Journal of Management Science (JMAS)
Volume 7, No. 1, January 2024, pp 607-613 ISSN 2684-9747 (Online)
www.exsys.iocspublisher.org/index.php/JMAS Published by: Institute of Computer Science (IOCScience)

The influence of knowledge and financial literacy on the interest in saving for bank syari'ah students

Nadia Natania[1], Muhlisoh[2], Wulandari[3], Didit Haryadi[4]

[1,2,3,4] Prody Management, Department of Economics and Business, Primagraha University, Serang, Indonesia

ARTICLE INFO

Article history:

Received Dec 28, 2023
Revised Dec 30, 2023
Accepted Jan 30, 2024

Keywords:

Financial Literacy;
Interested in Saving;
Knowledge;
Regression Analysis.

ABSTRACT

A country's high level of finance will encourage the development of its economy. Internal and external factors cause high and low financial management behavior. This study aims to develop a model that examines the three variables that the author has analyzed to determine the factors that can increase student interest in saving. This study used the associative descriptive quantitative method with a population of 89 respondents drawn into samples using non-probability sampling using saturated sampling / total sampling methods. Data analysis techniques using linear regression with the help of SPSS software version 26. The first hypothesis of knowledge significantly affects students' interest in saving, the second hypothesis of financial literacy variables has a significant impact on students' interest in saving, and the third hypothesis of knowledge and financial literacy together can affect students' interest in saving. This research is expected to make theoretical contributions to the literature in this context, including in the context of financial and banking management.

Corresponding Author:

Nadia Natania,
Prody Management,
Department of Economics and Business,
Primagraha University,
Komplek Griya Gemilang Sakti, Jl. Trip Jamaksari No. 1A Kaligandu, Serang, Banten 42111, Indonesia
Email: natanian831@gmail.com

1. Introduction

A stable economic system that will benefit all levels of society is one of the signs of successful development. A high savings growth rate will boost the economic growth of a nation. Bank Indonesia, in its Household Balance Sheet Survey, states that 48% of households have savings at financial institutions, both formal and non-formal. Meanwhile, 52% of households do not have savings at formal or non-formal financial institutions. Thus, it proves that the Indonesian people's access to financial services is still relatively low and needs improvement (T. P. Putri, 2018).

A bank is a business entity engaged in finance or financial services, the main product commonly served in current deposits, savings, and time deposits. Banks are also used to save loans or credit for people who need loan funds (Hawaldar et al., 2022; King et al.,2023). Another function of the bank is as a place of currency exchange, money movement (transfer), as a place of payment, or deposit. Some factors can influence people's interest in saving at Islamic banks, namely education and knowledge, where the higher the level of education and expertise, the higher the public's interest in protecting Islamic banks (Hasibuan & Jannah, 2023). Knowledge or understanding can also be called literacy; in this case, the literacy in question is Islamic financial literacy. Based on data from OJK in 2016, the level of Islamic financial literacy in Indonesia is still low, at 8.11%.

Meanwhile, the financial literacy rate of Islamic banking is at 6.63% (Rikayanti & Listiadi, 2020; Ubaidillah & Asandimitra, 2019). For banks, it is essential to provide trust and satisfaction for customers in utilizing their products. So banks must know and understand their customers' behavior where prospective customers are very selective and have sufficient knowledge of banking. The cautious attitude of each prospective customer in choosing a banking product makes the prospective customer consider many things before deciding to take advantage of the services offered by the bank; this is very influential on the strategy, method, and approach to banking marketing chosen (Candera, Afrilliana, &; Ahdan, 2020; Mulyaningtyas, Soesatyo, &; Sakti, 2020). Research conducted by (Putri & Wahjudi, 2022) stated in the results of his research that financial literacy does not show a significant effect on saving behavior, it turns out that students are still weak in knowledge about loans and investments.

Managing finances well is one of the wise actions that can be done to improve economic conditions, both for yourself, your family, or the institution. By managing finances properly, a person can improve his financial situation now and in the future. Managing finances is not accessible if individuals are not equipped with solid abilities, skills, and desires. In addition, managing finances can be better if individuals behave well (Mang'ana et al., 2023; Peng et al., 2023). Financial management is the responsibility of every individual for their finances because financial management is related to the needs of daily life, one of which is fostering an interest in saving. Interest in saving is an effort where someone sets aside money and uses it in the future (Krisdayanti, 2020). Students are a large group of people. Students have a high consumptive attitude, and causing saving behavior is not an easy thing to do. It is proven that students often allocate funds to meet wants rather than needs. Students do this shopping not based on requirements but for fun and lifestyle, thus encouraging them to behave consumptively (Mulyaningtyas et al., 2020; Rikayanti & Listiadi, 2020; Ubaidillah & Asandimitra, 2019). This can occur due to a lack of budgeting in finance and lifestyle and consumption activities that are less frugal (Putri, 2018). Students have complex financial problems because as students do not have personal income, the reserve funds owned are also limited to be used every month, delays in remittances from parents, or monthly money that runs out prematurely due to wrong personal financial management due to the absence of budgeting in life, as well as extravagant lifestyles and consumption patterns (Gu, 2023; Li et al., 2020; Sohn et al., 2012).

The first factor that is thought to affect saving behavior in students is financial literacy. Sound financial management certainly requires good financial literacy as well. To avoid financial difficulties, financial literacy is a fundamental thing that an individual must own. Students need financial literacy because they often have financial problems. After all, students are often faced with a trade-off, namely in a situation where students must be able to choose one interest and sacrifice the other. A financial problem can also arise when experiencing errors in financial details, such as the absence of sound financial planning (Elghaish et al., 2022; Paarima et al., 2021; Peng et al., 2023). Financial literacy is a person's ability and confidence in managing their finances personally, which can be seen from the accuracy and speed of making decisions but still considering economic events and conditions that often change. Financial literacy can be conceptualized with two main dimensions: understanding and using personal finance knowledge (Candera et al., 2020; Krisdayanti, 2020; Nurrohmah & Purbayati, 2020). Financial literacy measures how well a person understands and utilizes information related to personal finance (Choi & Kim, 2023; Ha et al., 2023; Zhao et al., 2023). Financial literacy is the process of combining a person's skills, resources, and knowledge to process information and make financial decisions. Financial literacy is a person's ability to process economic information and make informed decisions about financial planning, wealth accumulation, debt, and retirement (Candera et al., 2020).

The second factor is knowledge, and when consumers have more ability, it will be better to make decisions; they will be more efficient and more precise in processing information well. Knowledge is essential for humans; with their knowledge, humans will know what is right and wrong; the more comprehensive the human knowledge, the wider one's thinking about something (Wardani & Susanti, 2019). Financial knowledge is a person's knowledge of their financial situation, not a basic financial concept, and treats it as a consideration for effective financial decisions (Ahn & Nam, 2022; Nave et al., 2023; Ruiz-Palomo et al.,2023). Financial knowledge is a person's knowledge of their financial situation, not a basic financial concept, and is treated as a consideration for making financial decisions effectively (Chen et al., 2023; Feng & Du, 2023).

The third factor is interest; saving interest is a high tendency of the heart towards a passion or desire. Interest is a combination of desire and will that can develop. Interest is one of the factors that is quite important in influencing customer preferences in saving. The first three limits of interest are an attitude that can selectively bind one's attention to a particular object. Second, a feeling that activity and fondness for specific things are precious to the individual. Third, as part of motivation or readiness that brings behavior to one particular direction or goal (Akmal, 2021). Interest in saving is a lifestyle that people have increasingly indulged in because of the habit that assumes that people become happy by seeking as much pleasure as possible. This can be seen in the environment of the younger generation, such as students. In this case, it can be seen that the lifestyle of a student, especially in the field of consumption, the way of life of students changes, ranging from clothing, socializing, and various activities that can affect their interest in saving. Interest in saving is an effort where someone sets aside money and uses it in the future.

This study aims to develop a model that examines the three variables that the author has analyzed to determine the factors that can increase student saving interest behavior. This research is expected to make theoretical contributions to the literature in this context, including in the context of financial and banking management.

2. Research Method

This research was conducted on Primagraha University students allocated in Serang City who did not have Sharia Bank savings. In this study, the method used by the author is quantitative descriptive research with a causal approach. The causal process is an analysis that will look for a picture of relationships, influences, impacts, and causal effects from various concepts or factors or, in some ways, designed in management science. The population in this study was Primagraha University students in regular classes in the 7th semester who did not have Sharia Bank savings, totaling 103 respondents. A saturated sampling technique means the entire population is taken as a sample. The data collection technique used in this study used a questionnaire with a Likert scale of 1-5 using the scale method of strongly disagree, disagree, doubt, agree, and strongly agree. Only 103 respondents were obtained from the questionnaire based on the research sample. The data analysis technique in this study is a descriptive analysis using the SPSS assistance program version 26, then to determine the influence between variables using inferential analysis with the SPSS assistance program version 26 through validity test analysis, reliability calculations, and then classical assumption tests including data normality. In this study, the author formulated a research hypothesis and the author formulated a theory, namely H1: There is a significant influence of knowledge on interest in saving, H2: financial literacy affects interest in conservation, H3: variable expertise and financial literacy have a considerable effect simultaneously on interest in protection.

3. Results And Discussions

Before testing assumptions, it is necessary to test validity to show how positive an instrument is or how to measure something designed. Knowledge was measured using five statements, financial literacy using five accounts, and interest in saving using five accounts. This study tried to test validity by looking at the validity number of the correlation value of the correction. Furthermore, the results of the validity test calculation and the results of reliability calculations for each variable can be seen in Table 1, validity and reliability below.

Table 1. Validity and reliability test

Item Statement	Validity Convergent	r-table	Decision	Reliability Convergent
Knowledge				
K_1	0.455	0.208	Valid	
K_2	0.486	0.208	Valid	
K_3	0.380	0.208	Valid	0.737
K_4	0.422	0.208	Valid	
K_5	0.441	0.208	Valid	
Financial Literacy				
FL_1	0.490	0.208	Valid	
FE_2	0.685	0.208	Valid	
FE_3	0.496	0.208	Valid	0.777
FE_4	0.419	0.208	Valid	
FE_5	0.559	0.208	Valid	
Interest in Saving				
IS_1	0.448	0.208	Valid	
IS_2	0.528	0.208	Valid	0.732
IS_3	0.626	0.208	Valid	
IS_4	0.627	0.208	Valid	
IS_5	0.578	0.208	Valid	

Table 1 shows that all statement indicator variables for each variable on each indicator have r-count values > 0.208, which automatically meet the data validity standard. The needle is considered accurate if each r-calculate point of validity value r is > 0.208. Not only look at the validity of the reliability value as well, which must be greater than 0.60. The average alpha value lies above 0.60. The following are the results of the classic assumption test from normality data that are proven to be normally distributed data, as seen in Table 2 below.

Table 2. One-sample kolmogorov-smirnov test

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		89
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.83720932
Most Extreme Differences	Absolute	.132
	Positive	.132
	Negative	.198
Test Statistic		.132
Asymp. Sig. (2-tailed)		.094[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Table 2 shows the magnitude of the Kolmogorov-Smirnov normality and obtained Asymp values. Sig. (2-tailed) A value of 0.094 indicates residual data that has a significance value greater than 0.05. The following results of the multicollinearity examination can be seen in Table 3 below.

Table 3. Multiklonieritas test

Tableicients[a]

Model		Collinearity Statistics Tolerance	VIF
1	Knowledge	.902	1.109
	Financial Literacy	.902	1.109

a. Dependent Variable: Interest in Saving

Based on the results of the multicollinearity test in Table 3. It is known that the Variance Inflation Factor (VIF) value is 1.109, and the Tolerance value is 0.902. The result of the multicollinearity test decision is that if the tolerance value (0.902) > 0.10 and VIF (1.109) <10, it can be concluded that there is no multicollinearity between independent variables in this research model. The following multiple linear regression analysis can be seen in Table 4 below.

Table 4. Regresregressionr test

Coefficients a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.797	1.787		1.565	.121
	Knowledge	.273	.064	.338	4.285	.000
	Financial Literacy	.595	.087	.539	6.842	.000

a. Dependent Variable: Interest in Saving

The positive constant of 2.797 means that if the variable value of knowledge and financial literacy equals zero, then the level or magnitude of interest in saving is 2.797. The regression coefficient of the knowledge variable has a positive value of 0.273, which means that if the value of the knowledge variable increases one hundred times, then the interest in saving increases by 0.273 times. The value of the regression coefficient of the financial literacy variable is positive by 0.595. This explains that if the value of the financial literacy variable increases by one hundred times, then the variable interest in saving increases by 0.595 times. The following analysis results in hypothesis testing are presented in Table 5 below.

Table 5. Hipotesis test

Variable	T-value	P-values	Result
K ⟶ IS	4.285	0.000	Accepted
FL ⟶ IS	6.842	0.000	Accepted

FL & FK ⟶ IS	46.336	0.001	Accepted

Source: Results of research data processing 2023

Table 5 shows in the first finding hypothesis one statistically that the knowledge variable significantly influences interest in saving. When consumers have more knowledge, it will be better to make decisions, and they will be more efficient and precise in processing information well. Learning is significant for humans; with their knowledge, humans will know what is right and wrong; the more comprehensive the human knowledge, the wider one's thinking about something (Wardani & Susanti, 2019).

The second finding shows that the second hypothesis is that, statistically, the financial literacy variable significantly influences interest in saving. Sound financial management certainly requires good financial literacy as well. To avoid financial difficulties, financial literacy is a fundamental thing that an individual must own. Students need financial literacy because they often have financial problems. After all, students are often faced with a trade-off, namely in a situation where students must be able to choose one interest and sacrifice the other. A financial problem can also arise when experiencing errors in financial details, such as the absence of sound financial planning (Elghaish et al., 2022; Paarima et al., 2021; Peng et al., 2023).

The third finding in this study shows statistically, the variables of knowledge and financial literacy have an essential and dominant influence on interest in saving. Financial knowledge is a person's knowledge of their financial situation, not a basic financial concept, and treats it as a consideration for making decisions effectively (Ahn & Nam, 2022; Nave et al., 2023; Ruiz-Palomo et al.,2023). Financial knowledge is a person's financial situation, not a basic financial concept, and is treated as a consideration for effective financial decisions (Chen et al., 2023; Feng & Du, 2023). Financial literacy is a person's ability and confidence to manage their finances personally, which can be seen from the accuracy and speed in making decisions while considering economic events and conditions that often change. Financial literacy can be conceptualized with two main dimensions: understanding and using personal finance knowledge. He further stated that financial literacy can be described as a measure of how well a person understands and utilizes information related to personal finance. Financial literacy is the process of combining a person's skills, resources, and knowledge to process information and make financial decisions. Financial literacy is a person's ability to process economic information and make informed decisions about financial planning, wealth accumulation, debt, and retirement (Candera et al., 2020).

4. Conclusion

Based on the results of the research and discussion that has been described, this study concludes that the first hypothesis of knowledge has a significant effect on student saving interest, the second hypothesis of financial literacy has a partial impact on student saving interest, the third hypothesis of financial literacy and financial literacy together can affect student saving interest. Based on the conclusions above, the researcher gave suggestions, namely for universities, it is recommended to encourage students to be more active in improving their financial knowledge, namely by providing seminars on the topic of the importance of saving behavior so that in the future, students can manage finances wisely. For students, it is recommended to continue to deepen their knowledge about finance from various sources so that they can increase their interest in saving for the better and can apply it in life. Future researchers are expected to develop similar research by adding other independent and moderating variables in the hope that it can provide more careful results about interest in saving. Researchers can further expand the scope of research to see what factors can affect interest in conservation. This research is expected to make theoretical contributions to the literature in this context, including in the context of financial and banking management.

ACKNOWLEDGEMENTS

The author would like to express my deepest gratitude for the expression and dedication of the entire team. The Journal of Managed Science (JMAS) has reviewed the article and published the author's paper. In addition, the author would also like to thank all peer reviewers who have collaborated with and supported the preparation of this article so that it can be successful and published in the Journal of Management Science (JMAS).

References

Ahn, S. Y., & Nam, Y. (2022). Does mobile payment use lead to overspending? The moderating role of financial knowledge. *Computers in Human Behavior*, *134*, 107319. https://doi.org/10.1016/j.chb.2022.107319

Akmal, R. (2021). Faktor-Faktor Yang Mempengaruhi Minat Menabung Masyarakat Di Bank Syariah (Studi Kasus Masyarakat Kota Bandung Kelurahan Tamansari). *Jurnal Ilmiah*, *2*(2), 1–16.

Candera, M., Afrilliana, N., & Ahdan, R. (2020). Peran Literasi Keuangan Syariah dalam memoderasi Pengaruh Demografi terhadap Minat Menabung Pada Perbankan Syariah. *Jurnal Manajemen Motivasi*, *16*(1), 1. https://doi.org/10.29406/jmm.v16i1.2069

Chen, F., Yu, D., & Sun, Z. (2023). Investigating the associations of consumer financial knowledge and financial behaviors of credit card use. *Heliyon*, *9*(1), e12713. https://doi.org/10.1016/j.heliyon.2022.e12713

Choi, I., & Kim, W. C. (2023). Enhancing financial literacy in South Korea: Integrating AI and data visualization to understand financial instruments' interdependencies. *Societal Impacts*, *1*(1–2), 100024. https://doi.org/10.1016/j.socimp.2023.100024

Elghaish, F., Pour Rahimian, F., Hosseini, M. R., Edwards, D., & Shelbourn, M. (2022). Financial management of construction projects: Hyperledger fabric and chaincode solutions. *Automation in Construction*, *137*, 104185. https://doi.org/10.1016/j.autcon.2022.104185

Feng, X., & Du, G. (2023). Does financial knowledge contribute to the upgrading of the resident's consumption? *Finance Research Letters*, *58*, 104535. https://doi.org/10.1016/j.frl.2023.104535

Gu, L. (2023). Executives' financial experience and myopic marketing management: A myopic loss-aversion perspective. *Journal of Business Research*, *157*, 113587. https://doi.org/10.1016/j.jbusres.2022.113587

Ha, D., Şensoy, A., & Phung, A. (2023). Empowering mobile money users: The role of financial literacy and trust in Vietnam. *Borsa Istanbul Review*, *23*(6), 1367–1379. https://doi.org/10.1016/j.bir.2023.10.009

Hawaldar, I. T., Meher, B. K., Kumari, P., & Kumar, S. (2022). "Modelling the effects of capital adequacy, credit losses, and efficiency ratio on return on assets and return on equity of banks during COVID-19 pandemic." *Banks and Bank Systems*, *17*(1), 115–124. https://doi.org/10.21511/bbs.17(1).2022.10

Krisdayanti, M. (2020). Pengaruh Literasi Keuangan, Inklusi Keuangan, Uang Saku, Teman Sebaya, Gaya Hidup, Dan Kontrol Diri Terhadap Minat Menabung Mahasiswa. *Prisma (Platform Riset Mahasiswa Akuntansi)*, *1*(2), 79–91. https://www.mendeley.com/catalogue/79c2f4cf-0ca8-3516-a050-80da5a00863e/?utm_source=desktop&utm_medium=1.19.8&utm_campaign=open_catalog&userDocumentId=%7Bb4a91264-94f8-4f4f-a5ea-936106210465%7D

Li, C., Bai, J., Chen, Y., & Luo, Y. (2020). Resource and replica management strategy for optimizing financial cost and user experience in edge cloud computing system. *Information Sciences*, *516*, 33–55. https://doi.org/10.1016/j.ins.2019.12.049

Mang'ana, K. M., Ndyetabula, D. W., & Hokororo, S. J. (2023). Financial management practices and performance of agricultural small and medium enterprises in Tanzania. *Social Sciences & Humanities Open*, *7*(1), 100494. https://doi.org/10.1016/j.ssaho.2023.100494

Mulyaningtyas, I. F., Soesatyo, Y., & Sakti, N. C. (2020). Pengaruh Pengetahuan Tentang Bank Syariah Dan Literasi Keuangan Terhadap Minat Menabung Siswa Pada Bank Syariah Di Kelas Xi Ips Man 2 Kota Malang. *Jurnal Ekonomi Pendidikan Dan Kewirausahaan*, *8*(1), 53. https://doi.org/10.26740/jepk.v8n1.p53-66

Nave, J. M., Oliva, L., & Toscano, D. (2023). Financial knowledge and financial behaviour: The moderating role of home ownership. *Finance Research Letters*, *57*, 104208. https://doi.org/10.1016/j.frl.2023.104208

Nurrohmah, R. F., & Purbayati, R. (2020). Pengaruh Tingkat Literasi Keuangan Syariah dan Kepercayaan Masyarakat terhadap Minat Menabung di Bank Syariah. *Jurnal Maps (Manajemen Perbankan Syariah)*, *3*(2), 140–153. https://doi.org/10.32627/maps.v3i2.135

Paarima, Y., Kwashie, A. A., & Ofei, A. M. A. (2021). Financial management skills of nurse managers in the Eastern Region of Ghana. *International Journal of Africa Nursing Sciences*, *14*, 100269. https://doi.org/10.1016/j.ijans.2020.100269

Peng, X., Mousa, S., Sarfraz, M., Abdelmohsen A, N., & Haffar, M. (2023). Improving mineral resource management by accurate financial management: Studying through artificial intelligence tools. *Resources Policy*, *81*, 103323. https://doi.org/10.1016/j.resourpol.2023.103323

Putri, E. B., & Wahjudi, E. (2022). Pengaruh Literasi Finansial, Inklusi Keuangan, Teman Sebaya, dan Kontrol Diri terhadap Perilaku Menabung Mahasiswa. *Jurnal Pendidikan Akuntansi (JPAK)*, *10*(3), 217–231. https://doi.org/10.26740/jpak.v10n3.p217-231

Putri, T. P. (2018). Pengaruh Kontrol Diri, Literasi Keuangan dan Inklusi Keuangan terhadap Perilaku Menabung Mahasiswa Pendidikan Akuntansi Fakultas Ekonomi Universitas Negeri Surabaya. *Jurnal Pendidikan Akuntansi (JPAK)*, *6*(3), 323–330.

Raja Martua Hasibuan, R., & Jannah, N. (2023). Analisis Faktor yang Mempengaruhi Financial Distress pada PT Bank Muamalat KCU Medan Baru. *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, *4*(5), 1414–1420. https://doi.org/10.47467/elmal.v4i5.1532

Rikayanti, V. R., & Listiadi, A. (2020). Pengaruh Literasi Keuangan, Pembelajaran Manajemen Keuangan, dan Uang Saku Terhadap Perilaku Menabung. *Jurnal Pendidikan Akuntansi (JPAK)*, *8*(3), 117–124. https://doi.org/10.26740/jpak.v8n3.p29-36

Ruiz-Palomo, D., Galache-Laza, M. T., Cisneros-Ruiz, A. J., & García-Lopera, F. (2023). Financial knowledge of pre-university students: Effects of age and gender. *Heliyon*, *9*(4), e15440. https://doi.org/10.1016/j.heliyon.2023.e15440

Sohn, S., Joo, S., Grable, J. E., Lee, S., & Kim, M. (2012). Adolescents' financial literacy: The role of financial socialization agents, financial experiences, and money attitudes in shaping financial literacy among South Korean youth. *Journal of Adolescence*, *35*(4), 969–980. https://doi.org/10.1016/j.adolescence.2012.02.002

Ubaidillah, H. L., & Asandimitra, N. (2019). Pengaruh Demografi, Dan Literasi Keuangan Terhadap Perilaku Menabung Masyarakat di Kabupaten Sidoarjo. *Jurnal Ilmu Manajemen*, *7*(1), 241–249.

Wardani, P. D., & Susanti. (2019). Pengaruh Kontrol Diri, Religiusitas, Literasi Keuangan, Inklusi Keuangan terhadap Perilaku Menabung di Bank Syariah Mahasiswa Universitas Islam Negeri Sunan Ampel Surabaya. *Jurnal Pendidikan Akuntansi*, *7*(2), 189–196.

Zhao, T., Chen, K., Wang, Q., & Luo, C. (2023). Financial literacy, liquidity constraits and household risk asset allocation. *Finance Research Letters*, *58*, 104555. https://doi.org/10.1016/j.frl.2023.104555