

# MEASURING A CASH WAQF GIVING BEHAVIOR AMONG MUSLIM DONORS IN MALAYSIA: A THEORY OF PLANNED BEHAVIOR APPROACH USING STRUCTURAL EQUATION MODELING

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## ABSTRACT

This study investigated cash *waqf* giving behavior among Muslim donors based on the Theory of Planned Behavior. A survey was conducted on 370 Muslim donors working in government and private agencies/institutions located in Selangor Darul Ehsan, Malaysia. The data was analyzed using Structural Equation Modeling (SEM). The results indicate that attitude, subjective norm, perceived behavioral control and intention are instrumental in determining cash *waqf* giving behavior among the sampled Muslim donors. Insights from this research are of particular importance to *mutawallis* in understanding cash *waqf* giving behaviour among Muslim donors and, hence, helping them to enhance their fundraising strategies and marketing plans. Suggestions for future research are provided accordingly.

**Keywords:** Cash *waqf*, giving behavior, theory of planned behavior

## INTRODUCTION

*Waqf* is charitable institution that has long been practiced from the time of Prophet Muhammad (PBUH). Ibn Qudamah (1972) defines *waqf* as a dedication or giving of property for any charitable or religious object to secure benefits for human beings. In the Malaysian context, the State Islamic Religious Council (SIRC) is the sole trustee or *mutawalli* for the administration and management of *waqf* (Mahamood, 2011). Today, cash *waqf* is gaining prominence. It is a special type of endowment, which differs from the ordinary real estate *waqf* in that its original capital consists of cash or money (Cizakca, 2013). In Malaysia, cash *waqf* is being practiced in many forms, for example via internet facilities such as e-wakaf, salary deduction and payment directly at the *waqf* agent appointed by the SIRC.

Despite its increasing popularity, there are criticisms about the low level of cash *waqf* giving behavior among Muslim donors particularly in Malaysia (Mahamood, 2011; Mohsin, 2009; Al-Habsyi, 2014). For example, statistics in 2012 shows that

cash *waqf* collection in Selangor has contributed only a meagre portion of 9% of the overall budgeted *waqf* development programs in that year (Perbadanan WS, 2013). From the *mutawallis'* point of view, adequate cash *waqf* fund is extremely important for supporting and sustaining the management of *waqf* properties and projects, which provide services towards promoting the socio-economic development of the community and eventually the Ummah. This concern was also echoed by Hassan (2007), that lack of financial resource from cash *waqf* is one of the major problems hindering the development of a large number of *waqf* assets in Malaysia. Apparently, there seems to be a gap between *waqf* development objectives and cash *waqf* collection. Therefore, to what extent does cash *waqf* giving behavior contribute to this gap? Unfortunately, the literature has been silent on this pertinent question.

Studies on charitable giving behavior in conventional literatures vary. Generally, research on charitable giving has often focused on identifying the demographic factors such as gender, age, marital status, education levels or income levels that are associated with differences in charitable giving (Drollinger, 1998; Lee, Piliavin, & Call, 1999; Burgoyne, Young & Walker, 2005; Kasri, 2013). These works however, are more descriptive in nature. Hence, reliance on descriptive aspects of charitable giving fails to provide directions to factors that inhibit or encourage charitable giving or insights to information that might aid the development of interventions to increase levels of charitable giving (Smith & Mcsweeney, 2007).

Meanwhile, there are quite a few studies that have incorporated a theoretical framework in charitable giving behavior studies. Linden, (2011); Smith & Mcsweeney (2007); examined the charitable giving behavior using the Theory of Planned Behavior. The study by Smith & Mcsweeney (2007), considered a range of individual factors, such as attitudes, social factors such as norms that help to understand donors behavior towards charitable giving. The framework developed by Smith & Mcsweeney (2007) could be useful for studies on *waqf* giving behavior.

Extant works by Muslim scholars on the subject are largely descriptive and have simply focused on highlighting the significance of cash *waqf* in the socio-economic development of the *Muslims*. For example, Mohammed (2012) and Hasan (2008) discussed how cash *waqf* is socially significant in the development of *awqaf* instruments and institutions which rely much on cash to support their establishment and sustainability. Other similar works include Lahsasna (2010); Cizakca (2011) and Alias (2011). Most of these studies have overlooked the importance of giving behavior.

Therefore, to fill this research gap, the present study calls for "a paradigm shift" that puts more emphasis on Muslim donors' behavior toward *cash waqf* giving. The study aims at investigating the socio-psychological factors underlying decisions

to donate *cash waqf* from the perspective of one of the most influential and well supported socio-psychological theory for predicting human behavior-the Theory of Planned Behavior.

The subsequent section of the paper, section two, reviews related works. Section three focuses on the methodology of the study. The fourth section presents the findings and their analysis and the final section, section five, concludes the study and provides recommendations accordingly.

## LITERATURE REVIEW

Cash *waqf* scheme has been accepted in many countries, such as the United States, Germany, Egypt, Iraq, Syria, Iran, Turkey, Singapore and Malaysia. For example, in the United States, cash *waqf* was introduced since 1971 by the North American Islamic Trust. This foundation administers *waqf* properties in the United States. Cash *waqf* is used for the purchase of buildings for schools, colleges, mosques, among others (Bakar, 1999). In Malaysia, cash *waqf* is very important especially for strengthening the economic condition of the Malay Muslims. Cash *waqf* is seen capable of mobilizing substantial capital in clusters. Hence, it provides space and opportunity for the Malay Muslims to be involved in ownership of properties and to enhance their purchasing power ability (Adil et al., 2012). Mannan (1998) realized the potential of cash *waqf* and hence introduced the cash *waqf* certificate in the banking industry to provide opportunities for Muslims in Bangladesh to invest in religious, educational and other social development projects.

As stated above, previous works on cash *waqf* are mostly descriptive and have primarily focused on its significance. For instance, Ismail (2009) has mentioned that cash *waqf* provides great benefits to all parties. For instance, cash *waqf* provides option for individuals who do not own immovable asset but rather movable assets such as cash for donation. Thus, everyone can afford to give charity in the form of cash *waqf* as long as they do it voluntarily for the sake of Allah's SWT blessing. Antonio (2002) further explained that cash *waqf* is easy and does not require a lot of wealth, and is, therefore, suitable for the poor. Furthermore, through cash *waqf* more funds can be generated, which can be used to develop assets such as undeveloped *waqf* land and other abandoned land for business and agricultural purposes. On the same note, Islahi (1992) mentioned that the benefits of cash *waqf* are much greater than any other voluntary giving in Islam, such as *sadaqah*, *hibah*, *wasiyah*, *qard* and cooperative association. Likewise, Laldin (2008) mentioned that the range of diversifying the contribution under cash *waqf* is wider compared to *zakah*<sup>1</sup> and *sadaqah*<sup>2</sup>, which in most cases are applicable to the needy and the poor.

Mohsin (2009) views cash *waqf* as a viable alternative channel for increasing the creation of *waqf* by opening doors for all citizens to contribute to the society regardless of their income level and religious schools. Furthermore, Mohsin (2009) opines that the creation of cash *waqf* can enhance the different sectors in the economy, such as financing education, healthcare services, improving the agricultural sectors, maintenance of *waqf* properties, building bridges, roads, mosque, schools and universities. The role of cash *waqf* in providing these services would help reduce the government expenditure on them. This will lead to a smaller budget deficit and eventually lower the need for external borrowing. Consequently, this reduces the amount of interest that the government may have to pay to non-Shariah compliant sources (Cizacka, 2000). Meanwhile Kuran (2001) stated that *waqf* based on cash is flexible as it does not suffer from problems associated with static immovable *waqf*<sup>1</sup>. Leeuwen (2013) highlighted that cash *waqf* could create cities, markets and shop lots whose rental income could be used to support the maintenance of *waqf* properties as well as the cost of running expenses, such as salary of the imam, muezzin, and the workers who maintain the mosque. Lahsasna, (2010) suggests that cash *waqf* should play an important role as a new financial model in the Islamic financial system due to its numerous advantages and benefits.

It is obvious from the survey of the literature that most of the studies on cash *waqf* have focused on its significance without stressing on the importance of cash *waqf* giving behavior. Moreover, hardly any of these works have provided any empirical work on the subject. This warrants further investigation. Therefore, the present study fills in this research gap by providing a better framework in understanding cash *waqf* giving behavior especially in the Malaysian context. Hence, theoretical research of cash *waqf* giving behavior is important to generate new findings on how to increase the number of fund (cash *waqf*) donors and motivate the *mutawallis* to enhance their services.

### Theory of Planned Behavior

In this study, the authors propose a research model based on the Theory of Planned Behavior (TPB), as provided in **Figure 1**. The model measures the effect of exogenous variable (independent variables), and cash *waqf* giving behavior (dependent variable). The exogenous variables are 1) attitude, (2) subjective norm, (3) perceived behavior control and (4) intention.

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<sup>1</sup> The distinguishing factor between Sadaqah and Waqf is that in the former, the substance of the property itself is transferred to the recipient, while in the later, only the usufruct of a mawquf is transferred and its substance is retained with the implied ownership of Allah SWT (Othman, 1998)

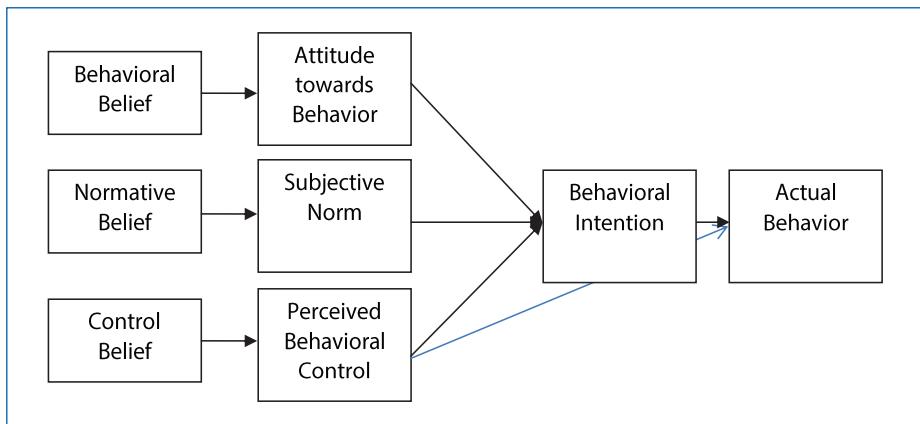
<sup>2</sup> Zakat has eight defined asnaf, namely i) Poor ii) Needy iii) A'mil iv) Muallaf v) Algharimin vi) Musafir vii) to free the captive viii) for Allah's cause

<sup>3</sup> For example, waqf land in Malaysia is restricted under National Land Code 1959

From **Figure 1**, attitude towards behavior is defined as an individual's positive or negative feelings (evaluation effect) about performing the target behavior (Fishbein & Ajzen, 1980). According to Ajzen (2006), attitude towards behavior generally affects the intention more than the dimensions of subjective norm and perceived behavioral control. Moreover, attitude dimension depends on individual salient beliefs, which represent perceived outcomes or attributes of the behavior (Conner & Armitage, 1998). Based on a wide range of studies in different settings of behaviors and intentions to engage in those behaviors, attitude explains over 50 percent of the variance in intentions (Ajzen, 1991). The more positive the attitude the greater is the intention.

**Figure 1:**

**TPB theoretical framework**



Source: Ajzen (1991)

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Subjective norms refer to an individual perception of whether people who are important to him or her think that he or she should or should not perform the behavior in question (Fishbein & Ajzen, 1980). It is believed that subjective norm is determined by the total set of accessible normative belief concerning the expectations of important referents (Ajzen, 1991). Based on meta-analytic review of 185 independent studies dealing with TPB, Armitage & Conner (2001) showed that subjective norm is a weak predictor of behavioral intentions.

Perceived behavioral control refers to the extent to which a person has the skills, resources and other prerequisites to perform a given behavior (Ajzen, 1991). According to Chang (1998), the perception of volitional control or the perceived difficulty towards the behavior will affect intention. Moreover, intentions will not be sufficient as the predictor of the behavior unless control over behavior exists (Sahni, 1994). Factors such as skills, abilities, time, and requisite information play significant roles in predicting and performing the behavior. Many extant literatures support the relationship between perceived behavioral control and actual behavior (Saad, 2010; Gopi & Ramayah, 2007; Idris, 2002).

TPB considers behavioral intention to be the most dominant predictor of behavior. Ajzen (1991) considered behavioral intentions as motivational factors that influence the behavior. They are indications of how hard people are willing to try, how much of an effort they are planning to exert in order to perform the behavior. As a rule, the stronger the intention to engage in the behavior, the more likely is the performance. The intention remains a behavioral character until, at the appropriate time and opportunity, an attempt is made to translate the intention into action.

### **TPB-Giving Behavior Related Works**

The Theory of Planned Behavior (TPB) has been successfully applied in many areas of study including in the giving behavior. Most of these works were done by conventional scholars. For example, Knowles et al. (2012) used TPB to predict young people's intention to donate money to charities among teenagers in Australia. Linden (2011) extended the TPB construct to test the influence of six social-psychological variables namely; attitude, perceived behavior control, prescriptive norm, descriptive norm, moral norm and past behavior on an individual's intention to donate to charity in the United Kingdom. While Smith & Mcsweeney (2007) used a revised TPB model to determine the influence of attitudes, norm (injunctive, descriptive and moral norms), perceived behavior control, and past behavior on intention to donate money to charitable organizations in Australia.

Works of Muslim scholars on giving behavior have focused on the area of *zakah*. For example, Huda et al. (2012) analysed the potential of *zakah* payer in Indonesia by examining the theory of planned behavior on attitude, subjective norm and perceived behavior control of the *muzakki's* intention to pay *zakah*. In the

Malaysian context, Sapingga et al. (2011) examined the intention of *muzakki* to pay *zakah* of employment among academic staff in public and private university in Malaysia. Saad (2010), studies the factors that influence compliance behavior on business *zakah*. By using the theory of planned behavior, the study identifies that the theory components, namely attitude, subjective norms and perceived behavioral control, could explain intention and compliance behavior in business *zakah* environment. Similarly Bidin (2008) used the theory of planned behavior as the underlying theory in determining *zakah* compliance behavioral intention on employment income. **Table 1** summarizes previous studies that have used TPB and other models such as Theory Reason Action (TRA) and Technology Acceptance Model (TAM) in giving behavior.

**Table 1:**

**Works on giving behavior**

Author/Year	Country	Respondents	Underpinning Theory
Saad & Hanifah (2014)	Malaysia	Businessman	TRA
Amin et al. (2014)	Malaysia	Banking Customer	TAM
Knowles et al. (2012)	Australia	Undergraduate	TPB
Huda et al. (2012)	Indonesia	Public workers	TPB
Sapingga (2011)	Malaysia	Academic's staff	TPB
Linden (2011)	United Kingdom	Postgraduate	TPB
Smith & Mcsweeney (2007)	Australia	District community	TPB
Saad (2010)	Malaysia	Muslim businessman	TPB
Bidin (2008)	Malaysia	Muslim workers	TPB

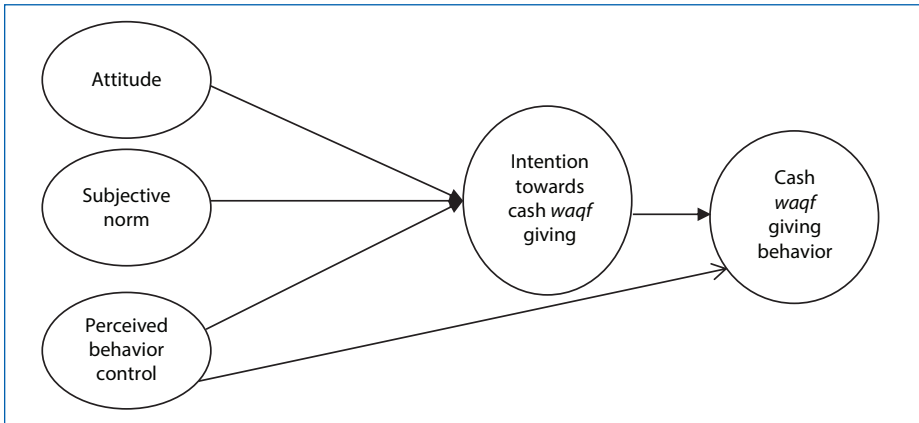
There are few studies on cash *waqf* giving behavior and hardly any studies on cash *waqf* giving behavior of Muslim donors in Malaysia. Thus, the following section uses TPB to develop the research model and hypotheses.

**Research Model and Hypotheses Development**

This study extends TPB which was first coined by Ajzen (1991). The reasons are two-fold. Firstly, TPB has received enormous empirical support due to the flexibility of the model, which can be applied in different contexts of research. For instance, Taylor & Todd (1995) has used TPB and extended it to explain behavioral intention. Hence, TPB is expected to help explain cash *waqf* giving behavior among Muslim donors. Secondly, TPB has been accepted because of its parsimonious feature in explaining complex situations in a simple way. Hence the selection of TPB is of paramount importance. The conceptualized research model of this study is shown in **Figure 2**.

**Figure 2:**

**Research model**



**Relationship between Attitude and Intention toward Cash Waqf Giving Behavior**

There are many empirical studies that examined the relationship between attitude and giving behavior intention (Osman et al., 2014; Knowles et al., 2012; Linden, 2011; Smith & Mcsweeney, 2007; Gopi & Ramayah, 2007). Thus, attitude towards cash *waqf* giving intention is expected to have a significant positive relationship with cash *waqf* giving intention. Hence, the following hypothesis is proposed.

*Hypothesis 1: There is positive relationship between attitude and intention toward cash waqf giving behavior*

**Relationship between Subjective Norm and Intention toward Cash Waqf Giving Behavior**

There are quite a number of literatures which linked the relationship between subjective norm and giving intention especially in giving behavior setting (Osman et al., 2014; Knowles et al., 2012; Huda et al., 2012; Linden, 2011; Sapingga et al., 2011; Saad, 2010; Bidin, 2008; Idris, 2002). Osman et al., (2014); Knowles et al., (2012); Linden, (2011); and Smith & Mcsweeney, (2007) found that there is positive relationship between subjective norm and giving intention in charitable giving behavior setting. However, Huda et al. (2012) and Sapingga et al. (2011) indicated that there is no effect between subjective norm and intention to *zakah* compliance. There seems to be inconsistent results regarding this linkage. Thus, it is hypothesized that;

*Hypothesis 2: There is a positive relationship between subjective norm and intention toward cash waqf giving behavior*



### **Relationship between Perceived Behavior Control and Intention toward Cash Waqf Giving Behavior**

Previous studies found that perceived behavior control was one of the key elements in the giving behavior studies (Linden, 2011; Smith & Mcsweeney, 2007). Accordingly, there are studies that found positive relationship between perceived behavior control and giving intention (Osman et al., 2014; Knowles et al., 2012, Linden, 2011; Saad, 2010; Bidin, 2008; Smith & Mcsweeney, 2007; Idris, 2002). Meanwhile, other studies have found insignificant relationship between perceived behavior control and intention (Nik Mat & Sentosa, 2008). Due to the inconsistent findings regarding this linkage and taking into consideration the absence of empirical studies on this relationship in cash *waqf* giving behavior setting, it is hypothesized that;

*Hypothesis 3: There is a positive relationship between perceived behavioral control and intention toward cash waqf giving behavior.*

### **Relationship between Perceived Behavior Control and Actual Cash Waqf Giving Behavior**

Many extant literatures support the relationship between perceived behavioral control and actual behavior (Saad, 2010; Gopi & Ramayah, 2007; Idris, 2002). Thus, the following hypothesis is offered:

*Hypothesis 4: There is a positive relationship between perceived behavior control and actual cash waqf giving behavior.*

### **Relationship between Intention and Cash Waqf Giving Behavior**

Previous studies found significant relationship between behavioral intention and actual behavior (Al-Jabari, 2013; Jamil, 2012; Saad & Hanifa, 2014; Saad, 2010; Nik Mat & Sentosa, 2008; Gopi & Ramayah, 2007). Although the relationship between intentions is mostly positive and significant, it has not been examined empirically in cash *waqf* giving behavior setting especially among *Muslim* donors in Malaysia. Thus, the authors hypothesize the following:

*Hypothesis 5: There is a positive relationship between intention and cash waqf giving behavior*

## METHODOLOGY

### Data

This study has employed a quantitative method in the form of field survey. The research instrument was adapted from those used in past studies based on TPB. Using established instruments increases the reliability of the measures employed and avoids the enormous time and effort that would be invested in instrument development. Straub (1989) further recommended that utilizing the existing and validated scales enables future comparison with other research. In the questionnaire, the respondents were required to rate their level of agreement with statements and/or propositions on a 5-point Likert Scale, ranging from '1' representing 'strongly disagree' to '5' representing 'strongly agree'. The final measures are shown in **Table 2**.

**Table 2:**

### Summary of measurement of variables

Measurement	Setting	Items	Source
Attitude	Giving behavior, Stock trading	5	Linden (2011); Smith & Mcsweeney (2007); Gopi & Ramayah (2007)
Subjective Norm	Giving behavior	5	Knowles et al. (2012); Smith & McSweeney (2007)
Perceived Behavioral Control	Giving behavior	5	Linden (2011); Smith & McSweeney (2007)
Intention	Giving Behavior	4	Linden (2011); Smith & Mcsweeney (2007);
Cash <i>Waqf</i> Giving Behavior	<i>Zakah</i> compliance behavior	5	Saad (2010)

1000 questionnaires were distributed to 10 agencies/institutions which had introduced cash *waqf* salary deduction (*infaq* scheme) in their respective organizations. Large size is needed to overcome the possibility that the subjects do not return the questionnaire. Out of this, 330 were undelivered, 140 questionnaires were incomplete and 160 were excluded as the respondents who filled the questionnaires were not the actual donors. Hence a total of 370 responses were utilized in the final analysis. The effective response used in this study is considered good and appropriate for an effective data analysis. Some researchers argue that statistical analysis can also be conducted with a minimum sample size of 100 to 200 (Hoyle, 1995).

### Estimation Technique

Cronbach's Alpha test was conducted to measure reliability of the instrument on a total of 330 questionnaires distributed to the relevant staff of ten agencies/institutions which had introduced cash *waqf*. The study then used SPSS for descriptive analysis and reliability test and later adopted AMOS software for Confirmatory Factor Analysis (CFA), Measurement Model, and Structural Equation Modeling (SEM) for data analysis and hypotheses testing. SEM is considered a superior method of analysis for multivariate behavioral research that involves a complex structural relationship among variables (Buhi, Goodson & Neilands, 2007).

## RESULTS

### Profile of the Respondents

The majority of the respondents are: male (57%), young - aged below 35 years old (65%), married (77%), low middle income earners between RM1000 to RM3000 (66%), with quite a good number of high middle income group (21%), educated class comprising 45% of Diploma holders and 33% degree holders; 83% of the respondents work in the public or government sector and, most of them (67%) contribute cash *waqf* through salary deduction. Hence, the respondents represent young male Muslims who are low middle income earners, educated, work in the public sector and participate in cash *waqf* giving through their salary deduction. This profile reflects positively on the quality of the data collected. Refer **Table 3**.

**Table 3:**

### Profile of the respondents

Demography	Frequency	Percentage (%)
<b>Gender</b>		
Male	155	43.1
Female	205	56.9
<b>Age</b>		
Below 26	38	10.6
26-30	101	28.1
31-35	94	26.1
36-40	80	22.2
Above 40	47	13.1
<b>Marriage Status</b>		
Single	83	23.1
Married	277	76.9

<b>Income</b>		
Less than RM1000	10	2.8
RM1000-RM2000	129	35.8
RM2000-RM3000	111	30.8
RM3001-RM4000	77	21.4
RM4001-RM5000	28	7.8
RM5001-RM6000	5	1.4
<b>Education</b>		
Secondary	76	21.1
Diploma	162	45.0
Degree	117	32.5
Master	5	1.4
<b>Occupation</b>		
Private Sector	61	16.9
Government Sector	299	83.1
<b>Method Payment</b>		
Counter	62	17.2
Salary Deduction	240	66.7
Payment to agent	66	18.3
Payment to officer	36	10.0
Credit to bank	15	4.2
Through Cheque	5	1.5
Via Internet	13	3.9

### Validating the Constructs: Reliability

The reliability and validity of each construct used in the study has been carefully measured. Under construct reliability, both indicator reliability and internal consistency reliability are considered. In the case of the latter, the Cronbach's Alpha value has shown level of internal consistency on various items of the questionnaire (Hair et al., 2010). It therefore indicates the overall reliability of the questionnaire (Field, 2009). The results in **Table 4** show that the Cronbach's Alpha values range from 0.86 to 0.95. This means that all constructs have acceptable internal consistency. Another test of reliability used in the study is Composite Reliability (CR), which measures the reliability of the constructs in the measurement model. The results in **Table 4** indicate that composite reliability values ranged between 0.89 to 0.93, which exceed 0.70 limit set by Hair (2010). Thus, these values of CR indicate adequate internal consistency, which means that convergent validity is supported.

**Table 4:****Reliability of variables**

Variable Name	No. of Items	Cronbach's Alpha	Composite reliability
Attitude	5	.95	.92
Subjective Norm	5	.93	.93
Perceived Behavior Control	5	.92	.89
Intention	4	.93	.93
Cash <i>Waqf</i> Giving Behavior	5	.86	.89

In the case of indicator reliability, a Confirmatory Factor Analysis (CFA) was used to confirm the factor loadings of the five constructs, namely attitude, subjective norm, perceived behavior control, intention and cash *waqf* giving behavior.

As a rule of thumb, Hair et al. (2006) provide a guideline to interpret the factor loading, where factor loadings with value of  $\pm .50$  or greater are considered very significant; a loading of  $\pm .40$  is considered most important; a loading of  $\pm .30$  is considered significant. In this study, all items have a factor loading of more than 0.40, suggesting that the items correlated significantly to the factor itself.

From the Confirmatory Factor Analysis results in **Table 5**, it can be seen that the factor loadings of all observed variables or items are adequate, ranging from 0.53 to 0.94. The factor loadings of latent variables to observed variables should be above .50 (Hair et al., 2006). This suggests evidence of indicator reliability.

**Table 5:****Factor Loading of Construct Items (CFA)**

Constructs	Code	Items	Factor Loading
Attitude	Att5	I have a positive perception of cash <i>waqf</i>	0.92
	Aatt2	Giving cash <i>waqf</i> will be rewarded	0.86
	Aatt3	Giving cash <i>waqf</i> can help improve the <i>Muslim</i> socio-economy	0.85
	Att4	I like giving cash <i>waqf</i> .	0.88
	Aatt1	Giving cash <i>waqf</i> is a noble practice	0.87

Constructs	Code	Items	Factor Loading
Intention	Int2	I will promote cash <i>waqf</i> for the benefit of the <i>Muslim</i> community.	
	Int4	Overall, I plan to give a cash <i>waqf</i>	
	Int3	My intention to give cash <i>waqf</i> is getting higher	
	Int1	I would choose cash <i>waqf</i> as one of the ways of my charity.	
Perceived Behavioral Control	Pbc3	I have sufficient financial resources to contribute cash <i>waqf</i>	0.84
	Pbc4	The decision to give cash <i>waqf</i> is entirely up to me	0.85
	Pbc1	I am able to contribute cash <i>waqf</i> .	0.89
	Pbc2	I have knowledge about cash <i>waqf</i> .	0.75
	Pbc5	If I want, I can contribute cash <i>waqf</i> at anytime	0.86
Subjective Norm	Sn4	My family support contributed to the cash <i>waqf</i> .	0.93
	Sn2	People around me support my action to contribute to cash <i>waqf</i> .	0.85
	Sn5	My family is happy if I contribute to cash <i>waqf</i>	0.92
	Sn1	Many people who are close to me think I should give cash <i>waqf</i> donation.	0.75
	Sn3	If I contribute to cash <i>waqf</i> most of the people who are important to me will regard it as noble attitude.	0.84
Cash <i>Waqf</i> Giving Behavior	Cwgbhv4	I meet the <i>waqf</i> officer to contribute cash <i>waqf</i>	0.53
	Cwgbhv3	I never miss to contribute cash <i>waqf</i>	0.73
	Cwgbhv1	I give cash <i>waqf</i> endowment to the manager appointed by the state Islamic religious councils	0.81
	Cwgbhv2	I use the method of payment for cash <i>waqf</i> giving such as payroll deduction, payment over the counter, through agent, e-wakaf and etc.	0.87
	Cwgbhv5	I have contributed cash <i>waqf</i>	0.86

### Validating the Constructs: Convergent Validity and Discriminant Validity

After confirming the reliability, the study tested the constructs for validity. Two tests were employed: convergent validity and discriminant validity. To test the convergent validity, variance extracted (VE) from each item on a construct is measured whose value should be 0.5 or higher (Barclay, Thompson & Higgins (1995) and Fornell & Lacker (1981). **Table 6** shows that the values of VE test of

all constructs range from 0.73 to 0.86 which are above the recommended value of .50.

**Table 6:**

**Variance Extracted (VE) of latent variables**

Constructs	Variance Extracted
Attitude	0.798
Subjective Norm	0.819
Perceived Behavior Control	0.730
Intention	0.822
Cash <i>Waqf</i> Giving Behavior	0.738

For discriminant validity to be upheld, it has been suggested that the Average Variance Extracted (AVE) should be greater than .50 in order to justify using a construct (Barclay et al., 1995). All the AVE values for each construct (figures in bold in **Table 7**) is above the recommended value of .50. Furthermore, the discriminant validity is checked by considering the latent variable correlation with square root of the AVE, which needs to be transferred to the diagonals in correlation table as shown in **Table 7**. The values in the diagonal must be higher than all other values in the row. According to Fornell & Larcker (1981), the AVE should be greater than the squared correlation to achieve discriminant validity.

**Table 7:**

**Discriminant validity**

	SN	ATT	INT	PBC	BHV
SN	<b>0.905</b>				
ATT	0.682	<b>0.893</b>			
INT	0.659	0.681	<b>0.907</b>		
PBC	0.787	0.774	0.755	<b>0.855</b>	
BHV	0.643	0.750	0.857	0.779	<b>0.859</b>

Thus, as shown in **Table 7**, the AVE values are more than the squared correlation for each constructs. Moreover, it can also be observed that the square root of the AVE for a given construct is greater than the absolute values of the standardized correlation square of the given construct in the analysis. Thus, discriminant validity is supported, indicating that all constructs used in this study are different from each other.

### Hypothesized Model

The hypothesized model in this study has five direct hypotheses: (1) attitude to intention, (2) subjective norm to intention, (3) perceived behavioral control to intention, (4) perceived behavioral control to cash *waqf* giving behavior and (5) intention to cash *waqf* giving behavior.

The Goodness of Fit Index (GOFI) result of the hypothesized model in **Table 8** shows that the value for the ratio 4.627, which is more than 2, indicates an insufficient fit. The parsimonious fit index (RMSEA) is considered a better measure for the model fit. However, the result shows that the value of RMSEA at .101 is more than the recommended value of 0.08 (Hair et al., 2010). Meanwhile the values of CFI (.902) and TLI (.889) did not fit the data well as a value closer to 1 shows a better fit. Thus, the hypothesized model could not be used to test the hypotheses until a generated model was obtained. **Figure 3** below shows the hypothesized model.

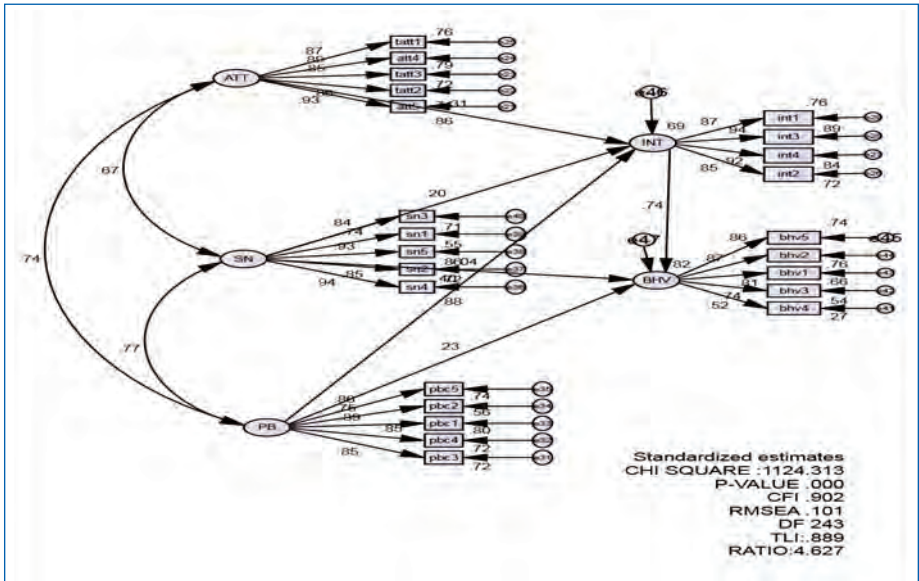
**Table 8:**  
**Goodness of Fit of Hypothesized Model**

Measures	Fit Indices	Threshold values
<b>Absolute fit level</b>		
RMSEA	.101	<0.08
<b>Incremental fit level</b>		
CFI	.902	≥0.90
TLI	.889	≥0.90
<b>Parsimonious fit level</b>		
CMIN/DF	4.627	<2.0



**Figure 3:**

**Hypothesized model**

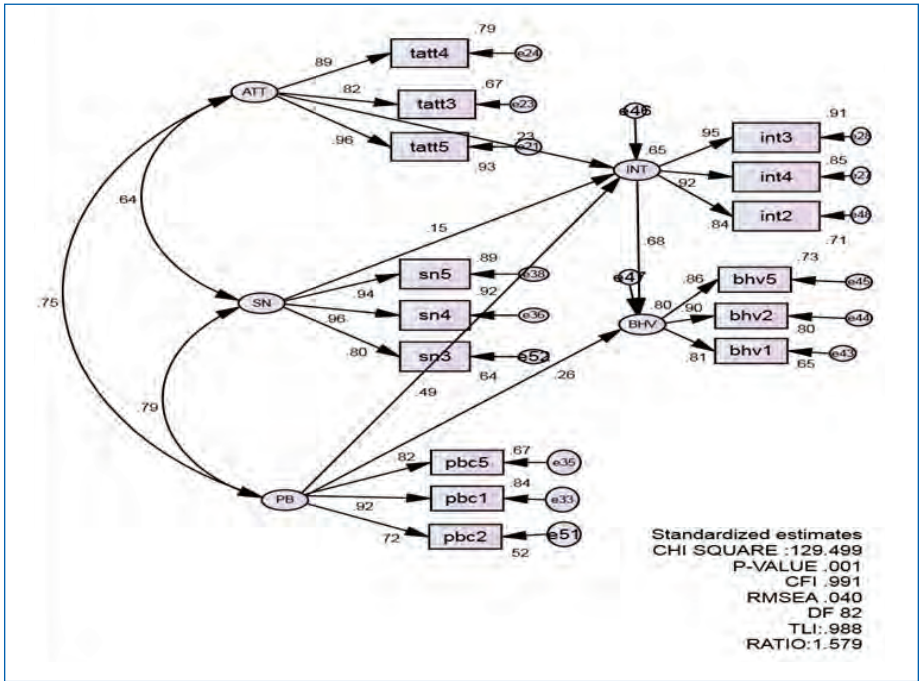


**Generated Model**

The hypothesized model was fitted using Modification Indices (MI) procedures to produce the generated model shown in **Figure 4**. To improve the structural model fit, the authors excluded the items that had high error and low factor loading using the MI to achieve Goodness-of-fit Index (GOFI). The results in **Table 9** show the GOFI with a ratio value of 1.579 less than 2, indicating a sufficient fit. While the values of CFI= .991 and TLI =.988 now fit the data well since their values are closer to 1, showing a better fit (Hair et al., 2010). Furthermore, the result of the parsimonious index (RMSEA = 0.040, which is now less than the recommended value of 0.08 is considered a better measurement for the model fit. The results of the generated model are shown in **Table 9**.

**Figure 4:**

**Generated model**



**Table 9:**

**Goodness of fit of generated model**

Measures	Fit Indices	Threshold Values
<b>Absolute fit level</b>		
RMSEA	.040	<0.08
<b>Incremental fit level</b>		
CFI	.991	≥0.90
TLI	.988	≥0.90
<b>Parsimonious fit level</b>		
Chi-square	129.499	
CMIN/DF	1.579	< 2.0

Based on the generated model, the hypotheses were then tested.

## Results of the Hypotheses Tests

This section provides the test results of the five direct hypotheses, which are all supported as shown in **Table 10**. The findings offer interesting conclusion and suggestions in the area of cash *waqf* giving behavior among *Muslim* donors in Malaysia.

**Table 10:**

### Regression weight for hypotheses result of TPB

H	Exogenous	→	Endogenous	Estimate	SE	C.R	P	Status	Evidence
H1	ATT	→	INT	.561	.153	3.658	***	Significant	Yes
H2	SN	→	INT	.129	.057	2.263	.024	Significant	Yes
H3	PBC	→	INT	.550	.099	5.573	***	Significant	Yes
H5	INT	→	BHV	.652	.061	10.772	***	Significant	Yes
H4	PBC	→	BHV	.271	.065	4.162	***	Significant	Yes

The result shows that attitude has a significant effect towards intention ( $\beta=.561$ , C.R=3.658). This means that H1 is supported. Likewise subjective norm also has significant effect towards intention ( $\beta=.129$ , C.R =2.263) hence H2 is supported. Perceived behavioral control too has a significant effect on intention ( $\beta=.550$ , C.R=5.573), H3 is supported. Similarly, Perceived behavioral control has positive influence on cash *waqf* giving behavior ( $\beta=.271$ , C.R=4.162), H4 is supported. Finally, intention to behavior (actual cash *waqf* giving behavior is found to be positively significant with ( $\beta=.652$ , C.R=10.772). Hence, H5 is supported as well.

**Table 11** indicates that attitude, subjective norm, perceived behavior control and intention jointly explain 65% variation toward cash *waqf* giving behavior. While attitude, subjective norm and perceived behavior control collectively explain 80% variation in intention.

**Table 11:**

### Square Multiple Correlation results

Endogenous variables	Estimate SMS =(R <sup>2</sup> )
Cash <i>waqf</i> giving behavior	.65
Intention toward cash <i>waqf</i> giving	.80

Based on the results therefore, the three constructs of the TPB are found to be significant in determining cash *waqf* participation amongst those Muslim donors. Although the application of the TPB in cash *waqf* differs from the environment in which it was applied in previous studies, nevertheless the findings are consistent with Osman et al., (2014); Amin & Chong (2011) concerning attitude and subjective norm as significant antecedents of the intention to participate in cash *waqf*. The study also supports Shih & Fang's (2004) research, which found a significant direct relationship between perceived behavioral control and behavioral intention to actual behavior. Thus, the study extends this generalizability to cash *waqf* giving behavior.

## CONCLUSION

This study is a pioneering work in examining factors underlying the receptivity of cash *waqf* in Malaysia. It offers new insights into the understanding of cash *waqf* giving behavior among Muslim donors. Furthermore, the study extends the application of the theory of planned behavior in a new area, namely the cash *waqf*. The findings show that most of the factors investigated are very significant in explaining cash *waqf* giving behaviour in Malaysia, particularly in Selangor Darul Ehsan. Based on these findings, the *mutawallis* and government or policy makers can create new relevant strategies or fundraising plans to promote cash *waqf* giving behaviour among Muslims in Malaysia. Moreover, the psychological factors identified, which determine cash *waqf* giving behaviour, highlight ways in which *mutawallis* can increase the levels of cash *waqf* collection.

### Managerial Implication

Based on the result of this study, the *mutawallis* should be aware that the Muslim donors have the intention to give cash *waqf*. What is important is that the *mutawallis* need to develop a robust strategy for continuous and concerted effort to encourage Muslims to have strong determination to give cash *waqf*. For example, programs, such as campaign in the mass media and electronic media which would give exposure and information about cash *waqf* giving to the Muslim community on an on-going basis should be given serious attention. Besides, the *mutawallis* should also organize more workshops, dialogues and so on, with the Muslim community, academician or other corporate agencies with regards to cash *waqf* giving behavior, in order to increase the awareness and knowledge of Muslims and eventually motivate them to contribute cash *waqf*.

Secondly, the findings of the research also revealed that Muslim donors generally have a positive attitude towards cash *waqf* giving behavior. This positive attitude has influenced them to contribute cash *waqf* in Malaysia, generally, and in Selangor, particularly. The positive attitude among Muslim donors toward cash *waqf* giving behavior is important because cash *waqf* is a voluntary deed which depends entirely on Muslims. Hence, the *mutawallis* should intensify their efforts

in order to preserve this positive attitude toward cash *waqf* giving behavior. For example, by enhancing promotional activities and conducting more talks or forums regarding the benefits and significance of cash *waqf* towards the development of the social economy of the ummah. Besides, the co-operation with *waqf* institutions in Malaysia such as Jabatan Wakaf, Zakat dan Haji (JAWHAR), Radio and Television Malaysia (RTM), non-government organizations (NGO) and so on, could increase awareness of Muslims towards cash *waqf* giving behavior.

### **Recommendation**

Although this study makes enormous contributions to the literature, its two major limitations could offer directions for future researches in the area. Firstly, the location of the study is confined to Selangor, Malaysia which means the findings cannot be generalized to other states in Malaysia that vary in culture and geography. It is suggested that future studies could be conducted in East Malaysia, which comprises Sabah and Sarawak. Malaysians in these two states have distinct cultural and social demography. It would be interesting to see how this would affect their willingness to participate in cash *waqf* giving. Secondly, the study is based on limited number of explanatory factors. Presently, attitude, subjective norm, perceived behavioral control and intention are considered while other factors which could affect giving behavior have not been investigated. Some potential factors such as trustworthiness and religiosity could provide new insights into cash *waqf* giving behavior.

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