

CHAPTER 3

RESEARCH FRAMEWORK

3.1 Introduction

This research was conducted to determine *zakat* payers' intention toward the payment of *zakat* through *zakat* institutions in Kwara State, Nigeria. It seeks to determine *zakat* payers' options about *zakat* institution and their intention to pay their *zakat* due through it. The previous chapter emphasised the challenges face *zakat* institution in Kwara state, Nigeria. Low patronage of *zakat* institution has been argued to be the major problem facing *zakat* institutions. The decomposed theory of planned behaviour was found to be the most appropriate theory for this study. All the variable used in this study were derived from the assessment of previous studies of *zakat* payers compliance behaviour.

Hence, pertaining to the above arguments, this chapter proceeds by discoursing the conceptual model of the study. Then conceptual framework for the study was drawn. As a result, the formation of hypotheses was done based on the theory and previous relevant studies. In designing this research, it is of the greatest importance that suitable choices of methods and procedures are made to enhance the validity of the study results. In rejoinder to this, this chapter specifics the research methodology used in the study to answer the research questions and to explain the statistical method used in analysing the results. It elucidates the research paradigm, research approach, research design, data collection, and

data analysis 3.2 Conceptual Model of Factors Influencing the *Zakat* Payment through the *Zakat* Institutions

Zakat institutions in most *Muslim* countries recorded low levels of the collection as an outcome of many factors, including a lack of trust in *zakat* institutions. The factors responsible for this play vital roles in *zakat* institutions, given that they influence its primary task of collection directly. *Zakat* institutions can only survive if there is continuity in *zakat* payers' patronage and effective disbursement to the *asnaf*. Evidence indicated that during the reign of Umar bin Abdul Aziz, poverty was diminished to zero because the collection and distribution pattern was effective. (Asmah & Mohd Jamil, 2013). *Zakat* compliance is a critical issue for *zakat* administrators. A viable, efficient and sophisticated *zakat* collection and distribution system that has been implemented by a *zakat* manager may not be successful if *zakat* payers do not cooperate.

Understanding *zakat* payers' compliance behaviour is essential for *zakat* managers to strategise resources according to *zakat* payers' needs and overcome weaknesses in their administration (Muhammad, 2016). Many reasons stimulated *zakat* payers to pay *zakat* on incomes among *Muslims* (Mahanani *et al.*, 2018; Mustafa *et al.*, 2020). Compliance behaviour is heavily motivated by external and internal factors of a person. Each factor has an impact on the view and compliance of an individual in carrying out their religious obligations. *Zakat* compliance is still a problem in *Muslim* countries despite being a religious duty (Sapingi, Ahmad & Mohamad, 2011; Ram Al-Jaffri & Roszaini, 2014; Zainudin & Farah Mastura, 2013).

Previous studies generally revealed that people have different options about the same situation (Taylor & Todd, 1995). The opinions of people on a matter is varied from

person to person, with everyone forming an individual opinion about the stimuli (agents, actions, or conditions that elicit a response) being received. Everyone receives “messages” frequently through their five sense organs (taste, touch, smell, sight, and sound). The experienced *zakat* administrators can make use of those senses to stimulate *zakat* payers to pay their due through them. Therefore, opinion is one major factor that influences a person's behaviour. Since the opinion of something varies from person to person, *zakat* institutions can improve their approaches impressively upon grasping the psychology of how *zakat* payers feel, think, and reason to make a payment decision through *zakat* institution if *zakat* administrators know how *zakat* payers are influenced through media awareness, *zakat* manager performance, *zakat* managers’ trust, and transparency. It can assist them to be more successful research *zakat* payers.

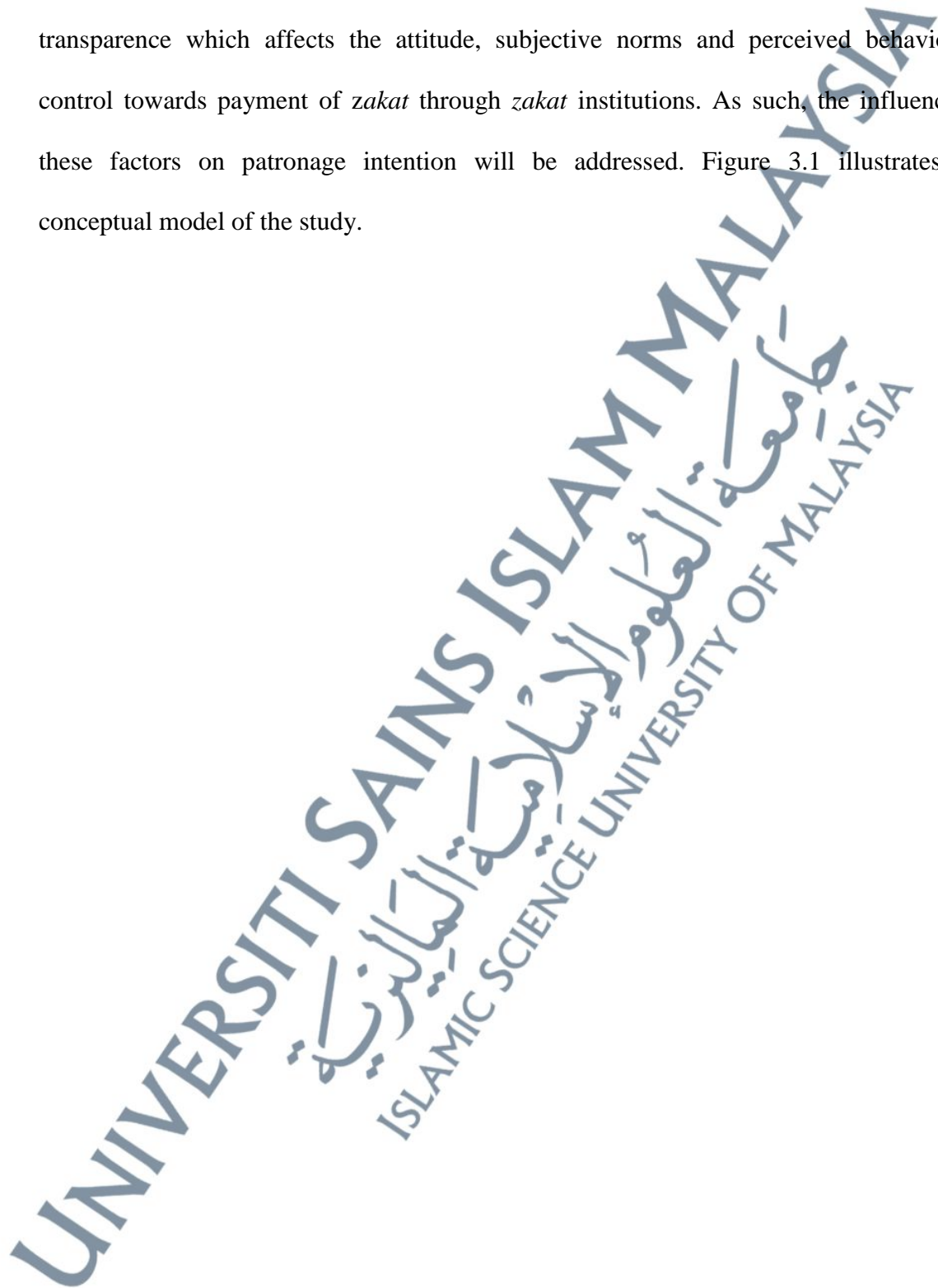
Moreover, to explain why *zakat* payers behave the ways they behave, the best factor is suggested intention. Behavioural factors are factors that are related to an individual’s intention, which are transformed into real behaviour (Ajzen, 1991). Many factors have been investigated as the factors influencing *zakat* payers’ intention to pay *zakat* through *zakat* institutions. Till now, some of the factors that have been studied include *zakat* payers’ attitude, subjective norms, perceived usefulness, perceived ease of use perceived credibility, the amount of information, religious affiliation and commitment, knowledge, religious obligation, government support and demographic, etc, however, there is a scarcity of studies on factors influencing the *zakat* payment through *zakat* institution using the theory of planned behaviour in Nigeria, particularly, in Kwara state. Abdussalam .I. O. (2016) suggested that research is needed on the *zakat* institution in Kwara state with the application of the theory of planned behaviour. Furthermore, Taylor

and Todd (1995) suggest that researchers should consider using the Decomposed Theory of Planned Behaviour (DTPB) if they are looking for more comprehensive perceptions of intention. This study, therefore, chooses the theoretical model (DTPB) to explore factors that influence the *zakat* payment through the *zakat* institutions.

Many factors motivate *zakat* compliance on earnings among *Muslims* (Mahanani et al., 2018; Mustafa *et al.*, 2020). Compliance behaviour is heavily stimulated by the exterior and interior factors of an individual. Each factor influences the view and compliance of an individual in carrying out their religious obligations. *Zakat* compliance is still a problem in *Muslim* countries despite being a religious duty (Sapingi, Ahmad & Mohamad, 2011; Ram Al-Jaffri & Roszaini, 2014; Zainudin & Farah Mastura, 2013). The research model used for this study is based on the decomposed theory of planned behaviour (DTPB) by Taylor & Todd (1995). According to Taylor & Todd, (1995), the constructs of Attitude (ATT), Subjective Norm (SN) and Perceived behaviour are predicting intention. Hence, the objectives of this study is to predict *zakat* payers' intention to patronage *zakat* institutions. In order to establish this, this study wanted to investigate the factors that would affect *zakat* payers' attitude and patronage intention. All the constructs in the theory of planned behaviour (TPB) can be decomposed into multidimensional constructs to provide for a better explanation as well as to enhance the predictive power for behaviour intention and behaviour.

This study undertakes to study the decomposition of all constructs: attitude, subjective, and perceived behavior control. For the construct of attitude, the decomposition looks at the religious and knowledge, construct of subjective norms, the decomposition looks at the family influence and media awareness and construct of

perceived behavioural control, the decomposition looks at the trust, *zakat* manager, and transparency which affects the attitude, subjective norms and perceived behavioural control towards payment of *zakat* through *zakat* institutions. As such, the influence of these factors on patronage intention will be addressed. Figure 3.1 illustrates the conceptual model of the study.



3.2 Conceptual Framework

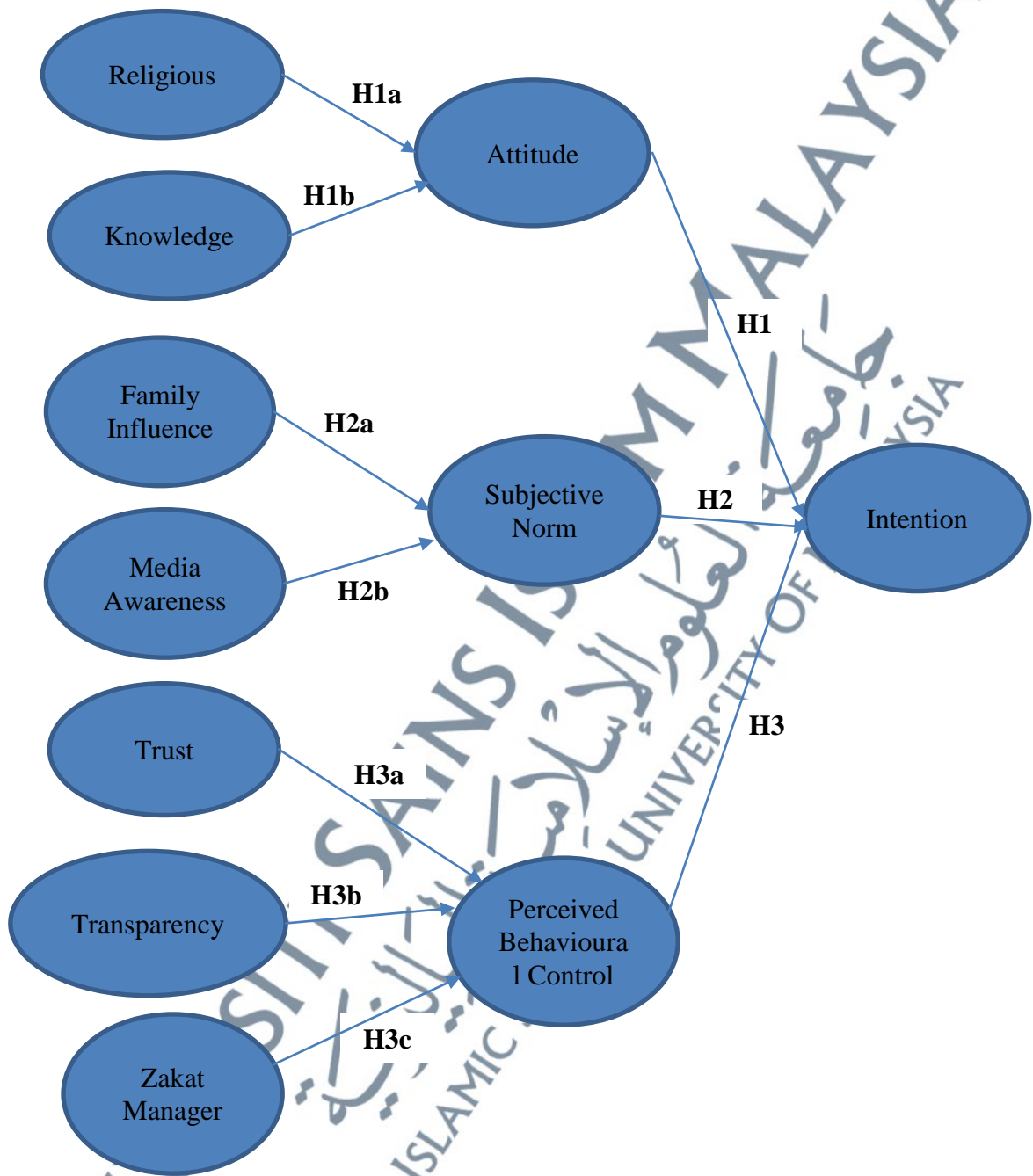


Figure 3.1: Conceptual Framework for Factor Influencing *Zakat* Payers' Patronage of *Zakat* Institution Based on the Decomposed Theory of Planned Behaviour

3.3 Development of Hypotheses

3.3.1 Attitude

Attitude to behaviour is well-defined as an individual's positive or negative feelings (evaluation effect) about the execution of the particular behaviour (Ajzen & Fishbein, 1980). According to Ajzen (2006), attitude towards behaviour generally influences the intention more than the extents of subjective norm and perceived behavioural control. Furthermore, attitude amounts are influenced by a person's salient beliefs, which symbolize perceived outcomes or attributes of the behaviour (Armitage & Connor, 2001). Based on a wide range of studies in different settings of behaviours and intentions to engage in those behaviours, attitude explains over 50% of the variance in intentions (Ajzen, 1991).

The more positive the attitude; the greater the intention. In this study, an attitude refers to whether the *zakat* payers' evaluation of paying *zakat* to *zakat* institutions is good or bad. A belief in an outcome stimulates attitudes. Many researchers found that attitudes are major predictors of behavioural intention. Previous studies have shown a positive influence of attitude towards intention to pay *zakat*. It is a critical factor in behavioural intentions. Bidin *et al.*, (2009) found that the attitude of employees significantly influenced the intentions to pay *zakat* on employment income in Malaysia. They also found a significant relationship between attitude and *zakat* compliance on employment income. Correspondingly, Azman and Bidin (2015) reported that *zakat* compliance behaviour on saving is significantly influenced by the attitude toward paying *zakat*. Abubakar & Ram (2017) also concluded that attitudes are significant determinants of intention. Moreover, Mastura (2011), Haji-Othman *et al.*, (2011) and Husna (2009) found

that attitudes and subjective norms have a positive and significant influence on behavioural intention.

Therefore, the favourable attitudes of payers toward *zakat* institutions is expected to affect their intention to patronise *zakat* institutions positively. Sanep Ahmad, *et al.*, (2011) found that knowledge is one of the factors affecting compliance to pay *zakat*. According to Sahaida & Leha (2017), the correlation between attitudes, knowledge of *zakat*, a satisfaction of *zakat* authority, and obligation to pay *zakat* on employment income is significant and has a positive relationship concerning patronising *zakat* institutions. The current study adapted prior research and decomposed attitude into religion and knowledge.

H1: Attitude of zakat payers have positive effects on their behavioural intention to pay zakat to zakat institutions.

3.3.2 Religion

Religion is defined by Muhammad Syahir (2015) as an extensive way of life, the way of thinking, ideology, and way of actions that are not restricted to beliefs and rituals only. Religion obligation can be referred to as affecting an individual's choice or activities. The religion factor is the primary motivational factor that influences charitable giving, according to Lammam & Gabler (2012). *Muslims* obey the religion obligation of paying *zakat* because it is one of the five pillars of *Islam* (Mustafa, 2016). Many religions accept charitable giving as a moral obligation. Farah Mastura & Bidin (2014) & Adam *et al.*, (2017) agreed that individual contribution depends on his religion belief, and religion

has an impact on one's giving of charity. Hence, Lunn *et al.*, (2001) decided that those who are- constant in church and the conservative Presbyterian give more. Reintein (2006) also argued that the religions factor is one of the main stimuli that contribute to the compliance of *zakat*, *sadaqat*, and other prosocial activities. Yusuf Hajji-othman (2016) opined that religion affects the motivation to give cash *waqf*, and can be referred to as the intrinsic motivation to the *waqf*. Aside from the religious factor, the level of an individual's understanding of *Islamic* principles will also motivate people to comply with the command to pay *zakat*. This was the general opinion of Mahadi, (2019), Adam *et al.*, (2017), Mustapha, (2016)

The religion reward gained by the givers of *zakat* is very likely to motivate *Muslims'* interests in a donation and to lighten further the hardships encountered along the way. Because of this spiritual reward, *Muslims* usually show continual interest in different kinds of philanthropy, and sometimes even compete in the field of charity. Considering *zakat* as an act of piety and devotion implies that it should be undertaken with the purest intentions, and made from the best of one's wealth or income, avoiding procrastination, and expecting no thanks other than divine pleasure (Benaouda & Fadila, 2013). Mahadi, (2019) stressed the significance of religiosity and the behavioural intention towards *zakat* payment. Kamil *et al.*, (2012) found that religiosity significantly encourages people to perform specific behaviours after he found that all religious beliefs commonly promote good behaviours and discourage bad behaviours. Moreover, Hajj-othman *et al.*, (2017) found that *Islamic* religiosity has a positive and significant relationship with intention. Contradictorily, Jama *et al.*, (2017) found that *Islamic*

religiosity is not-significant in compliance behaviour of KUIN staff to pay *zakat* from their income. Therefore, this study hypothesises that:

H1a: zakat payers' religion has positive effects on their attitude to pay their zakat to zakat institution.

3.3.3 Knowledge

Knowledge is defined as information and skills acquired through experience or education (Oxford dictionary, 2000). Knowledge is the familiarity, awareness, or understanding of someone, or something, such as facts, information, descriptions, or skills, which is acquired through experience or education by perceiving, discovering, or learning. Knowledge can be a theoretical or practical understanding of a subject. It can be implicit (as with practical skill or expertise) or explicit (as with the theoretical understanding of a subject). It can be more or less formal or systematic. Knowledge attainment includes complex intellectual procedures, insight, communication, and rational, while knowledge is also said to be related to the capacity of acknowledgment in human beings. *Islam* has given great significance to the method of seeking knowledge. If we pay attention to the first five verses revealed from the Holy *Quran*, we can realise that the word (read) is repeated twice, the word (pen) is mentioned once, and the word 'teach' is repeated twice. Knowledge is also defined by Writz and Matilia (2003) as the fact or condition of knowing something with familiarity gained through experience or education. For this study, knowledge refers to the degree of knowledge of *zakat* payers about *zakat* institution in terms of its existence and the differences from paying it directly to

recipients, which can influence their attitude toward the intention to pay to *zakat* institutions as regards the factors that affect the *zakat* payers' preference for *zakat* institution.

Agreeing with Adam *et al.*, (2017) & Mustapha, (2016) the level of understanding and knowledge about *zakat* influences the payment of *zakat*. Furthermore, research conducted by Teh Suhaila *et al.*, 2015, established that the degree of conviction (faith) and knowledge about *zakat* play a major role in influencing people to pay *zakat*. A good perception of the *zakat* institutions' management is an additional factor that influences *zakat* compliance when it comes to payment to formal institutions: the more positive the perception, the higher the degree of compliance (Yusuf Haji-othman *et al.*, 2017). In order to achieve a positive perception towards formal institutions, the public needs guarantees regarding the efficiency of the *zakat* institution's management in the collection and distribution of *zakat* funds. If such guarantees are provided, individuals are more willing to pay *zakat* to the formal institutions for *zakat* collection (Teh Suhaila *et al.*, 2015)

Ram (2010) recognised internal and external factors as having a significant influence on the intention to pay *zakat*. The level of knowledge is categorised under external factors. Sanep Ahmad *et al.*, (2011) indicated that knowledge is one of the factors affecting compliance to pay *zakat*. Sahaida & Leha (2017) found that the correlation between attitudes, knowledge of *zakat*, the satisfaction of *zakat* authority, and obligation to pay *zakat* on employment income is significant and has a positive relationship. Knowledge is essential about *zakat* because if *zakat* payers know that paying their *zakat* to the proper channel, where their *zakat* will reach target recipient on time and

get an accurate amount that will unbound people from poverty, liberate them from insufficiency and empower the poor with their *zakat* payment it will encourage them to pay their *zakat* through the *zakat* institutions. Therefore, knowledge about *zakat* and *zakat* institutions is essential for the patronage of *zakat* institutions. This study hypothesises that:

H1b: zakat payers' knowledge has positive effects on their attitude to pay their zakat to zakat institutions.

3.3.4 Subjective Norms

Subjective norms refer to the person's sensitivity of social pressure that most people who are special to him think he should or should not execute the behaviour in question" (Fishbein & Ajzen, 1975). Subjective norms have been found to be more significant before, or in the early stages of innovation implementation when actors have inadequate direct experience from which to develop attitudes (Taylor & Todd, 1995). Chua (1980) suggests that the adopter's friends, family, and colleagues are groups that could encourage adoption. A subjective norm involves the people around us. Based on TRA and TPB, behaviour is affected by subjective norm. As explained earlier, the subjective norm is an original construct from the TRA that compacts with the influence of social pressure on individuals and, thus, on behavioural intention. Numerous researchers have found that the subjective norm concept could be decomposed into several relevant reference groups such as peer influence and superior influence (Taylor & Todd, 1995; Hong *et al.*, 2008), friends, family members, colleagues (Khalil, 2005), primer, external, partner (Zainol &

Kamil, 2009), spouse and neighbours (Shimp & Kavas, 1984). Taylor and Todd (1995) decomposing of the subjective norm into peer influence and superior influence seems justified in an organisational setting in which one's peers may be disparate towards specific behaviour, whereas, at the same time, one's superior may be reassuring towards the behaviour. Decomposing the subjective norm into several groups such as friends, family, spouse, and colleagues also seems relevant since friends may be in favour of the behaviour while spouses are not.

However, as this study is more focused on patronage aspects of *zakat* institutions, family influence, and media awareness here are more relevant. The logic here is that a *zakat* payer may believe that personal referents, such as parents, a spouse may encourage the patronage of *zakat* institutions. In this study, subject norm refers to *zakat* payers' perceptions about whether most individuals and significant others approve or disapprove of the use of *zakat* institutions, weighted by their motivation to comply with the important wishes of others. Similarly, Sapongi *et al.*, (2011), Farah Mastura & Bidin (2014), and Yusuf Hajji-othman *et al.*, 2017 measured the influence of subjective norm on *zakat* contribution. All these studies found that subjective norm is a dominant motivation towards one's intention when paying *zakat*.

This study decomposes subjective norms into family influence and media awareness. Taylor & Todd (1995) suggest the decomposition of the subjective norm into relevant referent groups. As mentioned above, family help in influencing an individual in decision-making. The relationship between family and the subjective norm was found to be significant (Taylor *et al.*, 2008). Complementary to this, the relationship between subjective norm and intention was also found to be positive and significant (Bobek *et al.*,

2013; Saad & Haniffa, 2014). In the context of *zakat*, some researchers found a positive relationship between subjective norm and the intention to pay *zakat* (Farah Mastura & Bidin 2014) Therefore, and this study hypothesises that:

H2: Subjective norms of zakat payers have positive effects on their behavioural intentions to patronise zakat institutions.

3.3.5 Family Influence

Family influence is the social pressure on a person from important others in his/her family or peers as to their approval for the performance of certain behaviour. Family influence in this study refers to the perception of *zakat* payers on the patronage of *zakat* institutions and represents the perceived moral rules of the family (whether or not a family will think one should pay to *zakat* institutions). Friends and family are the most influential factor determining a person's norms when it comes to engaging in a particular action. Similarly, Farah Mastura & Zainol Bidin (2015) found that referent groups such as parents, friends, siblings, and many more have a positive and significant influence on *zakat* compliance behaviour. It is expected that the subjective norms of *zakat* payers towards the patronage of *zakat* institutions have a positive effect on family influence. Therefore, this study hypothesises that:

H2a: Family influence has positive effects on zakat payers' subjective norms to pay their zakat to zakat institutions.

i. Media Awareness

Mass media comprises all systems of spreading messages such as newspapers, radio, television, and the Internet (Yusuf Hajji-othman *et al.*, 2017). According to Rogers, *et al.*, (2009), mass media is 'informational' in nature. The mass media have benefits signified by their capability to reach a considerable audience rapidly, generate knowledge, and spread information (Rogers *et al.*, 2009). The important effect of mass media on subjective norms has been authenticated in various studies (Zolait & Ainin, 2009; Conner *et al.*, 1996). For example, Zolait & Ainin (2009) examined the influence of mass media on the intention to use Internet banking among Yemenis. They disclosed that mass media significantly affects the intention to use Internet banking. In another study, Bhattacharjee (2000) utilized a similar construct called the external influence, which is best demonstrated by the influence of the mass media. The study also found that mass media is a significant determinant of the subjective norm.

Of the financial services industry, the influence of mass media in influencing a consumer's subjective norms to buy financial products and services cannot be overlooked. The positive effect of mass media in influencing a consumer's subjective norm was proven in the studies by Ayinde and Echchabi (2012). To illustrate, Ayinde and Echchabi (2012) examined customers' willingness to adopt *Islamic* insurance services in Malaysia. They found that customers agreed that media influences their subjective norm to adopt *Islamic* insurance services.

This study measured the impact of mass media on subjective norms because media, through frequent advertising, is believed to be able to influence consumers' social

pressure and belief, whether they should, or should not, perform the behaviour in question. Based on the above, the following hypothesis was proposed:

H2b: Media awareness has positive effects on zakat payers' subjective norms to pay their zakat to zakat institutions.

3.3.6 Perceived Behavioural Control

Perceived behavioural control reflects beliefs regarding access to resources and opportunities required to facilitate a behaviour (Ajzen, 1991). Perceived behavioural control has two components. The first deals with self-efficacy that is an individual's self-confidence regarding the ability to carry out a behaviour. The second component deals with facilitating conditions that provide the resources to engage in a particular behaviour (Triandis, 1979). It is determined by control beliefs (an individual's perception of the degree to which various environmental factors make it easy or difficult to perform a behaviour). The second dimension is the focus of this study. It explains how far the perceptions of *zakat* payers toward the ability to execute its patronage and sincerity in repeating donation (Newell & Goldsmith, 2001). The connection between perceived behavioural control and *zakat* compliance behaviour is vital because *zakat* the positive perception of *zakat* institutions will enhance *zakat* payers to pay to *zakat* institutions. Sanep & Hairunnizam *et al.*, (2012) specified that *zakat* payers refused to pay *zakat* to the *zakat* institution because they have negative views about *zakat* institutions in managing the disbursement of *zakat* funds.

Consequently, they will prefer paying *zakat* directly to the *zakat* recipients whom they feel qualified to receive the funds. This situation will lead to a lack of equality to

other *zakat* recipients because only the *zakat* institution has information about the eligible *zakat* recipients. Because of this, it is essential to confirm that *zakat* institutions have the proficiency and trustworthiness in managing and distributing *zakat* collection. The intention to use *zakat* institutions will be greater to the extent that a *zakat* payer perceives that he or she has control over its use. This study, therefore, decomposed perceived behavioural control into trust, transparency, and *zakat* managers. It thus hypothesises that:

H3: The perceived behavioural control of zakat payers has positive effects on their behavioural intention to pay their zakat to zakat institutions.

i. Trust

Another factor is trust. Trust is defined by Goddard & Tschannen-Moran (1999) as the readiness of one party to be vulnerable to another party based on the confidence that the later party has for the first party. Trust is a concept that plays a vital role in human interactions and cooperation. According to Delgado Ballester and Munuera-Aleman, 2001 Trust symbolises the confidence that the other party in the exchange relationships will not abuse another's vulnerability. It also denotes, 'expectancy,' which is the key to defining trust (Doney and Cannon, 1997; Ganesan, 1994). Expectancy reveals the consumer's belief that the product has specific qualities that make it consistent, competent, honest, responsible, and so on. From the perspective of this study, elements of 'confidence' and 'expectancy' should be involved in defining the concept of trust. Hence, adopting the definition of trust by Sargeant & Lee (2004), trust is defined as the belief that an organisation/sector and its people will never take advantage of stakeholder's

vulnerabilities by being fair, reliable, competent, and ethical in all dealings. This definition reveals the people's confidence in the *zakat* institution and the belief that the organisation actions are in the best interest.

Trust is very important in exchange relations because it is the basis of social capital, and it affects firm performance, satisfaction, competitive advantage, and other economic outcomes like transaction costs and searches cost reduction (Loo, 2010). Trust impact in assessing the success of charitable organizations has also been discussed in the previous literature (Sargeant and Lee, 2002(a); Sargeant and Lee, 2002(b); Taniguchi and Marshall, 2014). Melendez (2001) discloses that donors do not contribute to organizations they do not have trust in it and which they do not have confidence in it. Donor's trust would not only cause the repeated donation and the increase in the donation amounts (Burnett, 2002; Sargeant and Lee, 2004), but it will also comfort the donor's belief that the funds will be used appropriately by the recipient organization (Ritchie *et al.*, 1998) in support of the organisation's legal and moral obligations (Sargeant and Lee, 2002a). While scholars like de Jager, 2017; Burnett, 1992; Sargeant and Lee, 2004; Hou *et al.*, 2017; Saxton, 1995, have suggested that failure to preserve people's trust could lead to adverse consequences, including decreased donations, image damage, or even organisational collapse. The authors claimed that the preservation and improvement of trust between donors and non-profit organisations are crucial for promoting fundraising activity

Trust is an essential aspect of human life. We use trust in our day to day activities. For instance, we trust our bank to return our money when we claim it, and some even trust their computers to work every time they switch them on. Trust is dominant in all

transactions where our actions are dependent on the actions of others (Shahab & Zahra, 2018.). There is a general recognition that trust plays a pivotal role in facilitating donations; few empirical works have been undertaken to examine the role of trust in the context of *zakat* institution. For instance, a study by Abioye *et al.* (2012) shows that *zakat* payer's trust could influence them to contribute to the *zakat* institution in Nigeria. A study carried out by Rusdiyana & Devi (2014) found that donors' lack of trust is one of the barriers to developing the practice of cash *waqf* in Indonesia.

There are three elements for transforming particularised trust (*al-theqah*) into a generalised social trust (*amanah*). These should exist in any community in order to stimulate economic activity. They are the existence of the business and corporate ties, reliable and positive public institutions, and perception of the community as *umanaa* (plural of *amen* meaning trustworthy) and safe (Amirul *et al.*, 2012). The concept of trust is also applicable to *zakat* institutions. If *zakat* payers have trust in *zakat* institutions, it will motivate them to pay their *zakat* to a trusted institution. Trust, therefore, can be a major factor that will push payers to patronise the institution, as their mind will be at rest that their wealth is fully secured in safe hands and it will surely reach the target recipients. This study hypothesises that:

H3a: Trust has positive effects on zakat payers' perceived behavioural control to pay their zakat to zakat institutions.

ii. **Transparency**

Transparency is another major factor that may affect the contribution of *zakat* payers to *zakat* institutions (Avolio *et al.*, 2009). It is the capability to expose the relationship between oneself and one's environment. If you want the workforce to be working for the good of the organisation, you must recruit expertise that would be most suitable and effective to build the trust and commitment necessary for positive change in the organisation. Transparent leadership has been described as how much an individual displays a pattern of openness and clarity in his/her behaviour toward others by distributing the information necessary to make decisions, accepting others' inputs, and disclosing his/her values, motives, and sentiments in a way that permits followers to assess the competence and morality of the leader's actions. Such leaders have been described as demonstrating transparency (Avolio *et al.*, 2009). In any institution or organisation, transparency is vital to carry people along on the progress of the institution and expose them to what is going on in the institution. This also applies to *zakat* institutions, as *zakat* payers are concerned about how their *zakat* will reach the rightful beneficiaries and how it will be of benefit to them (Nor Shahrina *et al.*, 2013). Khairunisa *et al.*, (2017) suggest that *Islamic* banks should be transparent in managing cash *waqf* funds as it may bring a secure feeling and trust toward *zakat* institutions.

Zakat payers will also rely on the transparency and ability of the *zakat* institution to know how efficiently it will manage their funds. Amirul Faiz (2012) explain the importance of efficient management, as prospective donors rely on competence to measure the efficacy of non-profit organisations. Contributions to non-profit organisations like *zakat* institutions would increase if it could present a good account of

its administrative costs and if the organisation could demonstrate greater transparency to donors about its activities. Hence, transparency is a motivating factor encouraging *zakat* payers to pay to *zakat* institutions if they demonstrate transparency and efficiency in their *zakat* management practice. So, this study hypothesises that:

H3b: transparency has positive effects on the zakat payers' perceived behavioural control to pay their zakat to zakat institutions

iii. Zakat Managers (Amil).

Islam is not only a creed of ceremonial worship and social customs; it is a complete code of conduct or way of life that directs man to actions that secure his success in this world and the Hereafter. The *Quran* frequently urges believers to establish *salat* (prayer) and pay *zakat* (poor). *Salat* and *zakat* are mentioned repeatedly side by side in many verses of the Glorious *Quran*. *Allah* commanded us to establish prayer, which means that *salat* is not simply to be offered, but it has to be established. Praying individually is not the standard, and one has to pray in the congregation. This means that prayer goes beyond the limits of individual exercise, but it should be established as a responsibility of the *Muslim* community. The Establishment of *salat*, is compulsory to have mosques and appoint *Imams* (who lead the prayer). Hence, in most *Muslim* countries, there is a department or ministry of *awqaf* (religious affairs) assigned to organise this assignment and facilitate its proper implementation.

Similarly, *zakat* is not only to be paid on an individual basis but has to be established as a collective responsibility; according to scholars, they said this was how it

was established during lifetime of Prophet Muhammad. Mentioning the *zakat* collectors (*zakat aamileen*) as among the *zakat* beneficiaries prove that *zakat* is not merely an individual action but a collective task and a state obligation. The collectors and the distributors of *zakat* are also entitled to a share of it as payment for their duties. Such men must, however, be *Muslim*, free from slavery, upright and just, and they must be well-versed in all the prescriptions of the *shari'ah* relating to the assessment and collection of *zakat*. This buttresses the point that *zakat* procedures are not complete by paying it directly to the recipients without *zakat* collectors working under *zakat* institutions. To establish a *zakat* institution is compulsory, and the institution must collect *zakat* from the qualified *Muslim* and preserve *zakat* funds. After collection, it must be disbursed to those who qualify as identified by the *Quran*. The collection and disbursement should be completely transparent and inspected frequently.

Muslims are fairly upright at creating congregational *salat* but are lacking in organising a collective *zakat* system. Hence, many *Muslims* give *zakat* individually to the needy or poor relatives, as this is certainly the right thing to do in the absence of a collective and organised system of *zakat*. As one should not be pleased to pray individually but he must try to create congregational prayer, one should not be pleased with individual payment of *zakat*, but *Muslim* should strive to create a collective system of *zakat* or pay *zakat* to those who have established such a collective system (centralised collection and distribution) of *zakat*. This was the method in the era of the Prophet and his successors (the four rightly guided caliphs) and was a function of *Muslim* governments until the fall of the Uthman Empire. It is essential to revive it. Therefore, we must recognise the importance of paying *zakat* to the institution. Paying *zakat* individually is

like praying without a congregation and is simply unacceptable in the long run (<http://justlybalanced.blogspot.my/2006/09/collecting-zakat.html>.22 May 2017).

The establishment of *zakat* institutions in *Muslim* societies will also lead to the creation of employment for some categories of people, not only the *zakat* administrative managers, but also accountants, *zakat* collectors, and distributors as well as those involved in the investment of the excess proceeds of *zakat*. With efficient *zakat* institutions in *Muslim* countries, *zakat* will not only help in the alleviation of poverty but also in providing a practical solution to the problem of unemployment. In this regard, *zakat* managers should be efficient and effective in the management of *zakat* resources. They should manage the *zakat* institution wisely and treat *zakat* recipients fairly. Therefore, this study hypothesises that:

H3c: zakat manager has positive effects on the zakat payers' perceived behavioural control to pay their zakat to zakat institutions.

3.3.7 Behavioural Intention

The intention is a foundation of all *Muslim* deeds in *Islam*, as these deeds will be judged according to their intentions. In *Islam*, the intention is more important than action in the life of *Muslims*. According to the *Hadith* of Prophet Muhammed (may the peace and blessing of *Allah* be upon him): “action shall be judged according to the intention”. The intention in *Islam* is vital for legitimate religion activity. Also, the Theory of Reason Action by Fishbein & Ajzen (1975) ascertained that intention is the major determinant of individual behaviour to act or not to a given action. Other researchers emphasised that the

probability of accepting or rejecting an action is based on a person's intention (Ajzen & Fishbein, 1980; Ajzen & Madden, 1986; Ajzen, 2006; Ajzen, 2002; Ajzen, 2005). Intention as a predictor of behaviour had been tested in many areas of study. For example, in Internet banking, Shih & Fang (2004) and Lu *et al.*, (2009) revealed that intention is a predictor of accepting or rejecting behaviour. In the field of *zakat*, many researchers confirmed that intention is an important factor of behaviour performances (Saad & Haniffa, 2014; Zainol *et al.*, 2009).

In measuring intention, Babiche Snip (2012) mentioned that the statements used for the construct "intention" were originally from Smith and McSweeney (2007). Behavioural factors are the factors that are connected to an individual's intention, which give birth to real behaviour (Fuadah *et al.*, 2013). If *zakat* payers believe that *zakat* is a religion obligation and should be performed with the purest intention, such a belief will make them not only to pay it but also patronise *zakat* institutions more frequently. According to Aidit (1998), aside from the adoration factor, the level of understanding of *Islamic* principles will stimulate people to obey the command to pay *zakat*. This is buttressed by Al-Qardawi (1999), who proposed that non-compliance behaviour towards the responsibility to contribute *zakat* depended on the level of faith in persons towards religious responsibility. Therefore, the intention is a very important factor that motivates *zakat* payers.

According to the rule of this model, the more positive the attitude and subjective norms are toward *zakat* institution, and the higher the perceived control, the stronger the individual's intention to patron a *zakat* institution. In this research, behavioural intention is concerned with motivational factors that relate to *zakat* payers' intentions to patronise

zakat institutions. Ajzen (1991) suggests that behavioural intention is the most important factor in forecasting the decision to take a specific action. Given the close relationship between intention and behaviour, previous studies have used behavioural intention to predict specific behaviour (Ayedh *et al.*, 2014; Amin *et al.*, 2006; Echachabi & Aziz, 2012). Hence, it is anticipated that there is a positive relationship between intention and the actual behaviour of customers. Thus, the following hypothesis is proposed:

Table 3.1: Operational Definition and Key Constructs of the Model

Term	Definition
Zakat	<i>Zakat</i> has many definitions according to different scholars (Aishat & Johari, 2015 & Mustapha, 2016). It is regarded as an obligatory alms (<i>Fard</i>) on every <i>Muslim</i> who possesses a stated limit of wealth, to pay every year a prescribed percentage from such wealth or savings and other things like farm product, livestock, business activities, paper currency, and treasurable metals such as gold and silver. <i>Zakat</i> is defined by Faraha <i>et al.</i> , (2012) as a concept of disbursement of wealth recommended by <i>Allah</i> to the eligible category of people. According to Dogarawa (2009), scholars of <i>Islam</i> (<i>‘ulama</i>) describe <i>zakat</i> as the portion of the property with a specific requirement that <i>Allah</i> requires from the right possessor to give to the proper person who will collect it with specific requirements.
Zakat Institution	<i>Zakat</i> institutions are religiously based organizations that aim to connect <i>zakat</i> payer obligations and recipients’ rights on prescribed alms. According to Sharifah <i>et al.</i> , (2011), the <i>zakat</i> institution is a faith-controlled institution with functions similar to the Inland Revenue Department, on the one hand, and a social welfare organization on the other. <i>Zakat</i> institutions mostly deal with collecting obligatory donations from eligible <i>Muslim</i> and disbursing them to rightful beneficiaries.
Potential Zakat Payer	Is a <i>Muslim</i> who has a property that exceeds the limit of <i>nisab</i> and meets all prescribed conditions for <i>zakat</i> .
Nisab	The <i>nisab</i> means the minimum quantity of wealth that a <i>Muslim</i> must have before <i>zakat</i> is compulsory on him.
Zakat Managers/Amil	The people managing the collection and distribution of <i>zakat</i> . They are the people assigned to the task of managing <i>zakat</i> .
Zakat Resources	This refers to the money and wealth generated from the collection of <i>zakat</i> .
Zakat Recipient/	<i>Zakat</i> recipient refers to the categories of people mentioned by the

Asnaf Zakat	<i>Quran</i> entitled to receive <i>zakat</i> .
Influence	Influence is a verb that typically means “to affect or change someone or something in an indirect but usually important way”. (Oxford dictionary, 2001).
Construct	Definition of the patronage of <i>zakat</i> institutions.
Behavioural Intention	The perceived probability of patronage of <i>zakat</i> institution or continuing to pay directly to recipients.
Attitude	The individual’s overall insight of favourableness or unfavourableness toward patronage of <i>zakat</i> institutions.
Religion Obligation	The part of religion in influencing an individual’s attitude towards the patronage of <i>zakat</i> institutions. Religion spirits or reactions influence attitudes in many ways. For instance, many people are pay to <i>zakat</i> institution because of religion.
Knowledge	<i>Zakat</i> payers’ and <i>zakat</i> managers’ knowledge of <i>Islam</i> , which can influence their attitude.
Subjective Norm	A belief that significant others approve or disapprove of their patronage to <i>zakat</i> institutions.
Family Influence	A belief that significant others from their family approve or disapprove of their patronage to <i>zakat</i> institutions.
Media Awareness	A belief that Media influences <i>zakat</i> payers to patronise <i>zakat</i> institution.
Perceived Behavioural Control	Perceived likelihood of various events occurring that act to enable or prevent patronage of <i>zakat</i> institutions.
Trust	Trust Refers to the belief or faith that <i>zakat</i> payers have in <i>zakat</i> managers and <i>zakat</i> institutions.
Transparency	Transparency refers to the ability of <i>zakat</i> institutions to show or explain how it operates or account to the general public.
Zakat Managers (Aameel)	<i>Zakat</i> managers refer to <i>zakat</i> administrators who take care of the collection and distribution of <i>zakat</i> resources.

3.4 Chapter Summary

This chapter is divided into two parts. The first part discussed the theoretical background of the theory used in the study. It starts with selected theories on human behaviour, namely the theory of reasoned action, followed by the theory of planned behaviour, and proceed by exploring the decomposed theory of planned behaviour on zakat institutions and looks at the dimensions that make-up the constructs. The second part of this chapter continued by discussing the variables used in this study, as derived from the review of previous studies of *zakat* payers' behaviour toward *zakat* institutions. The chapter then deliberated the conceptual model of the study from which the hypotheses that guide this study were formulated.