

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

#### **A. Research Area**

The objective of this research are the farmers which are known in this particular issue are become the main attention, researcher targeting farmers become the main attention since according to the researcher view farmers has a lot of problem regarding their agricultural business and it seems nobody cares about it. In this issue researcher considering this particular problem is very crucial to be solved in order to achieve prosperity for farmers.

This study uses qualitative approach, According to Azizah (2015) Qualitative research methodology is a research which has nature to descriptive and inductive. In this methodology, research done by the phenomenon and existed data, not a theory so the focus of qualitative research is not in existed theoretical proofing. Hence theoretical framework commonly only used for supporting research focus.

This research conducted based on the actual data which has been collected by researcher and not only relies on merely to the theory. in this research researcher collecting data and the information trough interview. Field study and consultation in order to strengthen the validity of the research.

#### **B. Type of Research**

The type of research which researcher chose is qualitative research. According to Moleong & Lexy (2005) “qualitative method is research procedure which will produce

descriptive data as written words or speech from the people.” Qualitative researches are common to be used in socio discipline science. So base on the description above descriptive research is research which is trying to describe a phenomenon or events thus the research objection become clear. The research which conducts by the researcher trying to expose mine problem clearly, in this case, factors of realization of Bay’ al Salam as hedging for covering risk in agriculture. The qualitative research design selected involves literature research. It is chosen because it does not involve any statistical and numerical experiments. In fact, the result of outcome is not obtained by any statistical procedure. Considering that a qualitative research also emphasizes the importance of carrying out actual and natural ground of studies, so it is in conformity with this study in the form of observation and explanation of some actual and natural situations. The research approach of contents analysis is the qualitative research method of document analysis.

### **C. Data Resource**

In the research, the existence of data is crucial since scientist always taking conclusion trough data, not by baseless argument. Everything must be proofed using data. The nature of data itself commonly divided into two named primary data and secondary data. The accuracy of data which is collected by the researcher has a big role in shaping the conclusion of the research, hence the accuracy of research always depend on the data obtained. The sampling which is used by the researcher, in this case, is purposive sampling which means researcher trying to dig the information which will be the basis for concluding the phenomenon observed. The procedure of data collection as mention above, researcher using two kinds of data namely primary data and secondary data.

## **1. Primary Data**

Primary data is data which is obtained from respondent directly whether through interview, survey, and observation. In this case, primary data which is collected by a researcher in order to expose the analysis of hedging in Bay' al Salam for covering risk for agriculture.

## **2. Secondary Data**

The secondary is data which is obtained by indirect taken by the researcher which will support the research, in this case, secondary data which is taken by research taken from journals, scientific research which related to this topic, books, and other various documents.

## **D. Data Collection Method**

In order to obtain valid data researcher conducting various data collection method.

Collection data which is done by researcher using 3 kinds of methods as follow:

### **1. Interview**

Interview used in data collection method if the research willing to do the previous study to find out problems to be observed, and if the researcher willing to know more details information from respondents and if the amount of respondent are little (Sugiono, 2004).

The researcher doing an interview to farmers in order to know more deeply regarding the practice of hedging in Bay' al Salam for agriculture.

### **2. Observation**

Observation data collection method used in the research which is related to human behavior ,systemic working process, natural symptom and if respondent which is taken not too much, the observation method not limited only to the people but also nature (Sugiono, 2004).

In this stage researcher dealt directly with the respondent in order to observe and to monitor the activity which is being run. In this case, researcher conducts direct observation in order to monitor and to know the real practice and its development regarding the practice of hedging in Bay' al Salam for agriculture. The data which is collected by the researcher in this stage by taking notes and recording the result of observation and taking the ultimate conclusion.

### **3. Documentation**

Documentation is collecting, choosing, processing and saving information related to document related to an issue which is being observed. A. Data Analysis Method

#### **E. Data Analysis Method**

Data analysis method which used by researcher is qualitative descriptive analysis. The information which is collected during research consists of primary data and secondary data and letter on processed by using quantitative descriptive. Descriptive analysis is chosen by researcher because this approach is more suitable regarding the research which

conducted by the researcher which is to enquire the concept of hedging that is in accordance with the Shariah compliance. Data analysis tools used by researcher are Microsoft excel 2013 and SPSS 15. According to Elliott (1999) all these methods rely on linguistic rather than numerical data and employ meaning-based rather than statistical forms of data analysis. Distinguishing between measuring things with words and measuring them in numbers, however, may not be a particularly useful way of characterizing different approaches to research. Instead, other distinctive features of qualitative research may turn out to be of far greater importance. In this research quantitative descriptive analysis used in order to analyze or describe the role of hedging in Bay' al Salam for agriculture.