
Analysis Of Avoiding Riba Through Knowledge Of Literacy To Sharia Money

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ABSTRACT

The motivation of Muslim customers to become Islamic banking customers is to avoid usury because they already realize that usury is one of the actions that they must avoid to get blessings from their assets. Islamic banking is one of the factors that attracts them to believe in the genuine commitment of Islamic banks. To run a banking business that is anti-usury and based on Islamic law. The purpose of this study was to determine the effect of motivation to avoid usury and knowledge of financial literacy on the decision to become a customer of Islamic banking. This type of research uses an associative and quantitative approach. Data collection techniques using interviews and questionnaires. Data analysis techniques using validity and reliability tests. Classic assumption test, multiple linear analysis, t-test, F test, and determination. The results of the study show that the motivation to avoid usury has a positive and significant effect on the decision to become a customer of Islamic banking. Knowledge of financial literacy has a positive and significant effect on the decision to become a customer of Islamic banking. The decision to become a customer of Islamic banking is simultaneously influenced by the motivation to avoid usury and knowledge of financial literacy.

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INTRODUCTION

The growth of the Islamic financial sector in Indonesia coincides with the development of Islamic banking, having started with the need for an alternative Islamic banking system among Indonesia's Muslim majority. The practice of profit sharing is the substitute for usury or interest that Islam offers. Since Islamic banking has become available, consumers have several factors to take into account when deciding whether to open an account with an Islamic bank. (Amalia, 2011). The development of Islamic banking in Indonesia is accompanied by the development of the Islamic financial industry, which began with the inspiration of the Muslim-majority Indonesian people to have an alternative Islamic banking system. The alternative offered by Islam as a substitute for usury or interest is the practice of profit sharing. With the existence of Islamic banking, currently, customers have several considerations and reasons for making decisions to become customers of Islamic banks (Amalia, 2011) However, this is not enough to make Islamic banks the largest bank in Indonesia because of the lack of public interest and of course among the younger generation. Islamic banks seem difficult to make up for the dominance of conventional banking, even though the majority of Indonesian people are

Muslims (Kasmir, 2013: 167).

The belief that conventional interest is forbidden and that it is unethical from an economic perspective for one party to bear all the risk is the primary driver behind the establishment of Islamic banking in Indonesia. This conclusion is supported by a fatwa that the Indonesian Ulema Council (MUI) released, which declares that bank interest is prohibited by Islamic law and is equivalent to usury. The Al-Qur'an contains numerous references to the prohibition of usury as the word of Allah SWT. Surah Al-Baqarah verse 275 states: "And Allah has justified buying and selling and forbidden usury." Al-Baqarah (QS. 275). The primary distinction between traditional. Maintaining customer loyalty requires more than just the basic distinctions in interest and profit sharing between Islamic and traditional banking. Customers may continue to stay loyal to financial organizations for a variety of reasons. According to Zamzam and Aravik (2020), service excellence is one of them. To keep and draw in new clients, this service is crucial (Widyastuti, 2019: 242).

Motivation and knowledge of financial literacy are the variables that impact the decision to become a customer (Shofwa, 2017). Because motivation gives people the push to fulfill their needs and aspirations, it has a significant impact on how people behave. A person's motive to abstain from usury will influence their decision-making and behavior as a consumer. A factor that exists in a person who moves, and drives behavior to reach particular goals is the motivation to avoid usury, which is why customers prefer to use Islamic banking services.

Banks need to look into and track factors that affect customers' decisions to utilize Islamic banking services in addition to providing incentives to become more customers. Knowledge and comprehension of Islamic banking will influence the choices made by pupils. Low awareness of Islamic banks implies low attitudes toward and desires to patronize Islamic banks (Irsyad, 2016). As a result, initiatives to raise public awareness of Islamic banks are crucial to the future growth of these financial institutions. The possibility of embracing Islamic banks increases with increased information on Islamic banking (Sunardi and Maftukhah, 2015: 37).

Studies by Winarti (2021) and Fauzi and Murniawaty (2020) indicate that interest in opening an account with an Islamic bank is influenced in part. The findings demonstrated that interest in saving is positively and significantly impacted by customer knowledge. Pertinent to Ruwaidah's studies (2020) The findings demonstrated a considerable impact of (partially) Islamic financial literacy.

Given the context, the purpose of this study was to examine strategies for avoiding usury through financial literacy. This is an additional mention of the elements that impact the desire to stay away from usury and the understanding of Islamic finance while deciding whether to open an account with an Islamic bank.

LITERATURE REVIEW

Motivation

Experts or other viewpoints referenced by Engel in the American Encyclopedia state that a person's motivation is a tendency (a trait that faces opposition) that leads to support

(Nugroho: 2003). Motivation is used in marketing to forecast consumer behavior about what they will do concerning particular products (Eddy: 2008). Customers behave because they are motivated to do so; their actions are an attempt to ease the stress brought on by unmet requirements. Consequently, marketers must be able to develop products that satisfy the expectations of customers. In contrast, motivation, as defined by Rangkuti (2009) in his book, is the force that propels people to act.

Interest

According to Arista and Rahayu (2011), consumer interest or interest in choosing determines the likelihood that a consumer will purchase a product or switch from one product to another. According to Rambat Lupiyoadi, and Hamdani (2009), the following aspects affect interest: 1) The marketing mix, which has a significant impact on how businesses sell their goods and services; 2) Needs, which are the same as desires.

Riba

Usury is a term that can indicate "extra" (ziyadah) or "growing and enlarging" (Zainuddin). Usury, or riba, is defined as one party's excess profit (property) in a sale and purchase transaction or exchange of similar goods without providing a reward for the excess (riba fadl), or as the amount of debt that the debtor must repay to extend the grace period past (riba nasi'ah) (Tho'in: 2016). According to (Chair: 2014), it is well known that usury is forbidden in Islam and is considered a serious sin. Nonetheless, Allah SWT used four steps to unveil the treatise on the proscription of usury activities (Zulkifli: 2007).

Sharia Financial Literacy

According to Rohrke & Robinson, financial literacy is the best solution to inform consumers about the benefits of having a relationship with financial institutions, including funding and credit, and the ability to build positive finances. So that financial literacy refers to the knowledge and skills needed to handle financial challenges and decisions in everyday life (Dikria and Minarti, 2016). The financial services authority (OJK) states that the important mission of the financial literacy program is to conduct financial education to the public so that they can manage their finances intelligently, so that low knowledge of the financial industry can be overcome and people are not easily fooled by investment products and offer high returns in the short term without considering the risks. Lusardi and Mitchell (2014) in their research state that financial literacy consists of several knowledge and abilities regarding finance that a person has to manage or use a certain amount of money.

RESEARCH METHODOLOGY

The method in this research is quantitative research. This research was conducted at the Faculty of Islamic Religion UMSU. The sampling technique is random sampling, which means that sampling from the population is done randomly and all research populations have the same opportunity to be sampled without being based on certain criteria (Soewadji, 2012: 140). This research variable uses two independent variables, namely Motivation to Avoid Usury and Financial Literacy Knowledge. The Dependent Variable is the Customer's Decision to use Islamic banking.

RESULT AND DISCUSSION

Table 1. Characteristics of Respondents

No.	Gender	Number of Respondents	Percentage
1.	Law - Law	31	40%
2.	Woman	47	60%
Total		78	100%
No.	Status	Number of Respondents	Percentage
1.	17-20 years	46	59%
2.	21-24years	22	29%
3.	> 24 years old	10	12%
Total		78	100%
No.	Status	Number of Respondents	Percentage
1.	< 1 year	15	19%
2.	1-3 years	59	76%
3.	> 3 years	4	5%
Total		78	100%

The number of respondents in Table 1. shows that the respondents in this study were dominated by female students, totaling 47 people or equivalent to 60% of the total respondents. The majority of respondents in this study were dominated by students aged 17 to 20 years, totaling 46 people or equivalent to 59% of the total respondents. while respondents in this study were dominated by students who had been customers for 1 to 3 years of the total respondents.

Normality Test

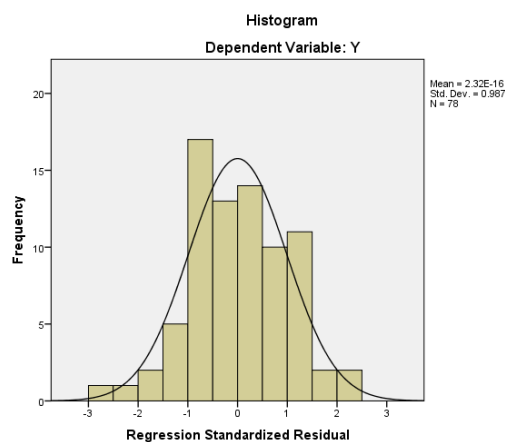


Figure 1. Histogram

The picture above shows a graph that shows that the data is normally distributed. It can be seen from the histogram graph that shows symmetrical data that does not deviate to the right, or left, and forms an inverted bell.

Heteroscedasticity

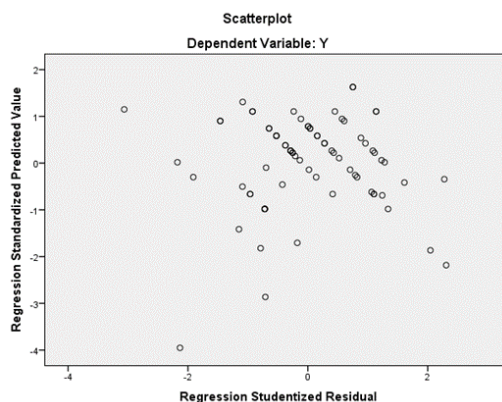


Figure 2. Heteroscedasticity

From the scatterplot graph after data transformation in Figure 4.2 above, it can be seen that the points have spread above and below the number 0 on the Y axis, which means that the regression model no longer experiences heteroscedasticity problems.

Multikolinearity

Table 2. Multikolinearity
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	9.574	1.929		4.964	.000		
X1	.175	.085	.233	2.066	.042	.668	1.496
X2	.399	.103	.437	3.881	.000	.668	1.496

a. Dependent Variable: Y

In Table 2. above, it can be seen that all variables have a VIF of less than 10 and a tolerance value greater than 0.1. Thus it can be stated that the regression equation model in this study does not experience multicollinearity problems.

Multiple Linear Regression Analysis

Table 3. Multiple Linear Regression
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	9.574	1.929		4.964	.000		

X1	.175	.085	.233	2.066	.042	.668	1.496
X2	.399	.103	.437	3.881	.000	.668	1.496

a. Dependent Variable: Y

From the table above, the following equation is obtained:

$$Y = 9,574 + 0,175X1 + 0,399X2 + e$$

From this equation, it can be explained that:

The variable motivation to avoid usury and financial literacy knowledge has a positive coefficient direction on the decision to become an Islamic banking customer.

a. The coefficient of motivation to avoid usury gives a value of 0.175, which means that the more motivation to avoid usury increases, the decision to become an Islamic banking customer will increase.

b. The coefficient of financial literacy knowledge provides a value of 0.399, which means that the more financial literacy knowledge increases, the decision to become an Islamic banking customer will increase.

t- test

Table 4. t-test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	3.664	8.372		.438	.664		
X1	.619	.161	.548	3.855	.000	.680	1.470
X2	.049	.178	.039	3.275	.004	.680	1.470

a. Dependent Variable: Y

From the table above it can be concluded as follows:

1. The significance value of motivation to avoid usury (X1) of 0.000 < 0.05 and the value of t count 3.855 > t table 1.66543 shows that motivation to avoid usury (X1) has a significant effect on the decision to become an Islamic banking customer. So, the hypothesis of the influence of motivation to avoid usury on the decision to become a customer of Islamic banking (H1) is accepted.

2. The significance value of financial literacy knowledge (X2) of 0.004 < 0.05 and the t value of 3.257 > t table 1.66543 indicates that financial literacy knowledge (X2) has a significant effect on the decision to become an Islamic banking customer. So, the hypothesis of the effect of financial literacy knowledge on the decision to become an Islamic banking customer (H2) is accepted.

F-test

Table 5. F-test

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	93.175	2	46.587	21.365	.000 ^b
Residual	163.543	75	2.181		
Total	256.718	77			

a. Dependent Variable: Y

b. Predictors: (Constant), X2, X1

Based on the statistical test results shown in the table above, the calculated F value is $21.365 > F_{table} 3.12$ with a significance value of 0.000 whose value is smaller than 0.05. This shows that the regression model of Motivation to Avoid Usury and Financial Literacy Knowledge in this study is feasible to use to predict the Decision to Become an Islamic Banking Customer. So it can be concluded that the decision to become a customer of Islamic banking is simultaneously (together) influenced by Avoiding Usury and Financial Literacy Knowledge, thus H3 is accepted.

Coefficient of Determination

Table 6. Coefficient of Determination

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.602 ^a	.563	.546	1.47668

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

In the table above, the coefficient of determination $R^2 = 0.546$ is obtained, meaning that the Motivation to Avoid Usury and Financial Literacy Knowledge variables influence the relationship between the Decision to Become a Sharia Banking Customer. The value of $R^2 = 0.546$ means that the Decision to Become an Islamic Banking Customer can be explained by the Motivation to Avoid Usury and Financial Literacy Knowledge variables by 54.6%, while the remaining 45.4% can be explained by other variables outside the scope of research..

CONCLUSION

The following conclusions can be drawn from the research on the decision to open an Islamic banking account:

1. Customers' decisions to open an Islamic banking account are positively and significantly influenced by their desire to avoid usury, with a significance value of $0.000 < 0.05$ and a t value of $3.855 > t_{table} 1.66543$. The decision to switch to Islamic banking will increase as the incentive to avoid usury increases, according to the coefficient of motivation to avoid usury, which has a value of 0.175.

2. With a t value of $3.257 > t_{table} 1.66543$ and a significance value of $0.004 < 0.05$,

financial literacy expertise has a positive and substantial impact on customers' decisions to switch to Islamic banking. The decision to open an Islamic banking account will rise in proportion to the increase in financial literacy knowledge, as indicated by the coefficient of financial literacy knowledge's value of 0.399.

3. With a significance value of $0.000 < 0.05$ and an F count of $21,365 > F$ table 3.12, the motivation to avoid usury and financial literacy knowledge variables have a positive and significant impact on customer decisions to convert to Islamic banking. The decision to become an Islamic banking customer is explained by these variables by 54.6%.

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