CHAPTER III

RESEARCH METHOD

A. Research Design

1. Subject/Object of the research

The populations in this research are undergraduate students of Universitas Muhammadiyah Yogyakarta. They are the students who have already taken the introduction of accounting subject. It is expected that the students have the knowledge about accounting.

2. Data Type

The type of data used in this study is primary data. This study uses primary data obtained through a questionnaire distributed at the students of Universitas Muhammadiyah Yogyakarta.

3. Sampling Technique

The sampling technique in this study is done by using purposive sampling technique. The participants are accounting students who have learned introduction accounting courses. It is expected that students who have learned introduction accounting know about accounting.

4. Data Collection Technique

In this research, the data is collected through questionnaire. The questionnaire contains questions about mental accounting, financial literacy, financial behavior, family financial education, peer, self-control, and saving behavior. The respondent provide their answer by selecting the

level of agreement and disagreement of certain statements listed in the questionnaire. The questionnaire uses a 5-point Likert scale model ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire given to respondent must be answered completely and in line with the instructions.

5. Operational Definition of Research

a. Dependent variable

Saving behavior is the dependent variable in this research. Saving behavior is a combination of perception of future needs, saving decisions and saving actions. On the other hand, people tend to define saving as investments, money placement in bank accounts, speculation and mortgages payment (Warneryd,1999).

Yasid (2014) states that saving can be interpreted by two things, namely:

1) Delaying consumption

2) Gathering liquid asset in various forms

This means that saving are funds or wealth that are set aside for future needs. Specifically, saving is someone's effort to set aside money to face the future and to get money in a relatively large amount.

b. Independent variable

In this research, 6 independent variables which are expected to influence saving behavior. The independent variables are mental accounting, financial literacy, financial behavior, family financial education, peer, and self-control.

6. Data Analysis

To test data analysis, this study uses a data quality test that is regression analysis classic assumption test. Which consists of:

a. Data Quality Test

1) Validity Test

Validity test is a statistical test that is used to determine how valid a statement item measures the variables that are examined. The test can be done through SPSS software. In this research, Pearson Product Moment Correlation Test is implemented. In this test, each item in X and Y variables is tested for its relation with the total variable score.

An item should have a correlation (r) with the total score of each variable, i.e. ≥ 0.25. Items that have the r count <0.25 will be removed because they do not make appropriate measurements. (Nazaruddin and Basuki, 2019)

2) Reliability Test

Reliability test is a statistical test that is used to determine the reliability of the question item in its reliability in measuring a variable. The reliability test is carried out through Alpha Cronbach test. (Nazaruddin and Basuki, 2019)

If the value of alpha is > 0.7, it means that it has sufficient reliability. If alpha is > 0.80, all items are reliable and all tests are internally

consistent because they have strong reliability. There are also like the following possibility,

a) If alpha is > 0.90, reliability is perfect
b) If alpha is between 0.70 - 0.90, reliability is high
c) If alpha is between 0.50 - 0.70, it has moderate reliability
d) If alpha is < 0.50, the reliability is low

b. Regression Analysis Classical Assumption Test

1) Normality test

Normality test is useful for determining data that has been collected normally distributed, or taken from a normal population. Based on empirical experience, some statistical experts stated that data with a total of more than 30 digits (n > 30) can be assumed to be normally distributed. However, to give certainty whether the data is normally distributed or not, it is necessary to conduct the normality test. The tests for normality statistics include Chi-square, Kolmogorov Smirnov, Lilliefors, Shapiro Wilk, and Jarque Bera. The normality test can be measured from a significant value. If a significant value is greater than 5%, it can be concluded that the residuals spread normally, meanwhile, if a significant value is smaller than 5%, it can be concluded that the residual spread is not normal (Nazaruddin and Basuki, 2019).

2) Multicollinearity Test

Multicollinearity test is a linear relationship among variables X in multiple regression models. If the linear relationship between the variable X in the multiple regression model is a perfect correlation, the variable has perfect double linearity.

The multicollinearity approach can be seen through the value of variance inflation factors (VIF). The testing criteria are if the VIF value is < 10, there is no multicollinearity among the independent variables. If the table shows that the VIF value is entire > 10, the model assumption contains multicollinearity (Nazaruddin and Basuki, 2019).

3) Heteroskedasticity Test

Heteroscedasticity test is the existence of variance and residual inequalities in all observations in the regression model. The test is used to find the deviations from the classical assumption conditions in the regression model, wherein in the regression model, the conditions for the absence of heteroscedasticity must be met (Nazaruddin and Basuki, 2019).

7. Hypothesis Testing

a. Multiple Regression Analysis

The variables are one dependent variable and more than one independent variables. This test is an analysis used to examine the effect of mental accounting, financial literacy, financial behavior, financial

family education, peer in the same age (peer) and self-control, on saving behavior. The regression model used in this study is as follows:

$$\boldsymbol{Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + b_6x_6 + e}$$

Notes:

Y = Saving Behavior
a = Constanta
b = Regression Coefficient
X_1 = Financial Literacy
X_2 = Financial Behavior
X_3 = Family Financial Education
X_4 = Peer
X_5 = Self-Control
X_6 = Mental Accounting
e = Error

The multiple regression test is done through:

1) F-Test

This test is used to determine whether all independent variables together have a significant influence on the dependent variable. This test is done by comparing the calculated F value with the F table at 5 % error rate (alpha = 0.05). If the value of F is > F table value, it means that the independent variables have a significant influence on the dependent variable or hypothesis. Therefore, the hypothesis can be accepted (Nazaruddin and Basuki, 2019).

2) T-Test

This test is used to determine whether the influence of each independent variable on the dependent variable is significant or not. Ghozali (2006) mention that t test is used to find out how the

influence of independent variables as individuals to explain the dependent variable. To know weather the hyothesis is rejected or accepted, these principles are taken into consideration:

a) If the significance value is ≤ 0.05 and the regression coefficient is positive, it can be concluded that the independent variables have significant effect on the dependent variable. It means that the hypothesis is accepted.
b) If the significance value is > 0.05 and the regression coefficient is negative, it can be concluded that the independent variables do not have significant effect on the dependent variable. It means that the hypothesis is rejected.