

CHAPTER III

METHODOLOGY

A. Research Object

The object of this research is the relation between some variable such as income, work field, education and financial relationship through shari'ah financial literacy variable used in this research consist of one dependent variable and four independent variables.

The dependent variable is:

1. Shari'ah financial literacy

And the independent variables are:

1. Income
2. Work field
3. Education
4. Shari'ah financial institution relationship

B. Type of Data

This research used a primary and secondary data with the primary data as the based, primary data is data which obtained from the research subject. This data is information obtain from the respondent explanation, questionnaire answers and direct interview to the respondent related to the shari'ah financial literacy.

And secondary data obtained from the journals, articles, internet and previous study related to the research variable.

C. Collecting Sample Technique

1. Population

Population is a generalization area contained of object or subject which has the quality and any characteristic determined by the researcher for being studied and taking conclusion from that Sugiyono (2014). Population that will be included in this research is people who lived in the rural area of Pekalongan, Central Java with the different background. Population of Pekalongan people in term of year 2010 up to 2014 is increasing by 6491 people with the growth rate of 0,75 in year 2014.

Table 3.1
Population of Pekalongan Regency by Sex 2010-2014

Year	Male	Female
2010	417.406	421.215
2011	423.884	424.826
2012	427.785	433.581
2013	427.815	433.267
2014	431.002	436.571
2015	434 185	439 787

Source: BPS 2015

2. Sampling Method

Sample is a part of amount and characteristic own by the population. Sample taken from the population have to represent of population (Sugiyono, 2014).

Sample taking technique used in this research is *simple random sampling*. Simple random sampling technique is a simple technique because member taking sample from the population is random without paying attention to the society level. This way is taken if the member of population considered as homogeny (Sugiyono, 2014).

Sample random sampling is choosing process of unit sampling in such a way than every unit of sampling in the population has the same chance for being choosing in to the sample. Taking sample with this way can be done with the lottery or random table (Sanusi, 2012)

Amount of sample used in this research is 154 respondents which separate in 10 districts from the total of 19 in Pekalongan Central Java Province. The minimum respondent that delivered by long is 100 than writer decided that in this research use more than the minimum amount of respondent (Gudono, 2014) in Rahmawati, (2016).

D. Data Collection

Data collection technique in this research is using the questionnaires. Questionnaire is data collection technique with giving the bunch of written questions or statements for the respondent to answer (Sugiyono, 2014).

Questionnaire used in this research is *likert scale*. Likert scale is an ordinal measurement used to measure manner, opinion, and people perception related to social phenomenon. Therefor for knowing the measurement of respondent answers this research is using the research instrument such as questionnaire,

researcher use the likert scale (likert's summated ratings) Sugiono in Basuki (2015). Result range that given is 1 up to 4.

Likert Scale is scale based on additional respondent attitude in responding the questions related to indicators from the concept or measured variable. In this condition, respondent asked to agree or disagree in each of questions (Sanusi, 2012). This range used for standardize the appraisal of respondent, directly stuffed by the people who lived in the Pekalongan rural area.

Table 3.2
Likert Scale

	Positive question (+)		Negative question (-)
Alternative answer	Score	Alternative answer	Score
Very agree	4	Very agree	1
Agree	3	Agree	2
Disagree	2	Disagree	3
Very disagree	1	Very disagree	4

Source: Nur Rohmah, 2014

For interpreting the result of research data collected is conversed to the likert scale category using the guidance result conversion as below:

Table 3.3
Guidance of Score Conversion

Score	Conversion Formula	Category
1	$X > M_i + 1 (SD_i)$	High
2	$M_i - 1 SD_i \leq X \leq M_i + 1 (SD_i)$	Moderate
3	$X < M_i - 1 (SD_i)$	Low

Source: Saifuddin Azwar (2012)

Explanation:

X = Total Score

SDi = Ideal Standard Deviation

= $1/6$ (ideal maximum score – ideal minimum score)

Mi = Mean Ideal

= $1/2$ (ideal maximum score + ideal minimum score)

E. Operational Definition of Variables

1. Dependent Variable

In this research the bound variable is shari'ah financial literacy, which is ability of people for managing the finance in corresponding with shari'ah principles. For measuring shari'ah financial literacy variable, questionnaire will be spread with the questions and statements related to shari'ah financial literacy.

2. Independent Variables

Unbound variables that used in this research is: (1) Income which this variable explain the respondents earning each month that will classified into four groups: < 1 million, 1 million - 5 million, 5 million - 10 million & >10 million; (2) Education: This variable explain educational level of respondents, which classified into: Elementary School, Junior High School, senior High School, Diploma, Strata 1, Strata 2; (3) Work Field: explain the jobs of respondents which stay in this ten districts. (4) Financial institution relationship: which mean respondents are include as the costumer of financial institution such as bank, insurance, pawn shop the shari'ah or in contrary.

F. Quality Test of Research Instrument

1. Validity Test

Validity Test is used for measuring the legitimacy and validity of the questionnaires. Called valid if the question can express the something that will measure with the questionnaire Ghazali (2001). The validity measure used in this research is construct validity by SPSS version 15.0. Construct validity is validity that asking whether the question point at the instrument is suitable with the related knowledge concept (Nurgiyantoro, 2009) in Rahmawati, (2012).

Validity determination related to the questions with seeing the column corrected column correlation, significant examination is using r table in significant level 0.05. If result of r arithmetic \geq r table so item called valid, if r arithmetic $<$ r table so item called not valid. In this research using 0,1330 as the data measurement of validity, based on the total respondent which is 154 respondents as a sample of the citizen of Pekalongan.

2. Reliability Test

Reliability test is a test to measure questionnaires as indicator of variable or construction. A questionnaire called reliable if the respondent answers related to the question is consistent or stable from time to time.

Reliability measurement used in this research by the *cronbach alpha* $>$ 0.07 that categorized as the sufficient level of reliability Nunnally, (1994) in Ghazali, (2011). If the value of cronbach alpha between 0.05 – 0.07 mean that

the result of the reliability test on data at the level of moderate Basuki, (2017).

3. Hypothesis Test

- a. F - Test (Simultaneous Test) for the first hypothesis. This test used to know if the independent variable has the significant influences to the dependent variable together. With the comparison result of F count and F table in error degree at 5% its mean if result of F count $>$ from F table, than all of the independent variables has the significant influences together to dependent variable or the first hypothesis is accepted.
- b. T - Test (Partial Test) for the second hypothesis. This test used to know if the independent variable has the significant influences to the dependent variable. With the comparison result of t count of every independent variables and t table in error degree at 5% its mean if result of t count $>$ from t table, than the independent variables has the significant influences to dependent variable or the first hypothesis is accepted.

G. Data Analysis

1. Descriptive Statistic

Descriptive statistic is statistic used for data analysis by describing or drawing the collected data as it is without any additional and intentional to conclude the collected data applied for general or generalization. (Sugiyono, 2014). Descriptive statistic give the description related to the data looked from the mean, standard deviation, varian, maximum, minimum, sum, range, kurtosis and skewness Ghazali (2001).

Descriptive research is research design in order to arrange the systematic picturing related to scientific information which came from object or subject of research. Descriptive research focused in the systematic explanation with the fact obtainable from the research, if researcher intent to describing the data from one of variable of research, the researcher can use the descriptive statistic (Sanusi, 2012).

2. Logistic Regression

Logistic regression is closely similar with discriminant analysis which we want to test the probability of dependent variable is it explained by the independent variable, truly in this such of case can be solved by using discriminant analysis but normal multivariate distribution assumption can't be filled because of independent variable is mixed between matrix variable and non- matrix variable. In this case logistic regression used because no need to use normality test of the independent data (Ghozali, 2011).

Such as an multinomial logistic regression, if the category of dependent variable is an ordinal (rating) for an example the condition of bank healthy, healthy enough, unwell and not healthy where healthy have the higher value than healthy enough, and healthy enough have the higher value than not healthy so logistic analysis must be using ordinal regression or called PLUM (Ghozali, 2011).