

## CHAPTER 5

### DISCUSSION OF FINDINGS, CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

#### 5.1 Introduction

Paying *Zakat al-Fitr* is compulsory for all Muslims. For ages, Muslims contributed their *Zakat al-Fitr* physically as Malaysians paid it face to face with the *amil*. However, due to emerging of technology and disruption by the pandemic COVID-19, FinTech including digital payment becomes the best option for Muslims to contribute to their *Zakat al-Fitr* without limitations of time and location.

In the micro picture, Malaysia is on the journey to becoming a regional champion of the digital economy by 2030 with work in progress to equip Malaysians with better facilities and knowledge (Ministry of Economic Affairs, 2019). Inception in 2020, paying *Zakat al-Fitr* digitally might bring some sceptical and confusion among Malaysians. After several year which alternative to revert to paying directly to *amil*, some users may start to adopt digital payment. The public may have their reservation to adopt or discontinue that yearly online transaction.

Visiting again the main objective of this study is to determine the acceptance level of the civil servants in Putrajaya on making digital payment for *Zakat al-Fitr* and the determinant factors influencing behavioural intention users to accept. It is guided by three research questions, which are:

RQ1: What are the factors that influencing Muslims on using digital transaction for paying *Zakat al-Fitr*?

RQ2: Which framework is suitable to evaluate Muslims' acceptance on using digital transaction for paying *Zakat al-Fitr*?

RQ3: What is the acceptance level of *muzakki* on using digital transaction for paying *Zakat al-Fitr*?

This led to applying the modified UTAUT model to examine the relationships between performance expectancy, effort expectance, social influence and facilitating conditions as the exogenous to the endogenous which is behavioural intention. The finding will bring benefits to multiple organizations like governments, *zakat* institutions, and digital payment operators. In the context of the body of knowledge, readers and future scholars can also take some notes on the suitability of the model and method in studying Islamic FinTech.

This chapter will discuss the findings, implications, limitations and recommendations based on the result of the previous chapter.

### **5.1.1 Profile of Samples**

FinTech enables broad participation in financial endeavours. Within this research, the adoption of digital payment notably motivates women and young adults to participate in *Zakat al-Fitr*, given that the majority of respondents are female and aged between 21 and 40. Despite over 60% of participants reporting a household income of at least RM5881 and the introduction of varied rates of *Zakat al-Fitr* based on rice types, a significant portion opts for the minimum rate of RM7 per person. Additionally, 6.9% of respondents did not contribute to *Zakat al-Fitr*.

### **5.1.2 Performance Expectancy**

Four items under this variable were asked of the respondents. The questions touched on their perception that digital payment allows *Zakat al-Fitr* to pay at any location, 24 hours per day, and can be used during the pandemic COVID-19 and their

willingness to continue to use it post-pandemic. The finding would give **positive answer** to the hypothesis of **Ha1**, which is:

**Ha1:** The performance expectancy positively affects the behavioural intention to use digital payment for Zakat al-Fitr.

The result implies that Muslims trust digital payment can aid them with flexibility by allowing paying *Zakat al-Fitr* beyond time and location. Moreover, the respondents believed to use digital payment due to these advantages during the pandemic COVID-19 (time of crisis) or time of peace. This finding is supported by the result on study of FinTech that related to Islamic activities like digitally paying *zakat* produced by Ahmad & Yahaya (2023), Rahim et al. (2023), Bin-Nashwan, Ismaiel, et al. (2023), Bin-Nashwan, Shah, et al. (2023), Kasri & Sosianti (2023), Bin-Nashwan (2022) and Kasri & Yuniar (2021) that performance expectancy is the strongest determinant factor relating to behavioural intention.

### 5.1.3 Effort Expectancy

This construct explains the perception of the respondents of the easiness to access digital payment when they want to pay *Zakat al-Fitr* and during the navigation of the transaction. Next, the result would reveal that hypothesis of **Ha2** is **not supported**. **Ha2** is:

**Ha2:** The effort expectancy positively affects the behavioural intention to use digital payment for Zakat al-Fitr.

The ease of use is not a factor that attracts the public to use digital payment. Since the samples were randomly picked with different levels of academic background and different levels of understanding of digital technology, their competency in browsing

and dealing with online transactions must be different. Hence, it was revealed earlier that the majority of the samples had lack knowledge of FinTech. Bin-Nashwan (2021) and Mohd Nor et al. (2021) also discovered a similar insignificant and suggested that the level of knowledge may contribute to this finding.

#### 5.1.4 Social Influence

The questionnaire was also prepared to study how society affects the behavioural intention of the respondents using digital payment for *Zakat al-Fitr*. The samples were asked if the government, *zakat* institution, community, friends, and family influenced them to use FinTech on the said transaction. Therefore, the finding would **adversely** the next hypothesis **Ha3** which is:

**Ha3:** The social influence positively affects the behavioural intention to use digital payment for *Zakat al-Fitr*.

As the result shows that social influence is insignificant, it confirms the finding obtained by Kasri & Yuniar (2021) that people treat everything related to their money including method of payment as personnel and privacy. Therefore, people are reluctant to discuss digital payment openly including persuading others to pay *Zakat al-Fitr* digitally.

#### 5.1.5 Facilitating Conditions

The hypothesis on facilitating conditions was tested on four items, regarding knowledge on using, instruction on navigating, support by helpdesk and compatibility with the user device. The hypothesis of **Ha4** is **insignificant**, which is:

**Ha4:** The facilitating conditions positively affect the behavioural intention to use digital payment for Zakat al-Fitr.

The finding was in contrast with Kasri & Yuniar (2021) and Bin-Nashwan (2021) which discovered the importance of support by organizational and technical infrastructures. Since MAIWP offer multiple modes of digital payment, the samples have many options, and they may choose the most familiar and suitable without relying on any support. As a result, they gave feedback that indicates rejecting facilitating conditions as one of the determinant factors.

#### **5.1.6 Conceptual Framework**

Past scholars also used the UTAUT model and modified UTAUT model in studying user's perception toward FinTech that related to Islamic activities like *zakat* (e.g., Ahmad & Yahaya , 2023; Rahim et al., 2023; Bin-Nashwan, Ismaiel, et al., 2023; Bin-Nashwan, Shah, et al., 2023; Kasri & Yuniar, 2021; Nordin et al.; 2021; Sulaeman & Ninglasari, 2020), Islamic banking (H. Mohd Thas et al. 2022) and mobile banking (Jadil et al., 2021). Therefore, this study supports the past findings that the besides UTAUT model, modified UTAUT model can be used as a predictor in studying FinTech towards Islamic activities.

#### **5.2 Implications**

Alhamdulillah, finding of this research reveal some implication that can enrich the body of knowledge on the phenomena of the *Zakat al-Fitr* and digital payment. The implications are:

### 5.2.1 Practical Implications

The practical implications of digital payment in facilitating contributions to *Zakat al-Fitr* are significant. Findings indicate that due to performance expectancy, *muzakki* readily embrace digital payment methods for fulfilling their *Zakat al-Fitr*. Digital payment affords *muzakki* the convenience of fulfilling their obligations anytime and anywhere. Moreover, evidence suggests that digital payment methods are not only viable during normal circumstances but also resilient during crises such as the COVID-19 pandemic. The demographic trend towards younger adults embracing e-wallets, as noted by Karim et al. (2020), aligns with the finding that this age group is more inclined to utilize such methods for *Zakat al-Fitr*, addressing concerns raised by Mohd Hussin et al. (2013) regarding motivating younger generations to fulfill their obligations.

However, despite the ease of digital transactions, many *muzakki* opt for the minimum contribution of RM7, indicating a need for *zakat* institutions to enhance educational efforts to encourage higher contributions, particularly among those consuming prime rice. Furthermore, government employees, who typically have sufficient income, should face minimal barriers in meeting this obligation. Leakage in contributions may stem from trust issues with *zakat* institutions, emphasizing the importance of trustworthiness, transparency, and consistency in *zakat* management, as highlighted by Mhd Sarif (2020). The integration of blockchain technology in *zakat* management, as advocated by Nordin et al. (2021) and Mohd Nor et al. (2021), offers transparency by allowing contributors to track fund recipients, potentially addressing trust concerns. Emphasizing the advantages of FinTech, particularly its automated nature, which mitigates the risk of human error or mismanagement, could further incentivize participation in digital payment methods for *Zakat al-Fitr*.

The digital payment operators need to play their roles to help the government. They need to educate and promote the technology by publishing some literacies and advertisements on the use for religion purpose. The content and presentation must be layman which can be understood by all levels of society as most of the samples lack knowledge and experience in FinTech.

### **5.2.2 Theoretical Implications**

The modified UTAUT model by omitting the mediators is proven as a predictor in this study. Since the modified UTAUT model uses as the conceptual framework, the model was success to determine the determinant factor on digital transaction for paying *Zakat al-Fitr*. This supports previous scholars like Sulaeman & Ninglasari (2020), Kasri & Yuniar (2021), Idria Maita et al.(2021) and Kasri & Sosianti (2023) who adapting UTAUT model by omitting moderating factor. However, as this study found that modified UTAUT model is a moderate model's explanatory power, there is a room of improvement can be done. Besides the four potential determinant factors, more variables need to be introduced to improvise the framework to become a substantial model. Hence, applying the UTAUT model itself which has moderators is one of the options to have a good predictor model.

### **5.2.3 Policy Implications**

The introduction of digital payment methods has the potential to reshape the landscape of *Zakat al-Fitr* collection in Malaysia. With the convenience of paying anytime and anywhere via digital platforms, *muzakki* now have the flexibility to fulfil their obligations without the need for direct guidance from an *amil*. However, the absence of clear, uniform policies regarding digital payments for *Zakat al-Fitr* warrants

careful reconsideration in collaboration with all *zakat* institutions to establish comprehensive guidelines for the public.

Given that this study show most digital payment users for *Zakat al-Fitr* are women and young individuals who often opt for the minimum contribution rate, the absence of clear guidelines may lead to insufficient understanding of the process. Without proper guidance, *muzakki* may inadvertently overlook crucial aspects such as selecting the appropriate *zakat* institution or determining the suitable contribution rate. Consequently, this lack of clarity may result in leakage, particularly as *muzakki* tend to gravitate towards institutions offering the lowest rates.

### **5.3 Limitations and Recommendations**

As only one of four determinants is accepted, it also suggests a limitation in the variety of determinant factors. More determinant factors will make the study become more comprehensive and help to identify additional reasons that influence the phenomena. Future researchers can explore more determinants like introducing the mediating factors. Furthermore, conducting a qualitative study through explanatory research will gather more information that possibly determines new determinant factors that can contribute to the extension of the existing model and lead to a new one.

Putrajaya as a location and civil servants as the population is limiting the phenomena of the study. As explained earlier, the location and samples are the ideal setups as both represent among the best characteristics in Malaysia. Other locations like in a rural area and other types of samples like university students may bring a different result. Relevant parties can also apply the methods in different setups and contexts like studying the feedback of youth towards online investment. Executing various research including with a different context on this topic like studying the effect of FinTech on

*zakat mal* instead of *Zakat al-Fitr* will bring generalisability. Therefore, interested parties like the *zakat* institutions can have a big data of user's feedback towards the services.

A single study may not represent well to the population. More studies will touch on more samples to compile their feedback on digital payment. The more is the merrier. More research will bring a different perspective and bring inclusiveness to the bigger population which is all residents of Malaysia. Therefore, more studies will bring more thought to the subject matter and help the government of Malaysia to understand how Malaysian react to the usage of digital payment and implement a suitable policy.

#### **5.4 Summary**

Malaysians started to use and adopt FinTech as part of their routines. Even Muslims use that technology for compulsory religious transactions like *Zakat al-Fitr*.

The study reveals that the modified UTAUT model without moderator can be a predictor in studying digital payment of *Zakat al-Fitr* and PLS-SEM fit to test the hypotheses. The finding shows that performance expectancy is only the determinant factor attracting Muslims in Putrajaya to pay *Zakat al-Fitr* digitally. While, effort expectancy, social influence and facilitating conditions are not influencing the behavioural intention of the samples. This indicates that Muslims believe digital payment would improve their quality of life allowing them to pay without limits on time and location. Hence it is useful not only during peace but also in a crisis like the pandemic COVID-19.

Future scholars can study this topic in different contexts, which qualitative studies to identify more possible determinant factors or quantitative studies but with a different sample, location or more determinant factors. Finally, all findings will enrich the body

of knowledge and help interested parties like the government, *zakat* institutions and digital payment operators to gain valuable feedback that use to improvise the mechanism benefiting all Malaysians and Muslims.

