

ANALYSIS OF FACTORS THAT INFLUENCE THE ATTITUDE OF ENTREPRENEURS IN CHOOSING FINANCING SHARIA BANK

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ABSTRACT

This study aims to analyze the influence of the understanding of sharia bank products, promotion, and religiosity on attitudes of entrepreneurs in choosing financing in sharia banks. Data were collected through questionnaires to 101 entrepreneurs in the city of Semarang by using random sampling method. The analytical method used was linear regression analysis. Independent variables are understanding sharia bank products, promotion, and religiosity tested together and separately with dependent variable that attitude of employers. The results demonstrated that an understanding of sharia banking products have a significant effect on the attitudes of employers in selecting a product in sharia banks whereas promotions and religiosity of significant influence on the attitude of employers in selecting the financing in sharia bank.s

Keywords : understanding of sharia bank products, promotion, religiosity, attitudes of entrepreneurs, sharia bank

Introduction

Analysis of factors affecting operators choose financing in Islamic banks become the object of study. Entrepreneurs are individuals who have a high frequency in relation to banking services. As a means of judgment in business decision-making efforts so important for entrepreneurs to understand how products and financing mechanisms in Islamic banks operate. For Muslim businessmen tied to the provisions of Islamic teachings, the decision in choosing the sharia in the bank financing is not only based on rational motives to consider only economic factors, but also normatively based on emotional considerations religion. Yet religion is in fact not a major factor that drives entrepreneurs to partner with Islamic banks.

Meanwhile entrepreneur who has given products and systems of sharia financing in actual fact the same is not necessarily produce the same attitude in selecting financial products in Islamic banks. Operators who have a high religiosity would tend to turn to religious teachings in business financing decisions. But the other side should be as rational operators in its business decisions based on economic motives. This indicates that rational behavior remains a major platform operator in taking decisions on bank financing sharia. This is in line with agency theory which states that people are assumed to act according to rational economic motive (M Jensen and W. Meckling, 1976). Neo classical theory states that rational action leads to a material gain or utility (Etzioni, 1986 & 1988). As in general in this study hypothesized that there are two motives influencing attitudes Muslim entrepreneurs in selecting Islamic banks financing decision that is rational motives and emotional motives. Rational motive in this study is proxied by the businessman understanding sharia bank financing products. Understanding referred to here is the level of understanding of the operators of sharia bank financing products that financing in Islamic banks profitable business. The main reason employers choose a sharia bank financing because of the economic systems of the mudharobah line and profitable business. System requirements for the appropriate proportions of capital understood as systems of operators that aligns and profitable. While the motives of the motive religious emotional proxied. While the third variable is the promotion of this category as emotional motives for the campaign activity more influence attitudes businessman emotionally than rationally.

Literature Review

In some countries studies on the motive partnered with sharia banks never done although not specifically studied the behavior of employers in relation to financing in sharia banks. Research in Qatar found evidence that factors religiosity be the main reason to join the sharia bank customers. In the unsatisfactory conditions of service customers of sharia banks in Qatar tend not to have the desire to move to a conventional bank. This is because in Qatar religiosity very dominant factor. However, empirical evidence has not been found because the bank switching employers religiosity reasons. While the results of the study in Singapore found evidence that when combined with religiosity factor for economic reasons, the respondents tend to choose Islamic banks (Woldie and Al Hajri, 2004). While in Jordan found evidence that religiosity ranks second in the motivation to partner with Islamic banks. While research on the response of employers to the operation of Islamic bank in Indonesia in Semarang and surrounding areas, stating that the bank's preference to partner with entrepreneurs sharia 59.3% as motivated by the understanding of Islamic products, 25.90% due to understanding the mechanism of the bank's financial system sharia, and 14.8% due to factors religiosity (BNI Shariah, 2007). Research conducted Hardiwinoto (2012) found evidence that a rational motive is a key driver manager responds to Islamic banks. This is in contrast to research conducted by Haron, Sudin Norafifah, Achmad, and Sandra L. Plenisek, 1994 found evidence that impulse partnered with sharia banks is due to the emotional factor of religious solidarity. Because of the diversity of the research results, this study tried to find new evidence that will hopefully be able to explain the diversity of research results.

Theoretical Frame Work And Hypothesis Formulation

According to the agency theory that humans are assumed to act rationally in accordance with economic motives (M Jensen and W. Meckling, 1976). Neo-classical theory states that rational action leads to material benefits or utility (Kahneman, D., 1991; Etzioni, 1986 & 1988; Tversky, A & Kahmen, 1986). Rational action is influenced by the allocation of resources (Moon, et al, 2003); calculating the cost of benefits (Bouffard et al, 2010); as well as the collection and understanding of information (Scholten, 2007; March, 1978). The attitude of employers hypothesized influenced by rational motives than emotional motives. Faced with the choices of business entrepreneurs have a tendency to return to its nature as a rational human being who is more concerned with material benefits or utility. Sharia bank is a bank that is financing mechanism refers to the principles of the Islamic religion on muammalah or trafficking. Although guided by religious fervor but Islamic banks continue to promote the key principles of business that is taking advantage. Employers choose financing in sharia banks as guided by the desire to benefit or profit. Desire is a rational motive. So it can be translated that attitude in selecting entrepreneurs in the financing products of sharia banks as rational businessmen have an understanding that the sharia bank financing products profitable business, fair and helpful.

In addition to rational behavior exhibited by entrepreneurs who want to make a profit but on the other hand also has a background religiosity entrepreneurs that can affect their emotional attitude. Religiosity derived from the Latin meaning relegio binding. This implies that in a religion or religions have rules or obligations that must be obeyed by his followers. All it serves to bind a person or group of people in relation to God, fellow humans, and natural surroundings. It can be concluded that religiosity refers to the level of individual attachment to religion, (in Wahyuni Stark 2010).

Meanwhile, there are other factors that determine the attitude of employers in selecting Islamic banks financing promotion factor. Promotion is a technique used to communicate information about products to consumers through personal selling, sales promotion, public relations and advertising are summarized in 4 main components of the promotion. The purpose of the promotion can be connected with a specific role of each consumer in the marketing mix. Sales promotions such as exhibitions can be used to achieve a variety of objectives in the promotion mix (Craven, DW, 1995).

Hypotheses that will be proposed in this study based on introduction, literature review and theoretical framework as it has been described in the previous section. Accordingly, the proposed hypothesis is:

- H1 = There is a positive relationship between attitude religiosity with employers in selecting financial products in Islamic banks.
- H2 = There is a positive relationship between the understanding of Islamic financing products with the attitude of employers in selecting financial products in Islamic banks.
- H3 = There is a positive relationship between the promotion of the attitude of employers in choosing the bank financing products in the sharia.

Data And Methodology

Data

The data used in this study is primary data. The primary data required in this study is that the data obtained from respondents' answers to the question posed by the researcher. The data required is the respondents' answers regarding religiosity, products and mechanisms of understanding of Islamic finance, and the attitude of employers in choosing financing in Islamic banks. The type of data used in this study is primary data (primary data). Sources of data drawn from the population of Muslims in the city of Semarang entrepreneurs who are members of the

organization ICMI (Indonesian Muslim Scholar Association) Semarang totaling 200 people. With the number of samples taken as many as 101 entrepreneurs. The questionnaire distributed in the period between April to May 2014.

Methodology

Testing in this study using a multiple regression model that represents the analysis are as follows:

$$Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$$

where:

Y = Motif entrepreneurs in response to operation of the bank's Sharia

X1 = Understanding Sharia banking financial mechanism

X2 = Understanding Sharia banking products

X3 = Religiosity

e = Error

Result

The results showed that the hypothesis 1 and hypothesis 3 is rejected. Not proved no direct influence between religiosity with the attitude of entrepreneurs in choosing financing in Islamic banks with a level of sig. 0.405. Meanwhile, the second hypothesis is accepted with a significance level of 0.006. In hypothesis 3 was also not proven to be a direct relationship between the promotion of the attitude of employers in selecting financing in sharia banks. The results also show the R-square of 0.29. Positive Beta indicates the direction of this study are in accordance with the basic theory is built. In relation to hypothesis 2 on average respondents agree that Islamic finance benefit from the business side. Respondents also indicate that the element of speculation was avoided. Employers choose sharia bank financing because of the certainty in the distribution of profits. Employers view that the system of profit sharing (profit and loss sharing) is very profitable and consistent with the goals and interests of the business is run.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.290 ^a	.084	.056	1.21420	1.278

a. Predictors: (Constant), PP, Religi, Prmosi

b. Dependent Variable: Skp

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.134	3	4.378	2.970	.036 ^a
	Residual	143.005	97	1.474		
	Total	156.139	100			

a. Predictors: (Constant), PP, Religi, Prmosi

b. Dependent Variable: Skp

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error				Beta	Tolerance

1 (Constant)	20.092	4.134		4.860	.000		
Religi	.021	.026	.081	.836	.405	.996	1.005
Prmosi	.027	.075	.035	.361	.719	.993	1.007
PP	.232	.082	.275	2.825	.006	.998	1.002

a. Dependent Variable: Skp

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	28.4100	30.0517	29.1683	.36241	101
Residual	-2.85835	3.13612	.00000	1.19585	101
Std. Predicted Value	-2.093	2.437	.000	1.000	101
Std. Residual	-2.354	2.583	.000	.985	101

a. Dependent Variable: Skp

Discussion

Results were overall in line with the main foundation of rational action theory that humans essentially have a tendency to apply rational in making decisions. Beta positive direction shows the results of her research has been constructed in accordance with the theory. Rejection of hypotheses 1 and 3 can be explained that it could be religiosity and promotion are not independent variables that affect directly the attitude of employers. In the neoclassical theory of rational human beings tend to apply. Entrepreneurs who have high religiosity not automatically affect the attitudes of entrepreneurs in choosing financing in sharia banks. Also when vigorous promotion undertaken by sharia banks do not automatically change the attitude in choosing sharia banks. Attitude is influenced by entrepreneur businessman understanding of the product and financing in sharia banks. Understanding of employers that essentially do the financing in sharia banks benefit from the business side can be interpreted as a rational attitude. Faced with the choice turned out financing in sharia banks employers prefer decisions that are rational and tend to override the emotional attitude. So it can be understood if the hypothesis 2 can be understood. In the questionnaire the average businessman answered strongly agree that the system for the results offered by Islamic banks are very profitable for their business practices

Thus the pursuit of profit motive underlying business entrepreneurs understanding of sharia bank financing products. On the other hand the amount of promotion done by the sharia and the high bank religiosity indicated in the questionnaire answers are significant has no effect on the attitudes of entrepreneurs in deciding financing in Islamic banks. It indicates that the employers be more rational than emotional attitude when faced with the choice of financing in sharia banks. But unfortunately in this study was not designed to look for a pattern or model of the relationship between emotional attitude with the attitude of entrepreneurs entrepreneurs in financing in sharia banks.

Conclusion

The conclusion of this study is that the attitude of the entrepreneur in choosing financing in sharia banks more directly influenced by rational motives. Profit motive underlying business entrepreneurs understanding of sharia bank financing. While religiosity as emotional motives are not proven to directly influence the attitude of employers in choosing financing in sharia banks. Also found no evidence of direct promotion factor influencing the attitude of employers in selecting the financing in sharia banks.

Recommendation

Some of the records that need to be underlined that the results of this study are very low value of R square her. It could be because the model used is not appropriate or wrong in the selection of the sample. Many obstacles in the study such as some questionnaires were sent not directly answered by the entrepreneur is concerned but delegated to a manager or employee. Advice to future researchers to add and change variables such as research models to include moderating or intervening variables or change the design of their research models. The hypothesis has not been proven to have a direct influence may have an indirect influence.

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