

The Role of Religiosity on Investment Intention of Muslim Students in Sharia Bank

**Firial Dhya Salsabila¹, Nur Wening^{2*}, Bambang Moertono, S.³,
Muhammad Rafi Dhiaulhaq⁴**

¹ Magister Management Universitas Teknologi Yogyakarta, Indonesia

^{2*} Program Pascasarjana Universitas Teknologi Yogyakarta, Indonesia

^{3,4} Manajemen Keuangan Syariah Universitas Islam Negeri Sunan Kalijaga, Indonesia³

Email: weninguty@gmail.com

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ABSTRACT

This research investigates the impact of religiosity on the investment intentions of Muslim students in Sharia banks. The study focuses on the unique context of Indonesia, which has a significant Muslim population. The research employs a quantitative descriptive approach, using simple linear regression analysis to explore the relationship between religiosity and investment interest. The sample consists of Muslim students from various universities in Yogyakarta. The study utilizes primary data collected through a questionnaire and secondary data from previous research and relevant sources. The variables under investigation are religiosity (independent variable) and investment interest (dependent variable). The findings reveal that religiosity does not significantly influence the investment interest of students in Islamic banks. The coefficient of determination (R^2) indicates that only 1.7% of the variation in students' investment interest can be attributed to religiosity, suggesting the presence of other influential factors. This research contributes to the understanding of the role of religiosity in financial decision-making among Muslim students in the Indonesian context.

INTRODUCTION

Bank financial institutions have many functions for human life. In the past, banks were only known for those who wanted to save their money, but now the functions and operational activities of banks are increasingly diverse. In this digital era, banks are able to accommodate the various needs of the community for financial services, transfer funds in real time between accounts, pay and receive salaries, pay for purchases of goods or services, financial investments will be able to be made. According to Undang-undang No.6 (2009), that banking is an institution that carries out three main functions, namely the function of collecting funds (funding), the function of channeling funds (lending), and providing services. Saving funds in a bank is a part of modern society's lifestyle. In order to improve welfare, most people have the habit of saving funds in banks.

The hadist narrated by Ibn Majah, the Prophet said, "There are three things that contain blessings: non-cash buying and selling, muqaradhah (mudharabah), and mixing wheat with barley for household needs, not for sale." (Ibnu Majah.1999 from Karim. 2004). The fatwa on saving is also based on ijma'. It is narrated that a number of friends gave (to people, mudharib) the orphan's property as mudharabah and no one denied it. Therefore it is seen as ijma' (Az Zuhaili Wahbah, 2011) in al-Fiqh al-Islami wa Adillatuhu (1989). If using a qiyas basis, mudharabah transactions are qiyas on musaqah transactions. Based on fiqh principles, basically all forms of muamalah are permissible unless there is an argument against it.

In general, some ulama state that many people have assets but do not have productive skills, while there are not a few people who do not have assets but have the ability to be productive. In order for one another to need cooperation, it is necessary for parties to help save and collect the funds they have. However, on the one hand, Islamic teachings state that saving funds in banks, especially in conventional banks, contains elements of usury, because the added value is in the form of interest on money deposited or lent. Thus, Muslims are reluctant to save money in banks because they are considered haram. There are two types of banking, each of which has a different system, namely conventional banks and Islamic banks, which are known as profit sharing systems. The difference between Islamic banks and conventional banks can be seen from the formal agreements that apply. Conventional banks generally make agreements based on national law, while Islamic banks carry out contracts accompanied by Islamic law. Bank Syariah Indonesia (BSI) is a combination of three BUMN-owned Islamic banks which are targeted to become the center of the world's Islamic economy and finance. Indonesia has the largest Muslim population in the world (Dirjen Dukcapil, 2020). The Ministry of Home Affairs in June 2021 confirmed that of the 272.23 million Indonesian population, around 86.88% or 236.53 million people are Muslims. The Muslim population should make Indonesia a market share for Islamic financial institutions and also the Islamic banking sector.

However, the development of Islamic banks has not been as big as conventional banks, however, Islamic banks are growing rapidly and their performance is quite good. Indonesian people's interest in Islamic banking must be increased because more and more Islamic banking customers will strengthen the Islamic economy in Indonesia. OJK data (2021); Al Banna (2015) shows that currently there are only around 15 million Islamic bank customers. While conventional bank customers touch about 80 million people. Only about 18.75% of the total customers of Islamic banks when compared to conventional banks.

A student is someone who is in the process of studying or studying and is attending education in one form of higher education consisting of academics, polytechnics, high schools, institutes and universities (Hartaji, 2012). In general, the economic potential of students is not very attractive. Moreover, expecting them to invest and save money in the bank. Most of the funds owned by students mostly come from remittances from parents and only stop briefly in savings, then experience depreciation until it reaches its lowest point at the end of the month. However, nowadays many students carry out business activities in between lectures, they make unicorns or entrepreneurs by taking advantage of their free time.

Based on the background of these problems, this research was conducted to determine the role of Muslim student religiosity on investment interest in Islamic banks.

METHOD

Research Design

The research design used in this research is quantitative descriptive. This method aims to create a description or picture of a situation objectively by using numbers, starting from data collection, data interpretation as well as the appearance and results (Arikunto, 2006). This study uses independent variables and dependent variables. The dependent variable in this study is investment interest (Y) while the independent variable is religiosity (X).

Population and Research Sample

The research population is Muslim's students of public and private universities in Yogyakarta. However, due to time constraints, this study used a random sampling technique in the form of accidental sampling.

Data and Data Collection Method

The research data is in the form of primary and secondary data. Primary data was obtained through a questionnaire instrument which was sent to students as respondents via google form or directly. Respondents were asked to answer questions in the form of a questionnaire which was measured using a Likert scale of 1-5. While secondary data obtained from previous research, textbooks and other sources.

Operational Definition and Measurement

The research variables consist of two variables, namely religiosity as the independent variable and interest in saving as the dependent variable. The definition and measurement of variables as follows tabel 1.

Tabel 1
Definitions and Operational Variable

Variable	Definition	Indicator	Measurement
Religiosity	Religious activity someone who associated with value system, beliefs and that law apply	a) Belief b) Religious Practices c) Knowledge Experience d) Religion e) Consequen ces	Likert scale 1-5 to express opinion respondents from: 1. STRONGLY DISAGREE 2. DISAGREE, 3. NEUTRAL, 4. AGREE, 5. VERYAGREE
Interest	A liking for something that creates a desire to always focus on that thing.	1. Interest 2. Desire 3. Belief	

Instrument Measurement

Before conducting a search for research data, an instrument test was carried out first with validity test and reliability test.

1. Validity Test

Sekaran (2013) validity is a way of testing how well the instrument is developed with the concept of certain steps to measure variables. An instrument is said to be valid if it is able to measure what is to be measured. The decision to test the validity of the research instrument used a significance level of r-count compared to r-table (with a significance level of 5%). Under the condition:

- a. if $r\text{-count} > r\text{-table}$, then the question items are valid, with a significance $\leq 5\%$
- b. if $r\text{-count} < r\text{-table}$ then the item is said to be invalid.

2. Reliability Test

The reliability test was carried out to obtain the level of accuracy of the data collection tool used. Reliability refers to the understanding that an instrument can be trusted enough to be used as a data collection tool, because the instrument is good. Sekaran & Bougie (2013) states that reliability is a test of how consistent the concept of the measuring instrument is. Reliability is known by paying attention to the Cronbach's Alpha value for each variable which is greater than the Cronbach's Alpha coefficient which has been determined at 0.60 (Ghozali.2018).

Data Analysis Method

Research data analysis method using simple linear regression analysis. The basic formula for simple linear regression: $Y = a + bX + e$

Where:

- Y: Muslim's student interest in investment
- X: Religiosity
- b: Regression coefficient
- a: Constant

The hypothesis is:

Ho: Religiosity has no effect on students' interest in investment

Ha: Religiosity influences students' interest in investment.

RESULTS AND DISCUSSION

Instrument Test Result

The results of the validity and reliability tests with 30 respondents with a significance level of 5% and degrees of freedom (df)= n-2; (30-2 = 28), obtained a r-table value of 0.3673. The validity test of the religiosity variable with 5 (five) indicators, namely religious knowledge, religious practices, experience, beliefs and consequences is shown in table 2. Likewise the results of the validity test for the interest variable are shown in table 3. The results of the validity test of the interest variable are shown in table 3. The reliability test was carried out using Cronbach's Alpha with a conditional value of > 0.60 shown in table 2.

Tabel 2
Descriptive Statistic Results

Respondent Criteria	Qualification	The sum of respondents
Semester	Semester-1	9 persons
	Semester-3	16 persons
	Semester - 5	3 persons
	Semester- 7	1 persons
	> semester-7	1 persons
Gender	Man	18 persons
	Woman	12 persons
Age	17-22	9 persons
	23-27	16 persons
	>27	5 persons
College	PTN	13 persons
	PTS	17 persons
Have a Business/No	Yes	13 persons
	No	17 persons

Taking into account these data, it shows that 43% of respondents own a business, either entrepreneurs or ordinary graduates, have the age of majority in the range of 23 to 27 years, and are male.

The Results of Simple Linear Regression Analysis

Table 3
The Results of Simple Linear Regression Analysis

		Coefficients^a				
		UnStandardized				
		Coefficients	Standardized			
		Std.	Beta	t	Sig.	
Model		B	Error			
1	(Constant)	5.308	.912		5.824	.000
	Religiositas	-.261	.214	-.229	-1.221	.233

a. Dependent Variable: Minat

The results of simple linear regression calculations in table 4 show that sign. = 0.233 > 0.05 so that this hypothesis is rejected. The linear regression equation:
Y = 5,308 - 0,261X

Value $a = 5.308$ and $b = -0.261$

The value of t -count = -1.221 and t -table = 2.771 so that t -count $<$ t -table means accepting H_0 : Religiosity does not affect students' interest in investment at Islamic banks and rejects H_a . The coefficient b is negative, meaning it has the opposite effect on interest in influencing religiosity.

R² Test

The value of the coefficient of determination (R^2) = 0.017 . This means that the variable interest in saving students at Islamic banks is influenced by religiosity of 1.7% while the remaining 98.3% is influenced by other variables not examined.

CONCLUSION

Based on the results of the analysis using the simple linear regression analysis method, it shows that religiosity does not affect students' interest in saving in Islamic banks. This situation is likely to occur because students are not a potential target for banks because they lack the potential to save their money in banks, including in Islamic banks.

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