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The Antecedents of The Islamic Bank Socialization Model are Viewed from Reference Groups (Islamic Scholar, Islamic Religious Education Teachers, and Community Leaders) in Indonesia

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ABSTRACT

The purpose of this study to analyze the factors of socialization of Islamic banks in terms of reference groups. The location of the research was conducted in Banyumas Regency, Indonesia. This research uses two stages of research. The first stage interviewed 9 informants from the elements are Islamic scholars, Islamic religious education teachers, and community leaders. The results of the interviews found 18 indicators then made a questionnaire. The results of collecting data collected as much as 226 data. The second stage, analyzing 226 data by using factor analysis (exploratory factor analysis). KMO (Kaiser-Meyer-Olkin) test results are eligible for all indicators above 0.50 as well as Bartlett's test of sphericity is also significant at 0.05. Furthermore, 18 indicators analyzed turns computer extraction results into 6 factors (eigen value > 1 to factor). Factors 1-6 explain 30.65%; 9.24%; 8.66%; 6.53%; 6.00%; 5.77%, respectively. The overall factor could explain 66.86% variation. The matrix component results show the grouping of indicators into 6 variables. The first variable consists of indicator X15, X16, X17, and X18 named business institutions. The second variable consists of indicator X9, X10 and X11 named Formal Education. The third variable consists of X1, X2, and X3 named Islamic Scholar. The fourth variable consists of X7, X12, X13, and X14 named Synergize. The fifth variable consists of X5 and X6 named Proactive, and six variables consisting of X4 and X8 are named Higher Education.

Keywords: Islamic Bank Socialization, Reference Groups, Antecedents,

1. Introduction

The country of Indonesia has the largest Muslim population in the world (Lugo, 2009). The country of Indonesia has the largest Muslim population in the world. This condition is very strategic for the development of sharia/ Islamic banks in Indonesia compared with other countries. However, the reality shows that the development of Islamic banks viewed from assets is not encouraging. The existence of Islamic banks in Indonesia in 1993 or about twenty-three years, the total assets of Islamic banks in Indonesia are under five percent of the total assets of conventional banks. This shows that the development of Islamic banks is not optimal (OJK, 2017b, OJK, 2017c).

Islamic banks are a relatively new banking system in Indonesia even in the world when compared to conventional banking systems that have existed and operated for a long time. Conventional Bank has ATM (Automatic Teller Machine) and branch network that already exist everywhere in the territory of Indonesia. This becomes an advantage for conventional banks in their operations. Based on the

MUI fatwa (Majelis Ulama Indonesia) in 2004 (MUI, 2004) states that the interest is haram. Islamic economics directs human beings “towards the achievement and actualization of justice (*‘adl*) in human relations” through a set of regularizations “known as *halal* and *haram*, that is, what is permitted and what is forbidden” (Ahmed, 2000).

Next two years later Muhammadiyah Islamic Society through Fatwa Assembly Tarjih¹ and Tajdid², Muhammadiyah Central Executive (Muhammadiyah, 2006) which one of its decision appealed to all organization members and citizens of Muhammadiyah and Muslims in general to muamalat/ activity in the world in accordance with the principle of sharia.

The fatwa MUI in year 2004 about bank interest called haram in conventional banks (MUI, 2017), initially as theoretically make a positive impact on increasing the number of Indonesian people who switch from conventional banks to Islamic banks. This happens because majority of Indonesian people are Muslim. Unfortunately, the fact that occurred in 2016, the development of Islamic bank assets declined from five percent in the previous year to four percent. A survey of the financial services authorities or OJK (Otoritas Jasa Keuangan) of 2013 found that only 22 per cent of Indonesia's population understands banking services and 57 per cent of the population are already using banking services. Therefore, OJK makes the seven directions of the policy of Indonesian Islamic Banking Roadmap 2015-2019 is 1. strengthening policy synergy between authority with government and other stakeholders; 2). Strengthen capital and business scale and improve efficiency with work program; 3). Improve the structure of funds and support the expansion of the financing segment; 4). Improve service quality and product diversity; 5). Improving the quantity and quality of human resources and information technology and another infrastructure; 6). Increase community literacy and preference; 7). Strengthening and harmonizing arrangements and supervision (OJK, 2017a). Islamic bank socialization program is in the direction of program number six (Increase community literacy and preference).

Islamic bank as a relatively new banking organization desperately needs a proper targeted and effective socialization strategy so that the existence of Islamic bank can be better known and used as the main banking system when conducting banking transactions in Indonesia.

2. Literature Review

a. Current Socialization

Socialization of Islamic banks has been done by the government and community organizations, but the results were not optimal (Santoso, 2015). Indicators of the development of Islamic bank assets are still small compared with conventional banks. This is one of the important points of the need for a better socialization of Islamic banking. How socialization of Islamic banking in Indonesia can compete with the conventional bank system which for two centuries ago have been familiar with conventional banking system.

¹ Tarjih is the analytical process to establish the law by establishing stronger propositions, more precise analogy and stronger virtues.

² Tajdid is renewal which has two meanings, namely purification and development.

The reference groups

a. Islamic Scholar

Islamic scholar is the people who are experts in the matter or in Islamic religious knowledge (KBBI, 2017). There are many Islamic scholar in Indonesia. Islamic scholars usually have the ability not only in Islamic knowledge, but also have the ability to practice their knowledge in everyday life. This caused many followers of Islam to be astonished and respectful to the scholars of Islam. In general, Islamic scholar can be called as Kyai. Dhofier (2014) found that Kyai as a leader of pesantren (Islamic Boarding School), he is a creative leader who has directed the pesantren tradition into ever new dimension and the enormously multi-faceted panorama of pesantren life would not be what it is today without his creative genius. Therefore, the great influence of the Islamic Scholar to the followers is enormous. Moreover, some Islamic sholas in remote areas or in remote villages are sometimes too much in compliance with the Islamic Scholar or Kyai. For example, some traditional Muslims in the villages will always hold the traditions that Kyai commands, although sometimes there is no source from the Quran and Hadith of the Prophet Muhammad, such as the seven-monthly ceremony for the pregnant woman "*Mitoni*", the seven- Day for the newly deceased family "*Selamatan*". It can be concluded that Islamic scholar has the potential to influence its followers to transact in Islamic banks.

b. Islamic religious Education Teachers

Indonesia has six recognized religions, Islam, Buddhists, Hindus, Protestant Christians, and Konghuchu. Religious lessons at school every week there are 2 hours. The material given in the study of religion depends on the religion of each student. Islam gathered with Islamic students and taught by Islamic religious teachers, Christians gathered with Christian students and taught by Christian religious teachers. Lukens-Bull (2017) found that Religious education, in any faith, has as a central goal the teaching of tradition, however invented, and the creation young men and women who will uphold that tradition in settings that may be antagonistic towards it.

Islamic religious education teachers also have a great influence on the students at school. Teachers in Indonesia are seen as a clever person and can enlighten their students. Especially as an Islamic religious education teacher who intellectually and religiously have more capability in these two things. Therefore, the behavior of Muslim religious teachers also has a big effect on their students

c. Community leaders

Community leaders is prominent people (in politics, culture, etc.). He is a key figure in the community. Deggs and Miller (2013) said that a level of consistency between community college leaders and community leaders is necessary to demonstrate behaviors, actions, and beliefs that shape, represent, and support expected community values. Likewise, communities, which are collectives of suborganizations, play an important role in aiding individual development, especially related to educational attainment. Therefore, community leaders to be an example that is always imitated by the surrounding community can encourage people to use Islamic banks

Usman et al (2017) found that religious norms variables in the context of religious role influence consumer decisions to use sharia banking services. The degree of religiosity affects customer decisions in traditional groups, but does not affect the contemporary group. Furthermore, it was found that the decision on the use of Islamic banks through the intervention of trust variables and sources of information is indirectly influenced by religiosity.

Meanwhile, Houjeir et al (2017) said that the development of trusting relationships between bankers and clients is affected by the cultural origins of the relationship partners. Strongly held religious beliefs, and loyalty to family, tribe and nation, lead to strong affect-based trust between bankers and clients from Arab culture. Cognitive-based trust is more characteristic of United Arab Emirates (UAE) banker/client relationships that involve partners from outside the Arab world.

Al-zu'bi (2016) found in his research that high and low beliefs tend to influence the communication patterns of Jordanian Muslim parents. The most degree of indirect influences is associated with Muslims' belief.

3. Methodology

a. Research design

This study was designed by two steps. The first step, data collected by interview which conducted to three reference groups (Islamic Scholar, Islamic religious Education Teachers, and Community leaders). The result of interview will be summarized become indicators of questionnaires. The second step, questionnaire distributed to individual that knowing or ever transaction with Islamic bank.

b. Data Collection

Interview was conducted in each reference groups from 10 January to 15 February 2017. The questionnaire was distributed since 2 March until 17 April 2017.

c. Data Analysis

The analysis was carried out through factor analysis using SPSS (statistical package for social sciences) version 23. According Ghozali (2016), the main purpose of factor analysis is to define the structure of a matrix data and to analyze the structure of interrelations (correlation) between the number of variables (test score, test items, answer questionnaire) by defining a set of commonalities of variables or dimensions and is often called a factor or component.

By factor analysis, the researchers identify the dimensions of a structure and then determine how far each variable can be explained by each dimension.

Interviews are conducted to generate indicators. The resulting indicators are used to generate a list of questions distributed to qualified respondents. The results of the questionnaire were analyzed using exploratory factor analysis (EFA). From these analyzes, found new groupings of the indicators into variables.

Basically, the purposes of factor analysis are:

1. Data Summarization, which identifies the relationship between variables by conducting a correlation test. Factor analysis requires that the data matrix must have sufficient correlation to allow for factor analysis. There are two ways to determine the factor analysis assumptions:
 - a. Kaiser Meyer Olkin Measure of Sampling (KMO)

KMO is the comparison index of the distance between the correlation coefficient with partial correlation coefficient. If the sum of squares of partial correlation coefficients among all pairs of variables is small when compared to the sum of squares of correlation coefficients, then it will produce KMO values close to 1.

KMO values are considered sufficient if more than 0.5.

b. Bartlett Test of Sphericity

Bartlett Test of Sphericity is to test whether there is correlation between variables. If the result is significant, the correlation matrix has significant correlation with several variables.

Bartlett Test of Sphericity meets the requirements for significance below 0.05 (5%).

2. Data Reduction

After a correlation, the process of creating a new set of variables called factor to replace a certain number of variables.

a. Extraction Communalities

Extraction Communalities estimate the variance of each variable described by the component formed. The value of large communalities (> 0.5), this can be interpreted that the whole variable used has a strong relationship with the factors that are formed.

b. Total Variance Explained

Total Variance Explained shows the magnitude of the percentage of total diversity that can be explained by the diversity of factors formed. To determine how many components / factors are used in order to explain the total diversity then seen from the large eigenvalue value, the component with eigenvalue > 1 is the component used. The 'cumulative%' column shows the cumulative percentage of variance that can be explained by the factor.

c. Factor Rotation

The purpose of the factor rotation is to clarify the variable that goes into a certain factor. In each component, factor grouping is done by looking at the loading factor above 0.50.

3. Interpretation of factors that have been formed, giving the name of a predetermined factor, which is considered to represent the member variables of the factor.

4. Result and discussion

The results of interviews with nine informants of three reference groups (Islamic Scholar, Islamic religious Education Teachers, and Community leaders) produced 18 indicators.

Table 1. Summaries of interview results

Initials	Indicators
X1	Public understanding of the fatwa of the National Sharia Council relating to Islamic banks
X2	The speech of the Islamic scholars contains about the fatwa of the National Sharia Council relating to Islamic banks
X3	Islamic Scholar equipped with complete material about the importance of Islamic banks for the ummah
X4	Islamic banks socialize Islamic banking products to the public
X5	The government socialized Islamic banks to the public
X6	Islamic banking proactively approaches to Islamic scholars
X7	Media for socialization of Islamic banks using existing media (TV, newspapers, radio, etc.)
X8	Socialization of Islamic banking in synergy with educational institutions at the level of Higher Education.
X9	Socialization of Islamic banking in synergy with educational institutions at senior/ vocational high schools
X10	Socialization of Islamic banking in synergy with educational institutions at junior high school
X11	Socialization of Islamic banking in synergy with educational institutions at elementary school
X12	Socialization of Islamic banks in synergy with community leaders
X13	Socialization of Islamic banks in synergy with Islamic scholar
X14	Socialization of Islamic banks in synergy with teacher/ lecturer/educator
X15	The socialization model is done by incorporating the Islamic banking system in the subjects of Islamic Religious Education in schools / madrasah / pesantren
X16	The model of socialization is done in schools / colleges with the exemplary practice of educators using Islamic banking products
X17	Islamic education institutions require the use of banking financial transactions using Islamic banks
X18	Islamic Business Institutions require the use of banking financial transactions using Islamic banks

18 indicators were made a list of statements. Furthermore, the list of statements is distributed to respondents 230 respondents, however, questionnaires that can be analyzed only 226 respondents. The response rate was 98%. There were 101 males and 125 female respondents.

The factor analysis assumptions

Based on table 2, The results of the KMO (Kaiser-Meyer-Olkin) analysis found 0.830, the results are eligible to be continued into factor analysis as greater than 0.50

Table 2. KMO and Bartlett's Test