

## **Examining Saving Cultural Model on BPR Customer: Theory of Planned Behavior Approach**

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### **ABSTRACT**

Banyumas is a district in Central Java with a significant number of Bank Perkreditan Rakyat (Rural Bank). However, it is found that the growth in the number of customer saving every year has decreased. This study aims to analyze the cultural factors of the Banyumas people in their savings activities at BPR. Five variables are usually used to examine aspects of saving cultures such as power distance, individualism, masculinity, uncertainty avoidance, and long-term orientation. This research will develop a conceptual framework based on the Theory of Planned Behavior as a tool to predict individual behaviour to save money in BPR. Hofstede's (2009) cultural dimension is used as an indicator to build a proposition of intentions and individual behaviour in saving activities. For BPR that wants to acquire new customers or retain existing customers can use this study's results to determine cultural preferences in influencing the intention to save in Banyumas society. Since the attitude of individual behaviour and behaviour is closely related to cultural aspects, a community culture-based strategy can be formulated to improve service to customers.

**Keywords:** *Cultural Dimension, Theory Planned Behavior, Saving Behavior, Hofstede, BPR*

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### **1. Introduction**

Savings is a form of economic activity that has a significant contribution to national development growth. Countries with high savings rates will have a vibrant economy because their investments will support economic growth. Research by [Aizenman, Cavallo and Noy \(2015\)](#) states that household saving rate has a significant positive relationship to the country per capita growth rate. The more money that can be saved and invested, then the economic growth rate will accelerate ([Kurniawan and Managi, 2018](#)). According to the general theory, [Keynes \(2018\)](#) states that savings are part of a particular period's income that not consumed. Economic growth can develop rapidly if the state can reserve or save part of its national income (Gross Domestic Product) to add or replace capital goods that have been depreciated or damaged ([Dellink, Chateau, Lanzi and Magné, 2017](#)). Regional economic growth can be reflected in the Gross Regional Domestic Product (GRDP) changes in a region.

The rate of economic growth in Banyumas during the last five years (2014-2019) has experienced an average increase of 5.9 percent (Indonesia, 2019). However, from the BPS census results, it was found that there was a trend of decreasing saving rates in the Banyumas region from 2014 to 2019. as shown in Table 1 below:

Table 1. Savings deposits in Banyumas (in a million)

Tahun	Savings Amount	Growth (%)
2014	4.696.725	
2015	5.393.474	15 %
2016	5.934.807	10 %
2017	6.548.753	10 %
2018	7.239.544	11 %
2019	7.770.001	7 %

Source: Indonesia (2019)

Economic growth can be depicted as a measurement benchmark that indicates the country's progress and how the development results achieved during that period. If national development is successful, it will show significant economic growth in society. Economic growth also illustrates how people's welfare is based on the average income (Soubbotina, 2004).

Research on saving behaviour has been conducted by several researchers, where saving behaviour is often associated with financial literacy (Garg and Singh, 2018; Grohmann, 2018). Besides financial literacy, saving behaviour is also related to social influences such as parents and peers (Jamal, Ramlan, Karim and Osman, 2015; Esmail Alekam, 2018). Research by Post and Hanewald (2013) found that an individual's financial risk influences saving behaviour. Some researchers included perceived behavioural control as factors that influence saving behaviour (Xiao, 2008; Minibas-Poussard, Bingol and Roland-Levy, 2018). However, there has never been any previous research using three concepts contained in the TPB, which is an attitude towards the behaviour, subjective norm, and perceived behavioural control in Indonesian people. Since each ethnic group has its characteristics or character, it is imperative to explore the values that underlie the Indonesian community in economic activities in social or cultural aspects.

This research will explore Indonesian society's consumer behaviour and Banyumas specifically related to saving activities, because cultural values may influence saving behaviour. This research is imperative because the Javanese population is ranked first as a native inhabitant in Indonesia. More specifically, the context of this research will examine the subculture behaviour of the Javanese tribe in Banyumas, which is tribes that are far from the center of Javanese kingdom power in Yogyakarta. The people who live in Banyumas culturally have some quite specific differences related to values and belief systems because they are unique cultural subsystems. Theoretically, each culture will have characteristics that affect attitude and behaviour when carrying out economic activities. This research is fundamental in the marketing sector because it will provide insight to all stakeholders that want to penetrate the Indonesian rural financial market. Due to the market globalization and the increasingly tighter competition between similar business fields, it requires adjustments to cultural concerns that live as values for the Banyumas people. Globalization offers a broader reach, but on the other hand, it will make consumers return to their ethnic identity. So that cultural diversity will have implications for the differences in how people make decisions.

## 2. Literature Review

### 2.1 Theory of Planned Behavior

The theory of Planned Behavior (TPB) is developed from the Theory of Reasoned Action formulated by Ajzen and Fishbein (Ajzen, Fishbein and Heilbroner, 1980; Fishbein and Ajzen, 1975). TPB is a conceptual framework that aims to explain the determinants of a particular behaviour. According to Ajzen (1991), the central factor of individual behaviour is that behaviour is influenced by the individual's intention towards a specific action. The intention to behave is influenced by three components, namely (1) attitude, (2) subjective norm and (3) perceived behaviour control. First, attitude toward behaviour refers to how a person forms positive or negative evaluation behaviour. According to Assael (1998), attitude consists of three components: cognitive, affective, and conative component. The cognitive domain involves thinking, understanding and awareness. The affective component deals with feeling, evaluating, interest and desire. The conative component involves acting, behaviours and purchases action. Meanwhile, subjective norm refers the belief that an important person or group of people will approve and support a particular behaviour. Social support comes from salient references such as parents, spouses, friends and colleagues (Al-Swidi, Huque, Hafeez and Shariff, 2014). Whereas perceived behavioural control refers to people's perceptions of abilities in performing certain behaviours. It implies one's intention to perform certain actions predicted by the perception of ease or difficulty when performing the behaviour (Ajzen, 1991; Ru, Wang and Yan, 2018). It is assumed to reflect past experiences as well as obstacles that can be anticipated. In an economic context, saving is defined as the residual income after minus consumption over a period of time (Browning & Lusardi 1996). Additionally, saving in a psychological context is defined as the process of not spend money for the current period for future use (Abrahamse and Steg, 2009). Hence, saving behaviour is a combination of perceived needs future, saving decisions and austerity actions.

### 2.2 Banyumas Culture

A community group's presence manifested through seven essential elements of a cultural system in a cultural context. Community identity can be recognized from the religious design, social organization, knowledge, art, livelihoods, technology, and language controlled by a participant in certain community entities (Koentjaraningkrat, 2009). Thus, a community identity has a reciprocal relationship with the existence of a culture. Through the existence of a community can be traced to the presence of certain socio-cultural entities. According to Reeves and Plets (2016). Community identity is one of the most critical cultural elements as a reflection of society's social changes. Banyumas' identity and culture are near related in various contestations of differences in cultural society's progress. For Banyumas residents, community identity and cultural features are a form of resistance to global culture domination.

The environment or socio-cultural life also influences the formation of uniqueness. Identity is a social and cultural process (Saddhono, 2018). The individuality can be explicitly understood when social power source is set to make choices and determination (Barker, 2006). Therefore, identity is not permanent and natural, but rather a continuously changing process and has points of difference

that continue to grow. The meaning of identity is influenced by different landscapes of individual socio-culture that is different and is formed with the existing social order in the community environment. Each individual receives treatment from other individuals in various settings. Starting from the family environment, the circle of friends, school environment, small community environment and broader society.

The Banyumas community has a slightly different cultural value from the Javanese community in general. Banyumas people firmly hold two fundamental values as cultural identity: (1) maintaining harmony, which is defined as the desire to be in congruence with the social environment and not get involved in disputes regardless of their strata, situation, or condition and (2) an egalitarian culture in which the Banyumas community recognizes the equality of its members. This egalitarian culture can be seen from the character of the citizens who have an attitude that all people are equal and deserve equal rights and opportunities, respect each other and uphold the values of togetherness and manifested in various ways. In the context of Javanese culture, Banyumas is considered a marginal area (Koentjaraningrat, 1984) which has a rough connotation, is left behind and is no more civilized than the culture that developed in the negating region (the center of the palace's power) which is imbued with the concept of nobility (*adiluhung*). This situation is due to the condition and geographical location of the Banyumas, which is far from the central palace as well as the background of the life and Banyumas people way of life, which is saturated with a populist spirit—resulting in various aspects of Banyumas culture being distinguished from its parent culture. These two fundamental values are then used as benchmarks for individual existence in a community environment bound to form norms and rules. The influence of community culture on the desire to financial save is closely related. Culture is a dimension used to measure the existence of individuals in their environment. The social environment is created from how individuals behave their intention to take action (Hadiati, 2017).

According to Hofstede and Bond (1984), culture consists of five dimensions: power distance, individualism, masculinity, uncertainty avoidance, and long-term orientation. The following is an explanation of each of these dimensions. First, Power distance (PD) is a cultural dimension that measures the extent to which individuals in a social environment accept gaps in social status. High power distance will tend to see that the most elevated position holds the highest power. Meanwhile, low power distance has more democratic thinking and respects each individual (Hofstede, 2009). Second, Individualism (IDV) is a cultural dimension that measures how individuals see themselves as independent individuals or as part of a group (Bochner, 1994). Collectivism is a cultural dimension that represents the low level of individuality; that is, individuals are more concerned with groups or communities' interests. Third, masculinity is a cultural dimension that measures whether individuals place more emphasis on achievement, competition, and ambition than individuals. At high masculinity, the male character must have an authoritarian personality, while the female character should play an inferior role.

Meanwhile, the cultural dimension of low masculinity is called femininity. This dimension emphasizes gender differences between male and female roles, and modesty is perceived as a virtue (Hofstede 2011). Fourth, Uncertainty Avoidance is a cultural dimension that measures the extent to which individuals feel comfortable or not with uncertainty and how much they believe in avoiding uncertainty (Bochner, 1994; Hofstede and Bond, 1984). High uncertainty avoidance can be seen from how individuals use laws or regulations to deal with changing situations or conditions

so that these individuals can control the changes that occur. Meanwhile, low uncertainty avoidance will create an environment that is more tolerant of differences. The environment, which was formed from the low uncertainty of avoidance, is more flexible and comfortable. New ideas or changing situations and conditions are a natural thing to happen. Fifth, Long-term Orientation is a cultural dimension where individuals think about the long-term consequences that will befall when they now do something. Short-term orientation represents a short-term oriented society culture, which is more focused on the past and present (Hofstede, 2015). This dimension represents how each society must maintain a certain relationship with its own past while addressing the ongoing challenges as well as the future.

### 2.3 The Present Study

Following the beliefs of the Banyumas community, which is formed into a value system. This research proposes a proposition related to the saving behaviour carried out by the Banyumas community and associated with the theory of planned behaviour in the context of saving behaviour, as described in Figure 1:

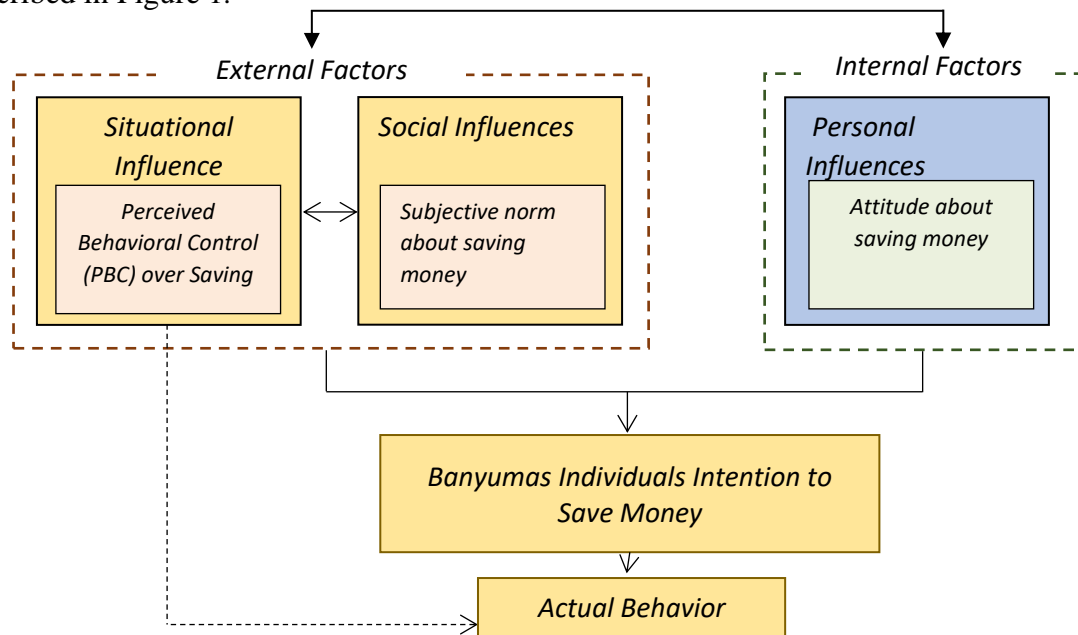


Figure 1. Conceptual Framework (adapted from Al-lozi dan Papazafeiropoulou, 2012)

### 3. Research Methodology

This study utilized qualitative methods to investigate research problems in the natural environment (natural settings) and interpret these phenomena. Qualitative research is defined as planned activities, including a set of interpretive practices that make the world of participants and informants visible. There are five methodological approaches in qualitative research, such as biography, phenomenology, grounded theory, case studies, and ethnography. We employed

phenomenology approaches which study the saving behaviour of the Banyumas community with due regard to the values, norms, and cultures of the locality (Denzin & Lincoln, 2000; Creswell, Hanson, Clark Plano and Morales, 2007)

## **4. Result and Discussion**

### *4.1 Theory of Planned Behavior and Saving Behavior Implementation*

The theory of planned behaviour has three independent variables. First is attitudes towards behaviour where someone assesses something profitable and unprofitable. Individual beliefs determine attitude about the consequences of displaying a behaviour (behavioural beliefs), are weighted based on the results of the evaluation of the consequences (outcome evaluation). Second, social factors are called subjective norms that refer to the perceived social pressure to do or not a particular action. Personal beliefs are also called normative beliefs. An individual will intend to display a specific behaviour if he perceives that other important people think that he should do it, for instance: partner, friend, or family. These three antecedents of intention are the perceived level of behavioural control that is the perceived ease or difficulty of performing the behaviour, and assumed to reflect past experiences as an obstacles anticipations (Ajzen, 2006).

This model adopts the TPB model by considering the cultural dimensions, namely, Power Distance (PD), Individualism (IDV), Masculinity (MAS), Uncertainty Avoidance (UAI), and Long-term Orientation (LTO) (Hofstede and Bond, 1984). Uncertainty Avoidance (UAI) is a cultural dimension used to measure the extent to which individuals can avoid or accept a condition that contains uncertainty. When an individual faces a situation that contains uncertainty (for example, facing a new condition or a condition that has changed), the individual will have an opinion to control himself in facing that situation or condition. Perceived Behavioral Control (PBC) is an individual's assumption about whether it is easy for an individual to do a behaviour (Ajzen, 1991). The circumstance that underlies this assumption is control belief, which is an individual's belief about the presence or absence of factors that facilitate or hinder the achievement of a behaviour. An individual's past experiences usually support control belief. It can be used as an indicator of perceived behavioral control by seeing that uncertainty avoidance is an individual's control over himself when facing a condition that contains uncertainty.

Masculinity explained that the social environment influences the individual in determining the orientation to take action. When masculinity is high, individuals are influenced by the environment to be more oriented towards competition and achievement of results compared to others. Meanwhile, low masculinity will focus more on achieving a good quality of life. Subjective Norms are social assumptions that influence individuals to decide whether to perform a behaviour or action (Ajzen, 1991). So that masculinity can be used as an indicator to measure how the social environment affects persons to do or not do a behaviour or action.

Individualism has a close relationship between individuals and their social environment. Masculinity is a dimension where the social environment influences individuals to take action, while individualism is a cultural dimension to measure how individuals place themselves in a

social setting. Individualism is assumed to be high when individuals determine their behaviour without considering social assumptions from the surrounding environment. Meanwhile, a low Individualism is when entities take action by considering the opinions of the environment around them. The interaction between individuals and the social climate in this dimension can be used as an indicator to complement the masculinity dimension in the subjective norms variable.

Power distance (PD) is a cultural dimension used to see how individuals in a social environment accept gaps in social status. Power distance can be used as an indicator to measure subjective norm because power distance orientation is a social condition that encourages individuals to do something. The relationship between perceived behavioural control and subjective norms variables, which are external influences with Hofstede's cultural dimensions, results in the following proposition:

P1: External Factors: (Perceived behavioural Control and Uncertainty Avoidance); Situational Influence: Subjective Norms, Masculinity, Individualism, and Power Distance influence each other.

P2: External Factors:(Perceived behavioural Control and Uncertainty Avoidance; Situational Influence: Subjective Norms, Masculinity, Individualism, and Power Distance have a positive effect on the intention to save money in BPR

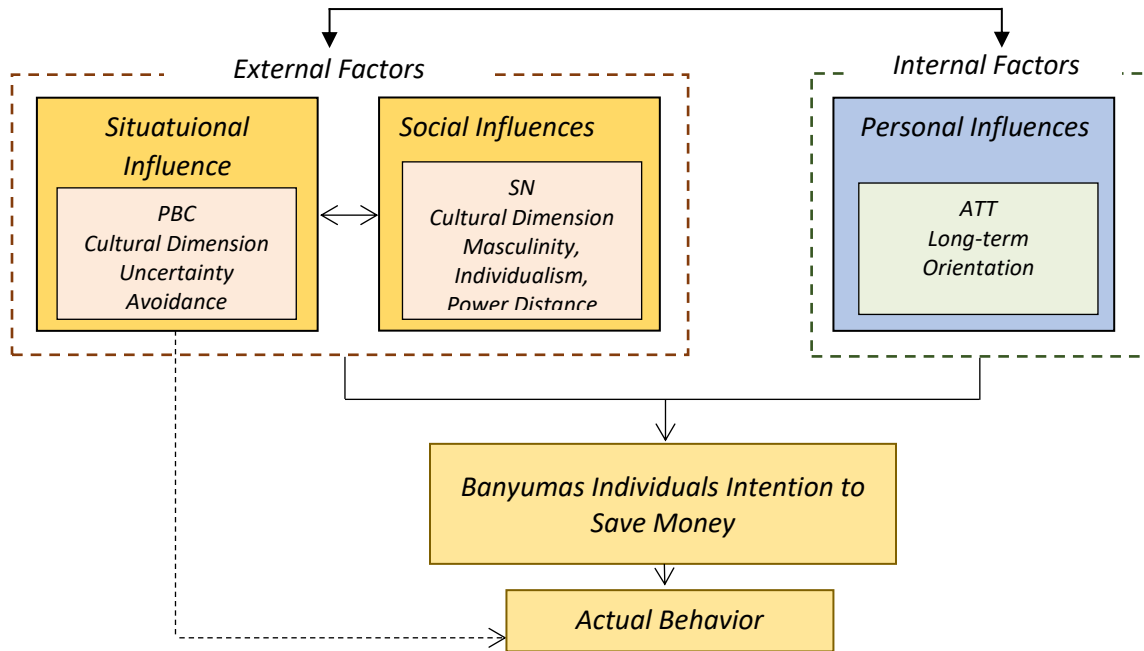


Figure 2. Proposition Framework (adapted from Al-lozi dan Papazafeiropoulou, 2012)

Long-term orientation is a cultural dimension that represents how individuals decide what to do. When individuals choose to be more oriented towards the future by determining attitudes and considering the consequences of these actions, they are categorized as long-term orientation. Meanwhile, when individuals decide to make past experiences as lessons and the individual follows them, they are classified as Short-term orientation. Attitude is an internal influence on the

TPB model. Attitude results from considering the consequences of a behaviour, whether the behaviour is done or not (Ajzen, 1991). Attitude is determined by behavioural belief, which is an individual's belief when doing an action. Every individual's behavioural belief is different, depending on each individual's personality, which is formed from the environment, experiences, and mentality. In addition to individual character, A behavioral belief is the subjective probability that the behavior will produce a given outcome or experience, which then becomes a lesson for the individual and becomes material to support individual beliefs.

Long-term orientation can be used as an indicator of attitude because the cultural dimension of long-term orientation results from an individual deciding what behaviour to take under certain conditions. The behaviour that was carried out became an attitude in the theory of planned behaviour model. Attitude and long-term orientation variables can predict the intention to save money in BPR so that the proposition is as follows:

P3: Attitude and longterm orientation have a positive effect on the intention to save money in BPR.

Based on the TPB model with the cultural dimensions proposed as an indicator, the intention of saving money can directly predict saving money actual behaviour. Thus resulting in the following fourth proposition :

P4: Intention to save money in BPR directly affects Actual Behavior.

The TPB model representing external influence and internal influence in predicting saving behaviour using cultural dimensions indicators can be seen in Figure 2.

## 5. Conclusion

This paper contributes to scientific discipline by adopting the TPB model, which is used to measure a culture's influence on saving behaviour by adding cultural indicators to the variables in the TPB model. This research is conducted to complement the TPB model's limitations when the PBC variable in individuals has a high value. It cannot be used to predict saving behaviour. The cultural dimension of Uncertainty Avoidance is used as an indicator of the external influence of Perceived Behavioral Control on the TPB model. Further, Masculinity, Individualism and Power Distance are utilized as indicators of the Subjective Norm's external impact. Long-term orientation has a role as an indicator of the influence of internal attitude. The next research is to test the model to see the effect of culture on Indonesia's saving behaviour. So that stakeholders can be aware of the factors that influence individual behaviour in saving. For financial businesses, the factors that influence the TPB model can be used as targets in creating marketing strategies to increase sales. This paper provides an alternative model in the academic field that can predict and test individual behaviour in saving activities.

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