of values, beliefs and implementation of a code of ethics.

Sharia Financial Literacy

According to Financial Services Authority Regulation (POJK) Number 76/POJK.07/2016 concerning the development of financial literacy and inclusion in the financial services sector for consumers and the public, the definition of sharia financial literacy is knowledge. According to the Organization for Economic Co-operation and Development or OECD, sharia financial literacy is knowledge and understanding of financial guidelines and risks. Form skills, encouragement and confidence to apply knowledge and understand what you have in order to create effective financial decisions, provide increased financial well-being (financial will being) for individuals and organizations or society and participate in improving economic aspects. Financial literacy has several dimensions, including skills in calculating, understanding basic finances and attitudes towards financial aspects of decision making.

Community Perceptions

Public perception is a stage for individuals to determine choices, organize and provide perceptions of the information obtained in order to achieve specific or personal goals supported by selective attention, attention and retention (Hasan in Jalilah and Yasir, 2017). According to Toha in research conducted by Moegiri (2016), factors that influence each individual's perception are internal factors such as behavior, personality, perceptions, needs, expectations of physical conditions and others. Apart from that, there are also external factors such as family background, knowledge, something new and others.

Decision to Save at a Sharia Bank

According to Maski (2010) the decision to save is an alternative choice which includes choices based on logic or considerations, there are various alternatives that can be chosen as goals to be achieved. A decision is the final stage of the process of thinking about a problem or phenomenon in an effort to provide answers to the questions made and has the use of providing solutions. The definition of a saving decision is similar to a purchasing decision. This means that it is the result of various considerations to achieve goals and assess and evaluate options systematically and objectively and assess the benefits and losses that will be obtained. Decision making is an important factor in customer behavior related to assessing, obtaining and using products and services.

HYPOTHESES

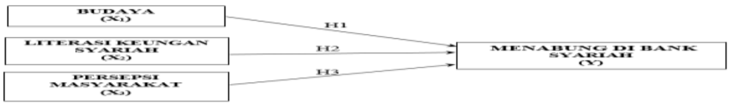

Figure 1. Conceptual Framework

Research Hypothesis

H1: There is the influence of culture, sharia financial literacy and public perception on the decision to save at Sharia Banks

H2: There is a cultural influence on savings decisions at Sharia Banks

H3: There is an influence of sharia financial literacy on the decision to save at a sharia bank

H4: There is an influence of public perception on the decision to save at Sharia Banks

METHOD

Based on variable relationships, this research uses quantitative methods with a correlation type method. In this research, the population used was the people of Malang City. The sampling technique used was non-probability sampling and snowball sampling. In this study the sample consisted of 100 respondents. In this research, there are several data collection methods that will be used, namely observation and questionnaires which are distributed to respondents in the form of a Likert scale. The data analysis method in this research is assisted by the SPSS application. This research uses multiple linear regression analysis to measure the influence of culture, sharia financial literacy, and public perception on the decision to save at sharia banks.

RESULTS AND DISCUSSION

Instrument Test

A. Validity Test

Validity tests are carried out for each item in each variable item. The score on each statement item whose validity is tested is correlated with the total score of all items. The results of testing the validity of the saving decision variable (Y), the calculated r value was obtained from the lowest 0.653 and the highest 0.836, so it can be concluded that the calculated r on the saving decision variable from the lowest to the highest has a value greater than the r table of 0.1966 so that all indicators of the saving decision variable can be said to be valid.

B. Reliability Test

Sugiyono (2017:130), states that a reliability test is the extent to which measurement results using the same object will produce the same data. The results of the reliability test for saving decisions (Y) have a Cronbach's Alpha of 0.802, the cultural variable (X1) has a Cronbach's Alpha of 0.799, the Islamic financial literacy variable (X2) has a Cronbach's Alpha of 0.858, and the public perception variable (X3) has a Cronbach's Alpha of 0.858. 0.815. all of these variables have Cronbach's Alpha > 0.60 so it can be concluded that this research variable is reliable.

Normality Test

According to Ghozali (2018:111), the normality test aims to test whether in the regression model, the independent and dependent variables are normally distributed or not. The normality test results show that all data is normally distributed due to the Asymp value. The significance of 0.200 is greater than 0.05.

Classic Assumption Test

A. Multicolinearity Test

The multicollinearity test aims to test whether there is a correlation between independent or independent variables. From the results of the multicollinearity test, it can be concluded that the independent variables in this study show a VIF value < 10 and a tolerance value > 0.1. This shows that there are no signs of multicollinearity between the independent variables. In other words, the independent variables in this research are independent and do not have a significant correlation with each other.

B. Heteroskedasticity Test

This test uses a scatterplot test model aimed at testing whether the regression model has the same residual variance or not.

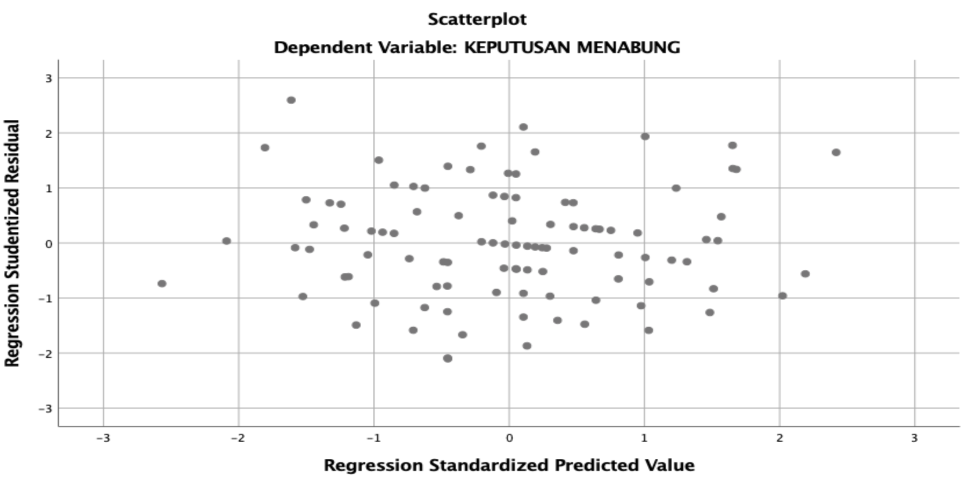

Figure 2. Scatterplot Test Results
Source: Primary Data (Processed 2023)

From the scatterplot results in the figure above, it can be seen that the points are distributed randomly (without a pattern) both above and below the number 0 on the Y axis, so it can be concluded that the residual variance is homogeneous (the assumption is met).

MULTIPLE LINEAR REGRESSION ANALYSIS

The multiple linear regression analysis test was carried out to measure how much influence the independent variable has on the dependent variable. The results of the multiple linear regression analysis test can be seen in the table below.

Table 1. Results of Multiple Linear Regression Analysis

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,373	2,538		4,087	,000
	BUDAYA	,231	,102	,227	2,260	,026
	LITERASI KEUANGAN SYARIAH	,031	,112	,028	,277	,782
	PERSEPSI MASYARAKAT	,046	,089	,052	,520	,604
a. Dependent Variable: KEPUTUSAN MENABUNG						

Source: Primary Data (Processed 2023)

Based on the table, it shows that the multiple linear regression equation is as follows:

$Y = \alpha + b1X1 + b2X2 + b3X3 + e$

$Y= 10.373 + 0.231X1 + 0.031\ X2 + 0.046X3 + e$

Based on the results of the double linear regression equation above, it can be concluded that the constant value has a positive effect, namely 10.373, which can be interpreted as if the cultural variables, sharia financial literacy, public perception, then the saving decision variable is declared constant, then in this case the saving decision tends to increase.

Hypothesis Testing

A. Test F

This test is used to determine the level of influence of the dependent variable simultaneously on the independent variable.

Table 2. Results of Test F

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24,933	3	8,311	9,035	,000[b]
	Residual	85,546	93	,920		
	Total	110,479	96			
a. Dependent Variable: Y1						
b. Predictors: (Constant), PERSEPSI MASYARAKAT, LITERASI KEUANGAN SYARIAH, BUDAYA						

Source: Primary Data (Processed 2023)

Based on table 4.13, simultaneous testing obtained F test results with an F value of 9.035 and a significance value of 0.000 which is smaller than the specified significance level (0.05). Thus, it can be concluded that the variables Culture (X1), Sharia Financial Literacy (X2), and Public Perception (X3) simultaneously have a significant effect on the Saving Decision variable (Y) and the hypothesis proposed in this research is accepted.

According to the results of the F test data analysis on processed SPSS data, it can be seen that the significance value is 0.000 < 0.05 so that it can be stated that the influence of culture, sharia financial literacy and public perception simultaneously have a significant influence on the decision to save at sharia banks. Cultural factors, sharia financial literacy and public perception are factors that can influence customers' decisions in choosing a sharia bank, because first of all, culture must be considered in the process of developing sharia banking, because culture in the community will influence customers in deciding to choose a sharia bank (Mulyani , 2022).

Second, an understanding of sharia financial literacy shows that financial literacy can influence a person's behavior in managing or managing their finances, when an individual is faced with a choice in managing their finances with a financial institution by mastering sharia financial literacy, the individual will choose the financial institution that in accordance with sharia principles, namely sharia banks (Fadhilah & Yuliafitri, 2023). Third, choose a sharia bank because public perception shows that someone will use sharia bank products if that person understands how sharia banks operate. For this reason, increasing understanding of public perceptions about Islamic banks will definitely increase the frequency of someone saving using Islamic banking services. This is a real opportunity for a financial institution (Sharia bank) to further improve its promotional strategy for Islamic bank operations to increase public knowledge about saving in Islamic banks (Melita, 2020).

Apart from that, this can also be proven from the distribution of questionnaires carried out by researchers to respondents included in the research sample. The average result of the respondents' answers to the independent and dependent variables was a score of 4 (agree), this is because the respondents in this study are the general public who on average save in sharia banks so it can be concluded that currently the Indonesian people's knowledge and understanding of the institution , financial products and services are quite good and evenly distributed in every sector of the financial services industry, resulting in high public interest in saving at sharia banks.

B. Coefficient of Determination (R2)

The coefficient of determination test (R^2) is carried out to show how big the correlation or relationship value is between the independent variable and the dependent variable.

Table 3. Results of Coefficient of Determination (R2)

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,231[a]	,053	,024	2,33646
a. Predictors: (Constant), PERSEPSI MASYARAKAT, BUDAYA, LITERASI KEUANGAN SYARIAH				
b. Dependent Variable: KEPUTUSAN MENABUNG				

Source: Primary Data (Processed 2023)

Based on table 4.14, it can be seen that the adjusted R-squared (R2) value is 0.024. which shows that the R-squared coefficient of determination increases when there are additional independent variables in the regression model. This means that 0.024% of the variation or change in savings decisions can be explained by culture, sharia financial literacy and public perception. Meanwhile, the remaining 0.76% was influenced by other variables not included in the research. Then the standard error of the estimate is 2.336. The greater this value, the more accurate the regression model will be for predicting savings decisions.

C. t test

The partial test (t test) is used to assess the individual or separate influence of each independent variable on saving decisions. By using this test, it can be seen whether each independent variable has a significant effect on the decision to save.

Table 4. Results of t Test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,373	2,538		4,087	,000
	BUDAYA	,231	,102	,227	2,260	,026
	LITERASI KEUANGAN	,031	,112	,028	,277	,782

	SYARIAH					
	PERSEPSI MASYARAKAT	,046	,089	,052	,520	,604
a. Dependent Variable: KEPUTUSAN MENABUNG						

Source: Primary Data (Processed 2023)

Based on the t-test results in the table, it can be concluded:

1. Cultural Influence (X1) on Saving Decisions.

It is known that the Culture variable has a t value of 2.260 and its significance is 0.026 which is smaller than 0.05, the alternative hypothesis (H1a) and rejects the null hypothesis (H0) on the culture variable. This shows that culture has a significant positive effect on saving decisions. This means that culture is one of the reasons why customers decide to save at a sharia bank.

The results of this research test show that the culture adopted by the people of Malang City has a significant influence on their interest in saving in Islamic banks. Where cultural factors are able to provide the broadest and deepest influence on customer behavior. Islamic bank management needs to know what role a customer's culture, social class and sub-culture play. Because culture is the most fundamental cause of customer desires and behavior. Culture in a society is always developing and changing. This change has an impact on people's behavior and will have an influence on their consumption behavior. The task of the management of sharia banks operating in the city of Malang is to analyze what kind of culture is adhered to by the people of Malang. This needs to be a question for every Islamic bank management operating in the city of Malang, because culture is a determinant of customer desires and behavior. Where the business community culture adopted by the people of Malang city is a big opportunity for sharia banks. Depending on the strategy, it has a real (significant) effect on Islamic bank customers' interest in saving. The results of this research are in line with research conducted by Andespa (2019) which states that culture has a significant influence on the interest in saving of Islamic bank customers.

2. The Influence of Sharia Financial Literacy (X2) on Saving Decisions

Based on the t-test results, there is not strong enough evidence to reject the null hypothesis (H0) on the Islamic financial literacy variable. With a significance value of 0.782 which is greater than 0.05, it can be concluded that Sharia Financial Literacy does not have a significant effect on Saving Decisions. This means that Sharia Financial Literacy is less able to increase people's knowledge in managing finances better.

This is because Indonesian people do not view financial literacy as the main factor in determining savings decisions in Islamic financial institutions. These results show that the higher a person's sharia financial literacy, the smaller the financing decision making in sharia financial institutions will be. This weakness in understanding sharia financial literacy is also based on various public assumptions which state that the operations of sharia financial institutions are still affiliated with conventional ones (Hakim & Muttaqin, 2020). The results of this research can be in line with research conducted by Hakim & Muttaqin (2020) which states that Sharia Financial Literacy does not have a positive and significant effect on the decision to save at a Sharia bank.

3. Influence of Public Perception (X3) on Saving Decisions

Based on the t-test results, there is not strong enough evidence to reject the null hypothesis (H0) on the public perception variable. With a significance of 0.604 which is greater than 0.05, it can be concluded that public perception does not have a significant influence on saving decisions. In other words, there is a lack of public response and attitude in the context of saving.

Banking is currently dominated by conventional banking which uses interest in addition to the principal assets lent. This is certainly not in accordance with what is recommended in Islam. Meanwhile, the current development of sharia banking is not very good due to a lack of public knowledge and public perception which still thinks that basically sharia banks are not much different from conventional banks. So a person's perception also determines decision making.

The results of this research show that the variable public perception can be seen that the t table value is 1.98525 > t count is 0.520. So, it can be concluded that the public perception variable has no effect on saving decisions. So it can be concluded that H3 is rejected, meaning that public perception does not partially influence the decision to save. This is caused by several reviews of public perceptions of savings decisions, including the public's perception that Islamic banks are the same as conventional banks. Lack of knowledge about sharia banking, as well as sharia banking facilities that are not yet comprehensive in some areas (Khanafi, 2022).

This is in line with research conducted by Khanafi (2022) which shows that perception variables do not have a significant influence on the decision to save at Sharia Banks.

CONCLUSION

Simultaneously, cultural variables, Islamic financial literacy and public perception have a significant influence on savings decisions at Sharia Banks. Partially, the cultural variable (X1) has a positive and significant influence on the decision to save at Sharia Bank. Partially, Sharia financial literacy (X2) and public perception (X3) do not influence the decision to save at a Sharia Bank. In this study, only independent variables were used, namely culture, sharia financial literacy and public perception in influencing the dependent variable on saving decisions. The theory used as a guiding basis for cultural variables, sharia financial literacy, public perception and limited savings decisions.

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