

## CHAPTER II

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter presents a review of related literature, starting with an introduction to the topic in Section 2.1 and explanation on the importance of wealth distribution in Section 2.2. Meanwhile, the concepts of *waqf* and cash *waqf* are discussed in Sections 2.3 and 2.4 respectively. Next, Sections 2.5 and 2.6 discuss the concepts of corporate *waqf* and corporate cash *waqf* respectively. The discussion about Majlis Agama Islam Wilayah Persekutuan (MAIWP) is found in Section 2.7. In addition, a number of empirical researches and hypotheses development are given in Section 2.8, whilst Section 2.9 presents the theoretical framework. Lastly, Section 2.10 provides the summary of this chapter.

#### 2.2 Importance of Wealth Distribution

Wealth distribution refers to the flow of wealth from people to other communities, whether in the form of money or goods. There are three agents of wealth distribution, which are government, individuals, and institutions, such as foundations that represent a group of people. Thus, wealth distribution can be practiced by people using any instrument, such as money, clothes, food, and so forth (Asmak, 2009).

In daily life, people are encouraged to help and distribute wealth to others in need. The verse below explains that Muslims will lose if they do not spend their *rizq* in the way of Allah (to spread and establish the religion of Islam). According to As-Sobuuni, M. A. (1997), He said that “*O mankind, indeed you were ordered to spend your property in the way of Allah and you are charged with a task that you can deliver. Among you there are people who miserly (stingy / miser) to spend their property and refused to do so. Anyone who is stingy to spend his or her wealth in the way of Allah, then fisted danger or harm would come back to himself or herself. This is because they hinder the reward of himself or herself*”.

هَاتُمْ هُوَ تَدْعُونَ الْمُفْقِرَ فِي سَبِيلِ اللَّهِ فَمِمَّكُمْ مَن يَخْلُ ۖ وَمَن يَخْلُ فَإِنَّمَا يَخْلُ عَن  
نَفْسِهِ ۖ وَاللَّهُ الْغَنِيُّ وَأَنْتُمُ الْفُقَرَاءُ ۚ وَإِن تَوَلَّوْا يَسْتَبَدِلْ قَوْمًا غَيْرَكُمْ ثُمَّ لَا يَكُونُوا أَمْثَلَكُمْ

The meaning is:

“*Lo! ye are those who are called to spend in the way of Allah, yet among you there are some who hoard. And as for him who hoardeth, he hoardeth only from his soul. And Allah is the Rich, and ye are the poor. And if ye turn away He will exchange you for some other folk, and they will not be the likes of you*”.

(Al-Quran. Muhammad 47: 38)

In verses 31 through 34 of Surah al-Haqqah below, Allah tells how those who do not believe in Him and do not help the poor are punished. Allah will punish them with the hardest punishment. According to As-Sobuuni, M. A. (1997), they will be thrown into hell, and then they will be chained with chains of 70 cubits length, which can destroy their bodies.

ثُمَّ الْجَحِيمَ صَلَّوهُ ﴿٣١﴾ ثُمَّ فِي سِلْسِلَةٍ ذَرْعُهَا سَبْعُونَ ذِرَاعًا فَاسْلُكُوهُ ﴿٣٢﴾ إِنَّهُ كَانَ لَا  
يُؤْمِنُ بِاللَّهِ الْعَظِيمِ ﴿٣٣﴾ وَلَا يَحْضُ عَلَىٰ طَعَامِ الْمِسْكِينِ ﴿٣٤﴾

The meaning is:

*“And then expose him to hell-fire. And then insert him in a chain whereof the length is seventy cubits. Lo! He used not to believe in Allah the Tremendous. And urged not on the feeding of the wretched”.*

(Al-Quran. Al-Haqqah 69: 31-34)

Furthermore, according to Todaro and Smith (2009), conventional economists viewed that economic development is driven from preparation of human capital in terms of education, health, and poverty eradication. This concept is agreed by Islamic economists as well (Iqbal, 1991). Wealth distribution is important in economic development because it can help in allocating resources and distributing wealth more equally (Ragayah, 2009). Therefore, wealth distribution is a crucial thing because it can ensure that the economic development can be enjoyed by all people. In Islam, there are instruments provided for the distribution of wealth, which are *zakat*, *hibah*, *kifarat*, *qorban*, and *waqf* (Asmak, 2009). The central focus of this study had been *waqf*. The next section provides detailed explanation of the *waqf* instrument.

## 2.3 Concept of *Waqf*

### 2.3.1 Definition of *Waqf*

Literally, the word *waqf* is derived from the Arabic word *waqafa* that means restrain (*al-habs*) or prevent (*al-man'*) (al-Sarakhsi, S. A., 1986). Meanwhile, the plural of *waqf* is *auqaafun* or *wuquufun* (Al-Afriiqi, I. M., 1994). Legally, *fiqh*

scholars have given various definitions to the word *waqf*. Most of them describe it as the transferring of ownership of property to a private entity that can provide benefits to the community. Some of the definitions are listed below:

**TABLE 2.1:** Views of *Fiqh* Scholars' about *Waqf*

Mazhab	Definition
Syafi'i	<i>Waqf</i> is holding property and taking benefits from it by maintaining the substance of that property with decided management rights of <i>waqif</i> and the results are used for charitable purposes, as well as to draw closer to Allah (al-Kabisi, M. U., 1977).
Hambali	<i>Waqf</i> is holding physical a property and designs the results for the purpose of charity and to draw closer to Allah (al-Khalib, M. A., 1958).
Maliki	<i>Waqf</i> is alms in the form of benefits of a property as long as the property exists and that property's ownership is considered perpetual by <i>taqdiri</i> (al-Kabisi, M. U., 1977).
Hanafi	Imam Abu Yusuf and Imam Muhammad bin Hassan defines <i>waqf</i> as holding a property under Allah's power where the <i>waqif</i> 's ownership will be transferred to Allah and the results of that property used for the goodness of people (al-Kabisi, M. U., 1977).

Besides, according to Kahl (2003), *waqf* is holding certain properties and preserving it for the confined benefits of certain philanthropy, prohibiting any use or disposition of it outside its specific objective. Other than that, Mohd Saharudin et al., (2003) defined *waqf* as holding property permanently and using its benefits for the purpose of welfare and transferring it to a determined place or party, as well as prohibiting from using it widely, with hope that it can bring oneself closer to Allah.

Based on the definitions above, it can be understood that *waqf* is holding property and using its benefits for welfare purposes. Once a person donates his or her property as *waqf*, then he or she does not have any ownership on the donated property

anymore. Instead, it will become Allah's belongings forever and it can never be transacted. By doing this, the *waqif* can get closer to Allah.

### 2.3.2 Foundation of *Waqf*

Using al-Quran and hadith, this study faced some difficulties in finding the exact meaning of *waqf*. It functions similarly as *infaq*, *sadaqah jariyah*, and *hibah* (Abd. Shakor, 2011). However, the author added that what distinguishes *waqf* from other instruments is the people who are practicing this will receive lasting rewards as long as the *waqf* property is still useful and deemed beneficial to others.

In fact, several verses in the al-Quran command people to do good by spending their wealth to charity. In verse 92 of Surah al-Imran, Allah tells that the human cannot attain goodness until they give alms their precious belongings and Allah knows everything that they offer as alms.

لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ ۚ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ ﴿٩٢﴾

The meaning is:

“By no means shall you attain *al-Birr* (piety, righteousness—here it means Allah's reward, i.e. paradise), unless you spend (in Allah's cause) of that which you love; and whatever of good you spend, Allah knows it well”.

(Al-Quran. Al-Imran 3: 92)

Imam Ibn Kathir (1999) translated the words of *al-Birr* in this verse as heaven. He also explained this verse by referring to the history of companion of Prophet Muhammad (p.b.u.h.), Abu Talhah. Abu Talhah gave his garden as alms offering,

which had been located in front of the mosque of Prophet (p.b.u.h). He gave his garden as alms after he heard this verse.

Besides, Allah explains in verse 115 of Surah al-Imran below where with every practice or good deeds that we do, Allah will reward with much more. This is based on some interpretations taken from venerated *tafsir* book, which was written by as-Sobuuni, M. A. (1997). The evidence can be related to the *waqf* practice, as *waqf* is one of the good deeds, which Allah will, in return, reward as He had promised.

﴿١١٥﴾ وَمَا يَنْفَعُ لَوْ مِنْ حَرِّ فَلَنْ يُكْفَرُوا ۗ وَاللَّهُ عَلِيمٌ بِالْمُتَّقِينَ ﴿١١٥﴾

The meaning is:

*“And whatever good they do, they will not be denied the need thereof. Allah is Aware of those who ward off (evil)”*

(Al-Quran. Al-Imran 3: 115)

Meanwhile, in verse 261 of Surah al-Baqarah, Allah promises countless rewards for His servants who spend their wealth in His way. According to As-Sobuuni, M. A. (1997), Ibn Kathir explained that their alms reflect a planted seed that produces 7 stalks. Each stalk produces 100 seeds and the total is 700 seeds. This shows that Allah’s reward is countless for those who are sincere of their alms and anyone He wishes.

مَثَلُ الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ فِي سَبِيلِ اللَّهِ كَمَثَلِ حَبَّةٍ أَنْبَتَتْ سَبْعَ سَنَابِلٍ فِي كُلِّ سُنْبُلَةٍ مِائَةٌ حَبَّةٌ ۗ وَاللَّهُ يُضْعِفُ لِمَنْ يَشَاءُ ۗ وَاللَّهُ وَسِعَ عَلِيمٌ ﴿٢٦١﴾

The meaning is:

*“The likeness of those who spend their wealth in Allah’s way is as the likeness of a grain which growth seven branches, in every branch contains of hundred seeds, and (remember) Allah will give increase manifold to which he will and Allah is All Embracing and all knowing”.*

(Al-Quran. Al-Baqarah: 261)

Moreover, spending wealth for charity is encouraged in Islam and this has been clearly mentioned in the hadiths of Prophet Muhammad (p.b.u.h.) as *ibadah*. Thus, *waqf* can be one of the instruments to implement charitable activities. Prophet (p.b.u.h.) mentioned, as reported in a hadith:

”إِذَا مَاتَ الْإِنْسَانُ انْقَطَعَ عَمَلُهُ إِلَّا مِنْ ثَلَاثَةٍ مِنْ صَدَقَةٍ جَارِيَةٍ وَعِلْمٍ يُنْتَفَعُ بِهِ وَوَلَدٍ صَالِحٍ يَدْعُو لَهُ“.

The meaning is:

*“When a man dies, his action discontinues from him except three things, namely, perpetual sadaqah (charity), or the knowledge by which benefit is acquired, or a pious child who prays for him”.*

(Hadith, Abi Dawud, Kitab al-Wasaya: Juz`17:#2874)

### 2.3.3 History of *Waqf* Implementation

In the history of Islam, the first known *waqf* is the mosque of Quba’ in Madinah, a city 400 kilometres north of Makkah, which was built upon the arrival of Prophet Muhammad (p.b.u.h.) in 622M (Kahl, 2003). Six months later, the Prophet himself performed *waqf* of the mosque of Qabawi in Madinah (Nurul Asykin & Muhammad Hakimi, 2013). They again mentioned that Ibn Sa’ad reported a hadith from Muhammad bin Ka’ab, saying that the first *waqf* in Islam is a *waqf* of property that was given by Prophet Muhammad (p.b.u.h.) after the death of Mukhairiq in the Uhud Wars. He (Mukhairiq) said:

"وأوصي إن أصبت فأموالي لرسول الله صلى الله عليه وسلم، فقبضها رسول الله صلى الله عليه وسلم وتصدق بها"

The meaning is:

*I will if I misfortune (death), then my property belongs to Rasulullah (p.b.u.h.). Then Rasulullah (p.b.u.h.) take the property and abms with it.*

(Hadith: Saad, A. A. M. Kitab at-Tabaqat al-Kubra: Juz' 1)

This practice was followed by the companion of the Prophet (p.b.u.h.), beginning with Saidina 'Umar al-Khattab (r.a.) when he received a plot of land in Khaibar.

"أَنَّ عُمَرَ، قَالَ: أَخَذْتُ مِنْ رَسُولِ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ فَمَلَاحًا فِي خَيْبَرَ، فَأَتَيْتُ النَّبِيَّ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ فَقَالَ: أَصَبْتَ أَرْضًا  
"إِنْ شِئْتَ حَبَسْتَ أَصْلَهَا وَصَدَّقْتَ بِهَا مَا أُحِبُّ مَالًا قَطُّ أَنْفَسَ عِنْدِي فَكَيْفَ تَأْمُرُ بِهِ قَالَ  
بِهَا". فَتَصَدَّقَ بِهَا عَلَى أَلِّ الْأَتْبَاعِ وَلَا تُوهَبَ وَلَا تُورَثَ - فِي الْفُقَرَاءِ وَالْقُرْبَى وَالرَّقَابِ وَفِي  
سَبِيلِ اللَّهِ وَالضَّيْفِ وَابْنِ السَّبِيلِ لَا جُنَاحَ عَلَيَّ مَنْ وَلِيَهَا أَنْ يَأْكُلَ مِنْهَا بِالْمَعْرُوفِ وَيُطْعِمَ  
صَدِيقًا بِمِثَرٍ مُتَمَوَّلٍ فِيهَا"

The meaning is:

*From 'Umar, who said: 'I acquired some land at Khaibar. He came to the Prophet and said: I have acquired some land at Khaibar, and I have never been given any wealth that is more precious to me than it. What do you command me to do with it?' He said: "If you wish, you can 'freeze' it and give it in charity". So he gave it in charity on condition that it would not be sold, given away or inherited, to the poor, relatives, slaves, for the cause of Allah, guests and wayfarers. There is no sin on the one who administers it if he eats from it on a reasonable basis and feeds his friend, with no intention of becoming wealthy from it.*

(Hadith. Al- Bukhari. Kitab al-Wasaayaa: Juz' 51:#22)

Besides, *waqf* was also practiced by Uthman (r.a.) Ali, A. (1960). When the Prophet (p.b.u.h.) arrived in Madinah and realised that the city had very little drinking water, except for the water of Bi'r Ruma (Ruma Well),

He asked, “*Who will purchase Bi'r Ruma to equally share the water drawn from there with his fellow Muslims and shall be rewarded with a better well in the Garden (of Eden)?*”. It was said that this well belonged to a man from Bani Ghaffar, who used to sell a waterskin full of water for a dry measure of cereal. Prophet (p.b.u.h.) asked him, “*Do you want to sell it to me for a water source in Heaven?*” The man answered, “*That's the only source of income that my children and I have*”. When Uthman (r.a.) heard about this, he paid for it with thirty five thousand *dirhams*. Then he went to the Prophet (p.b.u.h.) and said, “*Can you make me the same offer?*” He said, “*Yes*”. “*Then I offer it to the Muslims*”, he replied. (Hadith reported by Abu Hurairah)

#### 2.3.4 Pillars of *Waqf*

Al-Khin, M. et al., (2009) mentioned that the pillars of *waqf* consist of four elements, which are *al-waqif*, *al-mawquf*, *al-mawquf' alaih*, and *sighah*. A *waqf* practice is not valid until all of the pillars are observed (Zuhaili, W., 2011).

##### i. *Al-Waqif*

*Al-waqif* is the *waqf* founder. In order to ensure that the *waqf* practiced is valid, the *al-waqif* must be a free citizen, sane, matured (*baligh*), and fully responsible (*aqil*) (Zuhaili, W., 2011). According to Ahmad Khan, I. (1988), *al-waqif* can be individual Muslims or any social organisation or government that practices *waqf* for the purpose of charity, religiosity, and donation, as conditioned under the Islamic law.

In fact, *waqf* from non-Muslims are also considered valid, even when the property contributed is used to develop a mosque (al-Khin, M. et al., 2005). They will gain reward in this world, as mentioned in a hadith. The Prophet (p.b.u.h) said:

"إن الله لا يظلم مؤمنا حسنة يعطى بها في الدنيا، ويجزى بها في الآخرة، وأما الكافر، فيقطع بحسنات ما عمل لله تعالى، في الدنيا حتى إذا أفضى إلى الآخرة، لم يكن له حسنة يجزى بها".

The meaning is:

*"Allah does not wrong a believer a good deed because he is given blessings for it in this world and will be rewarded for it in the Hereafter. But the infidel is given in the world the reward for good deeds, he has performed for the sake of Allah and when he comes to the Hereafter, there is no good deed for which he can be rewarded"*.

(Hadith, Salihin, Kitab al-Muqaddimat: Juz'1:#428)

ii. *Al-Mawquf*

*Al-mawquf* is the wealth or possession designated for *waqf*. According to al-Khin, M. et al., (2005), *al-mawquf* has to satisfy four conditions, which are:

- a) The property to be *waqf* must be physically tangible items, such as a house or a plot of land.
- b) The *waqf* giver must legally own the *waqf* property and it must be transferable and is able to benefit the community.
- c) The *waqf* property must have usability and generate continuous benefit that can be used by the recipient and other people.

- d) The usage of the property must be governed according to Islamic laws and regulations.

Furthermore, according to Razali (2013), *junhur fuqaha* believed that it is valid to *waqf* immovable property, including land, houses, shops, and gardens, as well as movable property, such as household appliances, al-Quran, books, weapons, and animals, as long as the property can be beneficial. It is based on Prophet Muhammad (p.b.u.h.), who said:

الْحَبَسَ فَرَسًا فِي سَبِيلِ اللَّهِ إِيمَانًا بِاللَّهِ وَتَصَدِيقًا بِوَعْدِهِ، فَإِنَّ شَبَعَهُ، وَرَوْنَهُ، وَيَوْلَهُ فِي يَوْمِ الْقِيَامَةِ".

The meaning is:

"He who keeps a horse for Jihad purpose, having faith in Allah and relying on His Promise, will find that its fodder, drink, droppings and urine will all be credited to him in his Scales on the Day of Resurrection".

(Hadith. Sahih. Kitab Jihad: Juz'12:#1330)

- iii. *Al-Mawquf' Alaih*

*Al-mawquf alaih* is the recipient or beneficiaries of the *waqf*. According to Razali (2013), among the conditions of *al-mawquf' alaih* is accepting that the donation is aimed to please and get closer to Allah (SWT). It also must be determined, in existence, be clear, can be given property rights, and have a long-term age (Razali, 2013).

iv. *Sighah*

*Sighah* is the clear statement of the *waqf*, consisting of an offer and an acceptance. According to al-Khin, M. et al., (2009), the types of *sighah* for *waqf* consist of two parts, which are:

- a) *Sorih* (clear); an offer that brings to one meaning only. For example, “I want to *waqf* my house to the poor people”. This type of offer has a clear meaning and clarification is not needed.
- b) *Kinayah* (symbolic); an offer which brings many meanings. For example, “my property is a *sadaqah* to the poor people”. This type of offer needs to have an intention for the clarification of *waqf*. The offer in writing form is also included in this type of offer.

Therefore, if a person wants to contribute in any type of *waqf*, he or she needs to fulfil all those pillars and follow the conditions of each pillar in order to ensure that the *waqf* practice is valid.

### 2.3.5 Types of *Waqf*

Generally, *waqf* is categorised into two, which are *waqf khairi* and *waqf zurri*.

i. *Waqf Khairi*

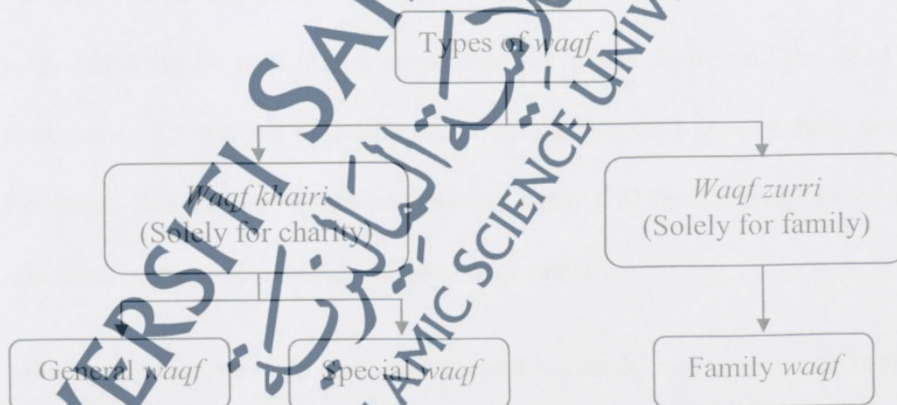
*Waqf khairi* refers to *waqf* that is provided for general welfare (Jawwad, M., 1964). The purpose of this *waqf* is to create social balance in the community (Siti Mashitoh, 2007). *Waqf khairi* is classified into two, which are general *waqf* and special *waqf*.

- a) General *waqf*; for charitable purposes without determined motive, conditions, and beneficiaries (Muhammad Ridhwan, 2012; Asmak, 2009).
- b) Special *waqf*; for charitable purposes that have determined motive, conditions, and beneficiaries (Muhammad Ridhwan, 2012; Asmak, 2009).

ii. *Waqf Zurri*

*Waqf zurri* refers to *waqf* designed to benefit family (Jawwad, M., 1964). The purpose of this *waqf* is to provide social security to the offspring and kin of founder (Nurul Asykin, 2013). However, according to some scholars, this type of *waqf* is *bid'ah* and not in line with Islamic rules and principles (Jawwad, M., 1964). A summary of the types of *waqf* is shown in Figure 2.1 below.

FIGURE 2.1: Types of *Waqf*



Source: Developed for the Current Study

### 2.3.6 Wisdoms of *Waqf*

*Waqf* is one of the practices that can bring someone closer to Allah and receive rewards from Him. Absolutely, a lot of wisdom is gained from practicing the *waqf*. Al-Khin, M. et al., (2009) highlighted 5 wisdoms of *waqf*, which are:

- a) Opens the way to bring oneself closer to Allah by contributing wealth in the way of Allah. As a reward, a *waqf* founder will gain rewards for his or her deed. A Mukmin would always prefer practices that can bring him or her closer to Allah.
- b) This practice also can realise the ambition of a Mukmin. This is because; through the *waqf* practice, a person has the opportunity to worship Allah. In other words, a person can express his or her love towards Allah through practice and implementation.
- c) Through *waqf*, a person can realise his or her ambition to see his or her contribution to be continuous even after his or her death, and the deed will be continuously rewarded in the hereafter. A Muslim will have nothing left except for deeds that he had done, and among them will be the *waqf* he or she had allocated in the way of Allah during his or her life.
- d) Much religious welfare can be reached through *waqf*. If *waqf* property is managed properly, it can bring huge effects and many benefits in achieving *mashlahah* for the importance of the Muslim community, such as building mosques, schools, and so forth.

- e) *Waqf* also can fulfil the requirement for taking care of poor people, orphans, and *Ibn sabil*, as well as those who cannot find *rizq* due to their conditions. *Waqf* property can fulfil the requirements and reduce their sufferings.

The next section provides a discussion pertaining to cash *waqf*.

## 2.4 Concept of Cash *Waqf*

### 2.4.1 Definition of Cash *Waqf*

According to Cizakca (2004), cash *waqf* is charitable endowments established with cash capital. What distinguishes these from other *waqf* instruments is cash as capital in practicing *waqf*. The cash is endowed and the revenue generated out of the investment of this cash is then channelled for charity (Cizakca, 2000). Meanwhile, Magda (2009) defined cash *waqf* as, the confinement of an amount of money by a founder(s), (individuals, companies, institutions, corporations, and organisations), and the dedication of its usufruct is in perpetuity to the welfare of the society.

This instrument is a movable *waqf* that is established with liquid money. It carries numerous advantages that offer great benefits to all parties, including financial institutions, investors, and societies. The person who do not have an immovable asset, such as land or building, will able to practice *waqf* by donating his or her movable asset, such as cash *waqf*. Therefore, everyone can do charity in the form of cash *waqf* as long as they want to do it voluntarily only for the sake of Allah's blessing.

#### 2.4.2 Legal Conditions for the Creation of Cash *Waqf*

Cash *waqf* has been successfully proven during the Ottoman time (Cizakca, 2000) and has long been introduced in Malaysia since 1959 under the rules of *waqf* control Majlis Agama Islam Perak (MAIP) (Siti Mashitoh, 2007). Magda (2014) further stated that the creation of cash *waqf* is based on the following conditions;

- a) The founder of the cash *waqf* must be '*aqil*' (in full possession of his or her physical and mental faculties), *baligh* (adult), and *hurr* (a free man/woman) and he or she must be capable of transferring it from his or her ownership to the ownership of Allah (Abu Bakr, 1986).
- b) The dedicated property can be either a movable or an immovable property (Abu Bakr, 1986), namely cash *waqf*.
- c) The founder of the cash *waqf* can be individuals, institutions, companies, organisations, non-governmental organisations (NGOs), corporations, and government; as long as they are capable of transferring their money from their ownership to the ownership of Allah.
- d) The founder has to appoint a *mutowalli*/trustee/manager, either appointing himself/herself or appointing a specified person in order to manage the affair of his/her cash *waqf*. He or she also has the right to specify the successor to his or her trustee in case the trustee dies or becomes incapable of performing his or her duties.

- e) The beneficiaries should be specified by the founder in his or her *waqfiah/waqf* deed. These beneficiaries can either be the relatives of the founder or the general public or both.
- f) Beneficiaries can be for any permissible purpose as long as it enhances the society.

#### 2.4.3 Model of Cash *Waqf*

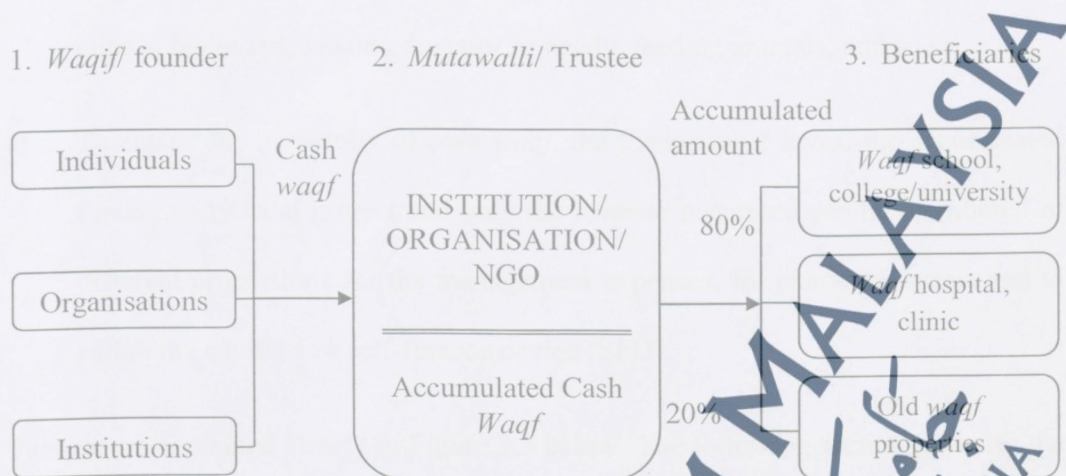
##### i. Direct Cash *Waqf*

Direct cash *waqf* is an endowment created by the founder in cash to be channelled directly for developing any *waqf* property (Magda, 2014). Magda (2014) also mentioned that the modus operandi of direct cash *waqf* is as follows:

- a) A specified *waqf* institution that acts as the trustee can call for founders to contribute to redevelop any of the old *waqf* buildings.
- b) Founders can then contribute directly to this specified *waqf* institution, to rebuild the specified old *waqf* buildings.
- c) In this case, the trustee will channel the accumulated *waqf* funds directly to rebuild the old *waqf* buildings without investment.
- d) Beneficiaries can be old mosques, old *waqf* schools, old *waqf* hospitals, and so on.

This can be explained clearly in Figure 2.2 below.

FIGURE 2.2: Direct Cash Waqf



Source: Magda, 2014

## ii. Indirect Cash Waqf

Indirect cash waqf is an endowment made by the founder in cash form, but to be invested first and only the revenue generated to be channelled to the beneficiaries (Magda, 2014). Magda (2014) also mentioned that the *modus operandi* of indirect cash waqf is given in the following:

- A specified waqf institution that acts as the trustee can call for founders to contribute to different needs in the society or to certain beneficiaries.
- Founders can then contribute as cash waqf to meet those needs or those beneficiaries.
- In this case, the trustee will manage and invest the accumulated waqf funds and the revenue generated will then be directed to the different needs in the society or to certain beneficiaries.

- d) The beneficiaries can be mosques, universities, schools, scholarships, hospitals, clinics, highways, feeding the poor or needy, feeding animals, and so on.
- e) To ensure the perpetuity of cash *waqf*, the trustee must invest the accumulated funds in any halal project and only the revenue generated can be distributed in different proportions for the management expenses, for charitable areas, and to add to the capital as a self-finance device (SFD).

This can be explained clearly in Figure 2.3 below. The following section provides the discussion on one of the contemporary *waqfs*, which is corporate *waqf*.

FIGURE 2.3: Indirect Cash *Waqf*



Source: Magda (2014)

## 2.5 Concept of Corporate *Waqf*

### 2.5.1 Definition of Corporate *Waqf*

Through the literature review, this study faced some difficulties in determining the proper definition of corporate *waqf*. Many authors did not provide any detailed definition for corporate *waqf*. One of the authors who defined corporate *waqf* is Magda (2014). She mentioned that corporate *waqf* can be defined as the confinement of an amount of liquid money, shares, profit, dividends by founder(s), such as individuals, companies, corporations, organisations or institutions, as well as the dedication of its usufruct in perpetuity to the welfare of society. The other one is by Abdullah and Asharaf (2014); who defined corporate *waqf* as the creation and management of *waqf* assets, as well as the distribution of *waqf* preceded by a corporate entity independently or collectively with other parties.

As a whole, corporate *waqf* is a *waqf* application in the context of modern businesses and corporate activities for which the benefit allocation is derived from investment dividends, membership fees, and reinvestment dividends. In the long term, corporate *waqf* indirectly transforms the business and corporate activities so that it can be operated in a more Islamic way compared to the existing practices. This *waqf* is a contemporary innovation and has never been explored. However, the concept is well-suited for globalisation needs nowadays.

### 2.5.2 Corporate *Waqf* Ruling

The absence of any evidence from the al-Quran that clearly explains *waqf* leads to the use of hadith as a reference guide and support. However, hadith has never

discussed the concept of corporate *waqf*. Therefore, the views obtained through *ijtihad* and Islamic scholars who are experts in this field are taken into account (Baharuddin, 2010). Moreover, the Islamic schools of thought, consisting of Imam Syafi'i, Hanafi, Hanbali, and Maliki, jointly agreed to allow *waqf* for moveable property (Mohammad Tahir Sabit, 2011). However, this case depends on the condition that all of the shares' matters and profits gained must be in line with the conditions of *waqf* that are based on the Shariah, coinciding with the method agreed upon by the scholars on it.

On top of that, an Islamic research team from the University of Al-Azhar, Egypt agreed to issue a *fatwa* that allows the practice of *waqf* through shares after the letter for a *fatwa* request by Dato 'Haji Nooh Gadut as the mufti of honor on 2<sup>nd</sup> November 2005 was submitted (al-Fayumi, I. A., 2005).

### 2.5.3 Development of Corporate *Waqf*

The contemporary *waqf* concept known as corporate *waqf* has been practiced in a number of Muslim countries, namely Turkey, Malaysia, Bangladesh, India, and Pakistan (Asharaf & Abdullaha, 2013). In Malaysia, the initiative to develop corporate *waqf* has turned into a national agenda for empowering the socioeconomic condition among the Muslims in the country (Bakhtul et al., 2014). Now, with the establishment of the Jabatan Wakaf, Zakat, dan Haji (JAWHAR), under the supervision of the Prime Minister on 27<sup>th</sup> March 2004, they are able to assist the Majlis Agama Islam Negeri-Negeri (MAINs) to undertake the development of *waqf* (Farra Munna et al., 2014).

Through JAWHAR, Yayasan Waqf Malaysia (YWM) was set up with a vision to be a leading organisation in strengthening the ummah by enhancing the various

*waqf* instruments (MIFC, 2015). Corporate entities in Malaysia are also active in *waqf*, especially Johor Corporation Berhad (JCorp). The establishment of corporate *waqf* by JCorp in 2006 has transformed the *waqf* practice in Malaysia, where *waqf* assets in the form of shares of companies were issued and managed by a corporate body for the first time.

#### 2.5.4 Legal Conditions for the Creation of Corporate *Waqf*

Magda (2014) stated that the creation of corporate *waqf* is based on the following conditions;

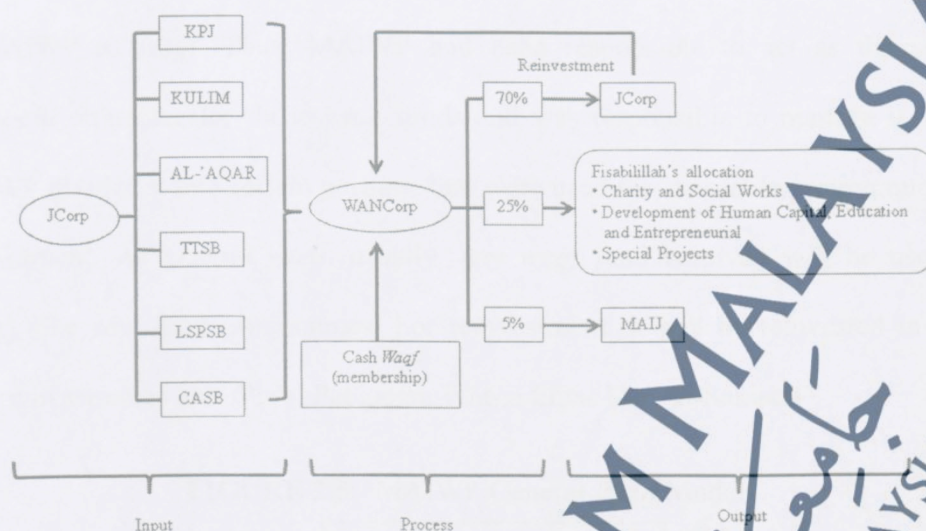
- a) Founder (s) of corporate *waqf* can be individuals, shareholders of corporate bodies, institutions, companies or even governments who are capable of transferring their shares from their ownership to the ownership of Allah (SWT).
- b) The board of directors, who has been created by the founders, has to appoint the *mutawalli*/ trustee, specifically an associate institution in order to manage the affairs of the corporate *waqf*.
- c) The board of directors, in their role as founders, must specify the beneficiaries in the *waqf* deed.
- d) Beneficiaries can be for specific purposes or for public purposes, as specified by the board of directors.

### 2.5.5 Model of Corporate *Waqf*

#### i. Johor Corporation Berhad (JCorp) - Malaysia

Referring to Figure 2.4 below, the Johor Corporation Berhad (JCorp) corporate *waqf* model can be calculated through its inputs (proprietary benefits), which were the annual dividends of shares from six subsidiaries of JCorp, cash *waqf* contributions by WANCorp as membership participation, and 70% of dividend of the reinvestment. The total benefits were managed by WANCorp as the special *mutawalli*. The benefits were collected and divided into three groups with different distribution percentages based on the *hujjah waqf* that was agreed upon, which were 70%, 25%, and 5% (WANCorp Annual Report 2014). The welfare programmes and the Corporate Social Responsibility (CSR) conducted had been considered as the outputs of this *waqf*.

70% of the dividend earned was returned to JCorp for reinvestment and human capital development, 25% went to WANCorp for *Tablillah*, and 5% was channelled to MAIJ. Based on the same annual report, RM3.51 million from 25% dividend earned was allocated to people in need. This allocation was used for charity and social work (RM1.31 million), development of human capital, education and entrepreneurial skills (RM720 thousand), as well as special projects (RM1.48 million).

FIGURE 2.4: JCorp Corporate *Waqf* Model

Note: KPJ (KPJ Healthcare Berhad); KULIM (Kulim (Malaysia) Berhad); AL-'AQAR (Al-'Aqar Healthcare REIT); TTSB (Tiram Travel Sdn Bhd); LSPSB (Larkin Sentral Property Sdn Bhd); and CASB (Capaian Aspirasi Sdn Bhd)

Sources: Nurul Asyikin & Muhammad Hakimi, 2013

ii. Majlis Agama Islam Wilayah Persekutuan (MAIWP) - Malaysia

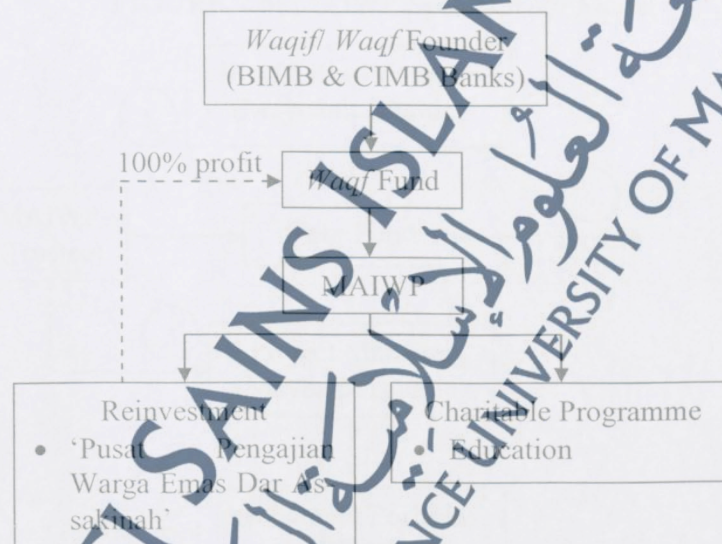
The corporate *waqf* model of Majlis Agama Islam Wilayah Persekutuan (MAIWP) is divided into two, which are general *waqf* and special *waqf*. The explanation of these two models is given in the following.

a) General *waqf*

The companies included in general *waqf* were Bank Islam Malaysia Berhad (BIMB) and CIMB Bank Berhad. This is because; these companies contributed property for *waqf* to a charitable Islam organisation without determining any specific purpose. The model implemented for this type of *waqf* is shown in Figure 2.5.

BIMB and CIMB Bank Berhad as *waqif* contributed a specific amount of money to MAIWP as *waqf*. Thus, MAIWP had been responsible to act as the special *mutawalli* or trustee for those *waqf* funds and was responsible to manage it. Then, MAIWP divided it into certain portions that were used for charitable programmes and reinvestment. As general *waqf*, usually, any *waqf* fund received will be used for charity like education programmes. For reinvestment, it will be reinvested in short term reinvestments like 'Pusat Pengajian Warga Emas Dar As-Sakinah'.

FIGURE 2.5: MAIWP General *Waqf* Model



Source: Developed for the Current Study

b) Special *waqf*

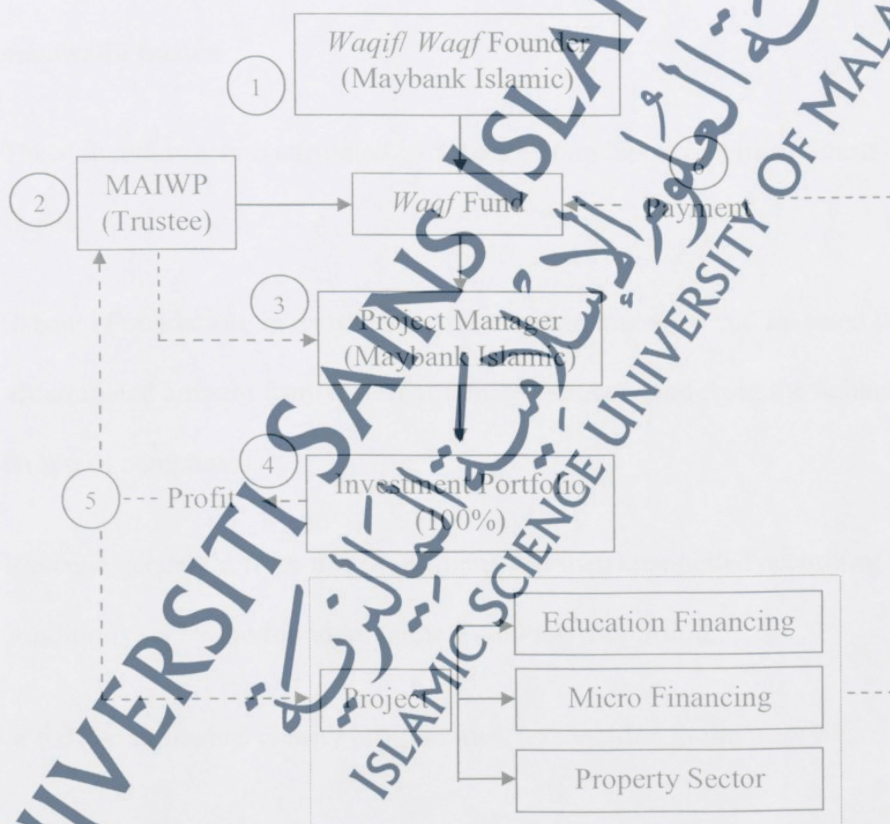
The company included in special *waqf* was Maybank Islamic Berhad. This is because; this company contributed property for *waqf* and had determined its specific purpose. The model implemented for this type of *waqf* is shown in Figure 2.6.

Maybank Islamic Berhad as a *waqif* contributed RM20 million to MAIWP as *waqf*. Thus, MAIWP had been responsible to act as the special *mutawalli* or trustee for

those *waqf* funds. In order to ensure the growth, as well as perpetuation of fund and *waqf* assets, MAIWP had appointed Maybank Islamic Berhad to act as the project manager in managing the fund and *waqf* assets.

100% of those funds were utilised in an investment portfolio. Then, 100% of income earned from that investment was used for the determined projects by Maybank Islamic Berhad, such as education financing, micro financing, and healthcare. Any payment received was contributed back to the *waqf* funds.

FIGURE 2.6: MAIWP Special *Waqf* Model



Source: Zainal Abidin, 2014

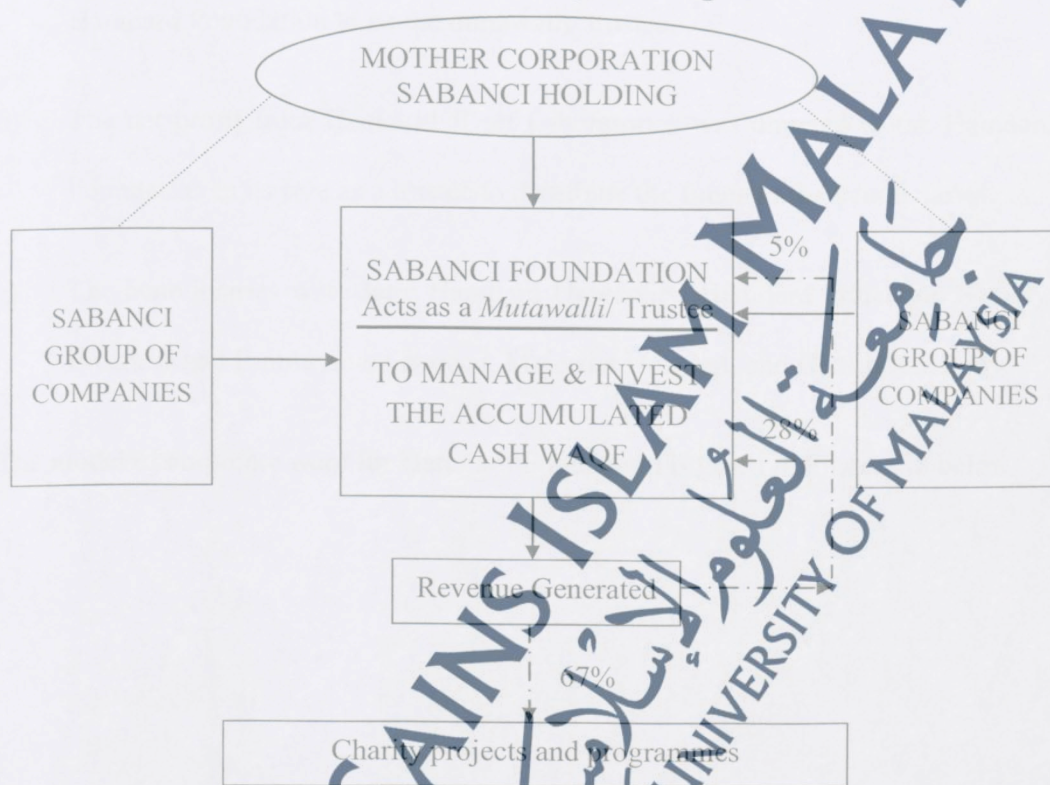
### iii. Sabanci Foundation - Turkey

The Sabanci Foundation is another institution that implemented corporate *waqf*. They were established corporate *waqf* in Turkey in year 1974 and it became one of the largest foundations in Turkey (Sabanci Foundation, 11<sup>th</sup> April 2016). The modus operandi of Sabanci Foundation is provided in the following (Magda, 2014):

- a) The main founders of the Sabanci Foundation were the Sabanci Holding (the wife of Hacı Omer Sabanci and her six sons) and Sabanci Group of companies. In their role as founders, they established a Sabanci Foundation to be the mutawalli/ trustee.
- b) These founders also contributed to Sabanci Foundation in terms of cash and shares.
- c) Sabanci Foundation, in its role as a trustee, then managed and invested the entire accumulated amount from different family members and from the Sabanci Group of companies.
- d) Revenue generated from this investment was then channelled according to the conditions set by the founders in the following proportion:
  - 67%: to finance charity programmes, as specified in the *waqfiah*;
  - 28%: to be re-invested to increase the capital amount; and
  - 5%: to cover management and administration expenses, as well as allocation for reserves.

The model of corporate *waqf* for Sabanci Foundation is illustrated in Figure 2.7 below.

FIGURE 2.7: Sabanci Corporate *Waqf* Model



Source: Magda, 2014

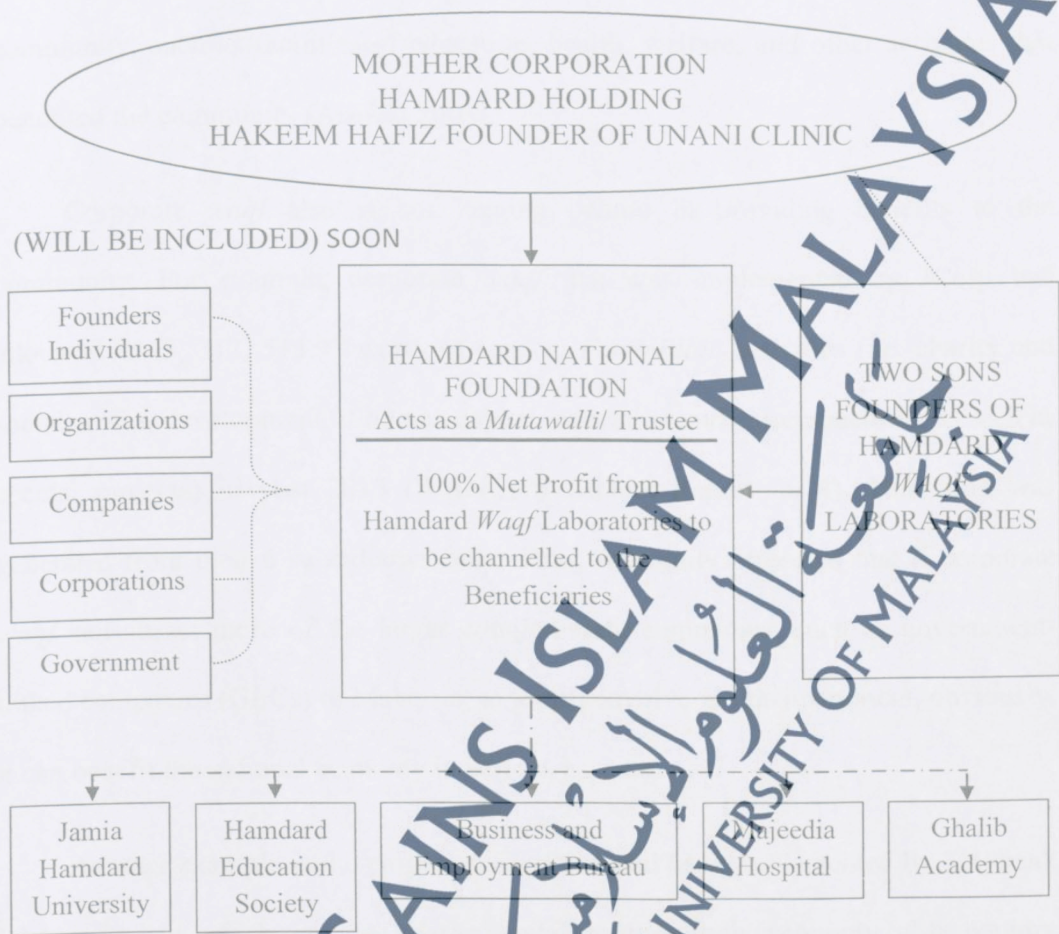
iv. Hamdard Foundation – Pakistan

Another institution that practiced corporate *waqf* was the Hamdard Foundation. The Hamdard Foundation was established in 1964 and it was the first NGO of its kind that came into being in Pakistan (Hamdard Foundation, 11<sup>th</sup> April 2016). The modus operandi of the Hamdard National Foundation is depicted in the following (Magda, 2014).

- a) The main founders of Hamdard Foundation were the Hamdard Holding (the father Hakeem Hafiz Abdul Majeed, founder of Unani clinic, and his two sons) and Hamdard *Waqf* Laboratories. In their role as founders, they established a Hamdard Foundation to be the mutawalli/ trustee.
- b) The net profit from Hamdard *Waqf* Laboratories was directed to the Hamdard Foundation in its role as a trustee to distribute the funds to the beneficiaries.
- c) The beneficiaries were Jami Hamdard University, Hamdard Education Society, Business and Employment Bureau, Majeedia Hospital, and Ghalib Academy.

The model of corporate *waqf* for Hamdard Foundation is given in Figure 2.8 below.

FIGURE 2.8: Hamdard Corporate *Waqf* Model



Source: Magda, 2014

### 2.5.6 Significance of Corporate *Waqf*

History has proven that *waqf* plays a very important role in the economic development of a country. *Waqf* has become one of the wealth distribution tools in order to achieve economic development in the whole context. This study believes that there are a lot of benefits if any *waqf* model successfully implemented in the economic system. For example, during the era of Prophet Muhammad (p.b.u.h), Uthman bin 'Affan's *waqf* Ruma Well became the main source of water supply for the Muslims at that time. Furthermore, cash *waqf* that was implemented during the Ottoman

government also helped in providing various economic development activities for the community, such as facilities of education, health, welfare, and other activities that benefited the community (Asmak, 2009).

Corporate *waqf* also is not lagging behind in providing benefits to the community. For example, corporate *waqf* that was implemented by JCorp had allocated RM3, 512, 515.97 worth of fund to *Fisabilillah* activities (i.e. charity and social works, development of human capital, education and entrepreneurial, as well as special projects) in year 2013 (WANCorp Annual Report 2014). This fund was generated from their 6 subsidiaries only. Thus, this study projected that if corporate *waqf* can attract more of the larger conglomerate companies, such as government-linked companies (GLCs) in Malaysia, to jointly involve in this instrument, obviously, it can benefit the national economy in various aspects.

Another example is the corporate *waqf* that had been implemented by Maybank Islamic Berhad, which provided a large capital injection in the economy of the country when it functioned properly (Khairil et al., 2014). Through the distribution of the benefits of the proposed *waqf*, which included education, health, and development of young entrepreneurs, it had been believed to benefit a lot of people regardless of religion. Indirectly, it improved the standard of living of the community as a whole. Besides, Maybank Islamic Berhad contributed RM20 million to MAIWP as corporate *waqf* (Sinar Harian, 2015a). If the amount of RM20 million was invested and 4% of the profit was expected to be derived from the investment, hence, through corporate *waqf* fund, a total of RM800, 000 in profit could be channelled as benefit of *waqf*. MAIWP also had planned to open the participation of corporate *waqf* to the public for

the next phase (Sinar Harian, 2015b). Therefore, this study predicts that the corporate *waqf* will become the main source of income in developing the economy of the country in the future. This can be explained clearly in Figure 2.3 below. The next section provides discussion on another contemporary *waqf*, which is corporate cash *waqf*.

## 2.6 Concept of Corporate Cash *Waqf*

### 2.6.1 Definition of Corporate Cash *Waqf*

This study faced some difficulties in finding the proper definition of corporate cash *waqf* from the previous studies. However, based on the *modus operandi* provided by Magda (2008), this study concluded that the corporate cash *waqf* referred to the confinement of an amount of money after dividends earned by founder(s), such as individuals or corporations, are conveyed, and then the revenue generated will be use for the welfare of the society.

### 2.6.2 Model of Corporate Cash *Waqf*

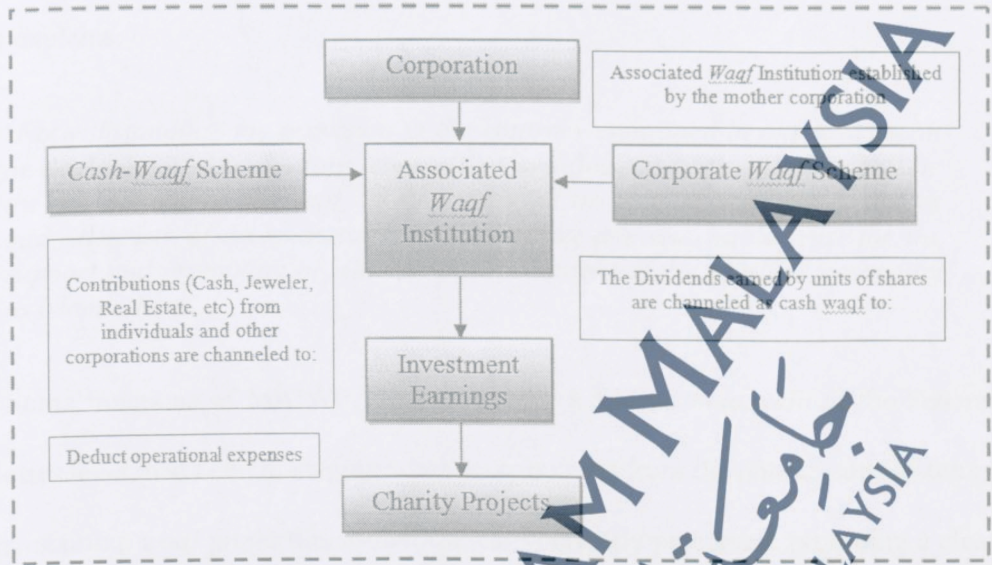
The JCorp corporate cash *waqf* had been the first ever implemented in Malaysia. They implemented this instrument through their subsidiary management, namely WANCorp. This model is a public *waqf*, which had been practiced in Malaysia, specifically in Kumpulan *Waqf* an-Nur 1998, Turkey in Sabanci Foundation 1974, Pakistan in Hamdard Foundation 1953, and South Africa in the National *Awaqaf* Foundation 2000. The *Founder* in this model might be either an individual or a corporation (Mohammad Monirul et al., 2014). This model can be clearly seen in

Figure 2.9. According to Magda (2008), the modus operandi of this instrument is listed in the following:

- a) Dividends earned, for example, by individuals or corporations, will be conveyed to an associated *waqf* Institution as *aash waqf*.
- b) The associated *waqf* Institution will act as the *Mutawalli* who manages and invests the accumulated cash *waqf*.
- c) The revenue earned will then be directed to charitable projects after operational expenses have been deducted.

For MAIWP, this instrument had not been implemented yet because they were in the initial stage in implementing corporate *waqf*. However, in the future, if they are planning to open a participation of corporate *waqf* to the individuals, JCorp corporate cash *waqf* model can serve as a guide and this study had taken the first step to assess the tendency of individuals to get involved in corporate cash *waqf* established by MAIWP.

FIGURE 2.9: JCorp Corporate Cash Waqf Model



Sources: Magda, 2008

2.7 Majlis Agama Islam Wilayah Persekutuan (MAIWP)

The Majlis Agama Islam Wilayah Persekutuan (MAIWP) is one of the institutions that practiced corporate *waqf* in Malaysia. It was launched on 12<sup>th</sup> September 2013 as an initiative to empower corporate *waqf* in Kuala Lumpur, which was in line with the resolution decided at the first congress of Majlis Agama Islam Negeri-Negeri Seluruh Malaysia, in Kuala Lumpur from 26<sup>th</sup> until 27<sup>th</sup> September 2011 (MAIWP, 2015). Moreover, MAIWP's vision is to implement corporate *waqf* that included shares, assets, and cash, but, only one instrument had been executed so far, which is *waqf* through cash by corporate bodies (Mohd Azrul, 2015). The minimum contribution designated for the corporate *waqf* was RM10,000.

In the corporate *waqf* practice, MAIWP acted as the special *mutawalli* to manage all types of *waqf* and any matters related to the *waqf*. It was mentioned in

Section 61, Administration Act of Islamic Law (Federal Territories) 1993 [Act 505], which explains:

*"Notwithstanding any provision to the contrary contained in any instrument or declaration that creating, controlling or affecting it, the Majlis shall be the sole trustee of all waqf, whether general or special waqf, all nazr 'am and all trusts of every matter which creating any charitable trust for the support and promotion of Islam or for the benefit of the Muslims according to Islamic Law".*

Some functions of MAIWP, which acted as a special *mutawalli* at the Federal Territories level, had been managing *waqf* contributions from the public, administering and maintaining *waqf* properties so that they are perfectly preserved, providing a clear understanding to the public about the concept and the practice of real *waqf*, increasing awareness among the public about *waqf* practices to ensure the growth of Islam, and providing extensive exposure to the public on the importance of the development of *waqf* properties.

Among the companies that had made corporate *waqf* contributions to MAIWP, as mentioned earlier, were BIMB, CIMB Bank Berhad, and Maybank Islamic Berhad. The total contribution of those three companies had been more than RM21 million. On 28<sup>th</sup> October 2014, MAIWP received *waqf* funds worth of RM20 million from Maybank Islamic Berhad. It was announced at the 10<sup>th</sup> World Islamic Economic Forum (WIEF) at Dubai, United Arab Emirates (UAE). This fund acted as a beginning fund as it was invested in fixed income, equity, balanced funds, and property sector instruments (Media Release, 28 October 2014). The remaining RM1 million came from BIMB and CIMB Bank Berhad.

In fact, corporate *waqf* of MAIWP is still new in the industry and many more improvements need to be undertaken in the future. They can refer to the models of corporate *waqf* and corporate cash *waqf* of JCorp as their models were more flexible since the contribution can be done through shares and cash. As claimed by the Maybank Islamic Chief Executive Officer, Mr. Muzaffar Hisham, "*at the start of the project, Maybank Islamic was the initial donor (waqif), but for future phases, we are open to contributions from individuals or companies wanting to contribute to the waqf fund*" (Media Release, 2014).

As mentioned earlier, MAIWP corporate *waqf* had been considered as *waqf* by cash by corporate bodies with minimum contribution at RM10,000. If the participation of corporate *waqf* is open to individuals, of course it will boost these instruments and expand the amount of *waqf* fund. As an initial step, the study assessed the extent of the willingness of people with knowledge about corporate *waqf* to jointly contribute and support the cooperation of corporate *waqf* between MAIWP and Maybank Islamic. The following section reviews the related studies on the Theory of Planned Behaviour (TPB), which had been employed as the main reference in developing a theory of this study.

## 2.8 Empirical Researches and Hypotheses Development

Many studies have been conducted to determine the factors that can influence people's intention to act. The most popular theory used in these studies is the Theory of Planned Behaviour (TPB). TPB attempts to explain what predicts behavioural intention, which in turn, predicts the actual behaviour (Yet, M. L. et al., 2011). TPB

was proposed by Ajzen in 1991 as an extension of Ajzen and Fishbein's theory of reasoned action (Fishbein & Ajzen, 1975). TPB postulates three conceptually independent determinants of intention, which are attitude, subjective norm, and perceived behavioural control (Ajzen, 1991).

Even though the TPB has been widely used in many area of studies (Amirul Faiz, 2014; Syukriah et al., 2014; Linden, 2011; Knowles et al., 2012; Truong, 2009; Jyh, S. C., 1998; Yet, M. L. et al., 2011; Lee et al., 2010; Chun, H. S. L. & Chun, F. C., 2011; Nguyen, P. N., 2011; Chris et al., 2003; Cote et al., 2012; Kurland, 1995; Teo, T. & Chwee B. L., 2010; Mullan & Wong, 2010; Jing, J. X. & Jiajun W, 2006), its validity has yet to be proven in the area of corporate *waqf* as to whether attitude, subjective norms, and perceived behavioural control are possible determinants in predicting the behavioural intention to participate in corporate cash *waqf* among employees.

In addition, previous studies have also proposed the factor of religiosity (Shafinar et al., 2013; Amirul Faiz, 2014; Safiq, 2009) as a significant predictor, which exhibited strong effects in influencing people's intention to act. However, very few studies had looked into it. At the same time, these factors have yet to be proven in the area of corporate *waqf*. Each factor proposed by the previous studies is discussed in detail in the following sections.

### 2.8.1 Intention

Fishbein and Ajzen (1975) defined intention as a subjective probability to carry out behaviour. They are indications of how hard people are willing to try or of how

much of an effort they are planning to exert in order to perform the behaviour (Ajzen, 1991). In other words, if people have stronger intentions to engage in the behaviour, then its performance is more likely to happen. Due to its robust ability to predict behaviour, which is the central goal of behavioural intention models, it has been used as a dependent variable in many studies (Amirul Faiz, 2014). Understanding intentions is particularly useful when phenomena are relatively rare (N. F. Krueger & A. L. Carsrud, 1993). As mentioned earlier, according to Ajzen (1991), human intention is guided by three types of antecedents, which are attitude, subjective norms, and perceived behavioural control.

#### 2.8.2 Attitude, Subjective Norm, and Perceived Behavioural Control

Attitude is one of the predictors in the TPB. Ajzen (1991) mentioned that attitude is important to predict and explain human behaviour. It refers to the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question (Syukriah et al., 2014). Besides, Yet, M. L. et al., (2011) strengthened the argument by claiming that it is composed of an individual's salient belief about perceived consequences of performing the behaviour. In fact, numerous studies have documented the significant relationship between attitude and intention (Amirul Faiz, 2014; Yet, M. L. et al., 2011; Shafinar et al., 2013; Chun, H. S. L. & Chun, F. C., 2011; Knowles et al., 2012).

On the other hand, subjective norm is the other predictor of the TPB. Ajzen (1991) and Syukriah et al., (2014) defined subjective norm as the perceived social pressure whether to perform the behaviour or otherwise. The study findings obtained by Yet, M. L. et al., (2011) showed that perceived social influences (subjective norm)

played an important role in the formation of Malaysian baby boomers' intentions to engage in internet shopping. Meanwhile, a study conducted by Jyh, S. C. (1998) found that subjective norm had significant effects on purchase intention in the highly subjective knowledge group. In addition, Chris et al., (2003) and Chun, H. S. L. & Chun, F. C. (2011) discovered similar results.

Another factor that determines people's intention to act based on the TPB is perceived behavioural control. According to Ajzen (1991), perceived behaviour control is people's perception of the ease or difficulty in performing the behaviour of interest. It is assumed to reflect past experiences, as well as anticipated impediment and obstacles (Syukriah et al., 2014). Fundamentally, Amirul Faiz (2014) mentioned that the more favourable the attitude and subjective norm with respect to behaviour and the greater the perceived behavioural control, the stronger should be an individual's intention to perform the behaviour.

Upon seeing the results found by Ajzen (1991), Truong (2009), Lee et al., (2010), Chris et al., (2003), and Mulla and Wong (2010), which reported that the TPB components have been proven to be effective in predicting intention, the first hypothesis formulated in this study is:

**Hypothesis 1:** Individual's intention to participate in corporate cash *waqf* is positively correlated with attitude, subjective norm, and perceived behavioural control.

According to Syukriah et al., (2014), attitude is one of the most influential factors in determining behavioural intention. This is strengthened by the study carried

out by Sommer (2011), which reported that intentions that are strongly based on attitudes (“more desirability based”) offer a better prediction of behaviour. In addition, Yap, S. F. and Noor Asyikin (2008) also stated that the attitude component was found to have the strongest effect on exercise intention. The more favourable one’s attitude (be it instrumental or affective) towards exercising, the greater the likelihood of that person to engage in exercise behaviour. Therefore, the second hypothesis is derived:

**Hypothesis 2:** Attitude is the best predictor of individual’s intention to participate in corporate cash *waqf* based on TPB.

### 2.8.3 Religiosity

According to Safiek (2009), religion is an important cultural factor because it is one of the most universal and influential social institutions that has a significant influence on people’s attitudes, values, and behaviours at both individual and societal levels. This study also proposed the factor of religiosity when looking at the significant influence on behavioural intention in cash *waqf* (Amirul Faiz, 2014) and the importance of it in estate planning (Shafinar et al., 2013). For example, Shafinar et al., (2013) suggested that religiosity had strong effects on the attitude towards estate planning, where religiosity displayed a Beta ( $\beta$ ) of .33 with a significance level of .000. Other than that, Syed Shah Zam et al., (2012) conducted a study regarding Islamic home financing; whereby the results obtained also proved that the stronger the customer’s religiosity, the greater is the intention to use Islamic home financing. Due to the importance of the religiosity factor, as proven by some studies, this study had wanted to see how far it can affect the determinants of the theory in the case of corporate *waqf*. Thus, the third hypothesis is depicted below:

**Hypothesis 3:** The variables of TPB (attitude, subjective norm, and perceived behavioural control) can still predict individual's intention to participate in corporate cash *waqf* if the religiosity factor is controlled.

## 2.9 Theoretical Framework

After reviewing the literature, this study developed a theoretical framework, as illustrated in Figure 2.6 below. The independent variables were attitude, subjective norm, perceived behavioural control, and religiosity, while the dependent variable referred to the intention to participate in corporate cash *waqf*.

FIGURE 2.10: Theoretical Framework



Source: Developed for the Current Study

## 2.10 Summary

This chapter has clearly discussed the concepts of *waqf*, cash *waqf*, corporate *waqf*, and corporate cash *waqf*. This chapter also describes the findings retrieved from

previous studies, which had been related to this study. The proposed model and hypotheses are also highlighted.

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