

CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter provides a brief description of the research on the Islamic institution of waqf, particularly cash waqf. It starts with the background of study from the Islamic perspective and development of waqf specifically cash waqf in the context of Malaysia, followed by the problem statement of this research. Subsequently, the research questions and objectives are highlighted, followed by an exposition of the significance of the study as well as its scope and limitation. Next, the conceptual and operational definitions are presented. This chapter concludes by outlining the structure of the whole thesis and finally the summary.

1.2 Background of Study

Cash waqf implementation in Malaysia began on 12th April 2007 when the Malaysian Fatwa Committee of the National Council for Islamic Religious Affairs mandated cash waqf as a permissible category of waqf (Rahman, 2009). Although the *Imam Shafi'e* school of thought is the official *madzhab* in Malaysia and *ijtihad* is associated with the institution (Buang, 2002), *ijtihad* on cash waqf is viewed as more permissive because no state is required to abide by the fatwa issued (Ibrahim & Rahman, 2021). Thus, to enable every state in Malaysia to implement cash waqf, the State Fatwa Committee or *Jabatan Fatwa Negeri (JFN)* must therefore implement *ijtihad* at the state level known as the State Islamic Religious Council (SIRC) or *Majlis Agama Islam Negeri (MAIN)*. This decision enables

the Malaysian Muslim community to partake in acts of cash waqf regardless of their socioeconomic background. The concept of cash waqf itself is a contemporary form of waqf that aims to grow the number of waqf contributors and cash waqf funds. The cash waqf funds will be distributed to those in need and utilized for future community and societal-beneficial development initiatives in that particular state in Malaysia.

In Islam, participation in acts of charitable giving as a religious obligation can be categorised into three: zakat, ṣadaqah and waqf. Zakat is an obligation of charity to help other Muslims. It is a mandatory contribution entailing 2.5 percent of one's annual wealth. Unlike zakat, ṣadaqah involves both financial and non-financial contributions, is done on a voluntary basis, and depends on the giver's judgment. The recipients of sadaqah do not have to be Muslims. Meanwhile, waqf relates to a particular property which is possessed or kept with good and altruistic intentions meant for the fulfilment of collective benefit (Mahamood, 2007).

Waqf is deemed as an essential wealth instrument for promoting economic development in many Muslim countries including Malaysia through the provision of resources for education (Rahman, 2009; Ramli et al., 2015), places of worship, medical facilities (Rahman, 2009) and other community projects and benefits. Waqf cannot be returned or refunded, nor can it be distributed or used for reasons other than its predetermined purposes (Aziz et al., 2014). However, the immovable forms of *waqf* such as land and building are not adequate due to low ownership among Muslims despite being the majority population in Malaysia (Zakaria & Muda, 2015). With regards to this, there are other possible types of waqf namely waqf *khayri* (general), waqf *fi ahli* (family), waqf *mushtarak* (mixed), waqf *istibdal* (exchange) and cash waqf or waqf share. The only

movable property is cash waqf or waqf share, whilst the rest are immovable properties (Yaacob, 2013). Meanwhile, Rahman (2009) categorized two primary forms of waqf namely movable (*manqul*) property and immovable property (*'aqar*).

Cash waqf is deemed as more practical than absolute permanent ownership such as land which is still low among the Muslim population in Malaysia thus limiting the ability and potential of waqf (Amuda et al., 2016). This source of social funding from cash waqf is a form of Islamic socioeconomic idea. Waqf through ringgit cash is a successful alternative strategy for eradicating poverty, particularly for Muslims. Cash waqf funds from the general populace are gathered, administered for the benefit of the general populace, and distributed to community development sectors including religious, educational, health, tourism, economic, and social sectors. In addition, the accountable party such as waqf institutions will acquire the waqf fund's earnings to invest them in the economic sector such as in small and medium enterprises (SMEs) (Ibrahim et al., 2013). According to Osman et al. (2012), fundraising from cash waqf in Malaysia is expected to reach RM4.3 billion a year if every adult Muslim citizen donates RM1 a day or RM30 a month. This collection obviously can generate many opportunities for the development of the Muslim community in Malaysia. Thus, cash waqf can be a successful Islamic wealth management instrument which, if embraced seriously, will alter the economic landscape of Malaysia.

The nature of cash waqf, such as its convenience and flexibility, should encourage entail the contribution of a substantial amount of cash. No evidence has been provided, however, that Muslim consumers would actually participate in cash waqf contributions, and no clear explanation has been provided for the behavioural disposition towards cash waqf giving (Rizal & Amin, 2017). Conversely, the enormous quantities of funds

contributed by waqifs can help fund significant initiatives; hence, it is essential to increase participation in the waqf sector (Zakaria & Muda, 2015). Besides that, as stated by the Department of Waqf, Zakat and Hajj (JAWHAR), cash waqf fund can help support the development of waqf assets such as abandoned waqf land assets, financial assistance to educational and health institutions, implementation of waqf projects such as commercial buildings, hotels, housing, and house of worship, and many other welfare benefits relevant to the community. Subsequently, the waqf sector may also provide job opportunities related to all the developments mentioned previously. Hence, cash waqf is deemed to have a huge potential to be developed and promoted for the socioeconomic advancement of the ummah, particularly those in Malaysia.

Based on the definition, cash waqf involves a sum of money which is endowed and handled by cash waqf trustees or *mutawalli* for the purpose of assisting charitable causes. The money will then be transformed into fixed assets or property to serve community needs and welfare projects. To date, cash waqf in Malaysia has been introduced in the form of schemes and implemented by several religious councils at the state level such as *Saham Wakaf Selangor* and *Saham Wakaf Johor*. Cash waqf is operated not only by waqf institutions, but also by banks (Mokhtar & Sidin, 2015) and higher learning institutions (Othman et al., 2017). Moreover, a study on waqf in Malaysia had proposed for cash waqf to be utilized as an Islamic financial instrument for generating funds in various sectors including higher learning institutions in the country (Othman et al., 2017; Mokhtar & Sidin, 2015; Aziz et al., 2013). On the other hand, from the Islamic and economic perspectives, waqf in general, including cash waqf, is seen as a viable Islamic economic instrument for eliminating poverty and solving the socio-economic issues faced by Muslim in many vital

aspects such as distribution of wealth in education as well as medical and food provision for the society (Cizacka, 2000; Puad et al., 2014). Through cash waqf, financial assistance can be generated and fill the state's waqf funds to further promote and enhance the economy of Muslims and drive the implementation of various waqf projects. While this development is largely institutionally or governmentally driven, cash waqf state coffers, for example, would need a large base of individual or group contributors. Therefore, there is an opportunity to develop its market base by promoting positive behaviour such as loyalty among the target contributors (waqifs) which is the concern of this research.

1.3 Cash Waqf Development in Malaysia

The significance of waqf particularly cash waqf as a viable instrument can be assessed from the economic perspective. For almost six decades since its independence, Malaysia has made great strides in its economic development. On average, Malaysia has achieved five to six percent gross domestic product (GDP) per capital growth, indicating economic progress. Nonetheless, the country is also saddled by economic issues such as poverty and income inequality (Islam et al., 2017). Thus, to mitigate these economic hurdles, the government, corporate institutions, and non-governmental organizations (NGOs) need to craft and implement effective strategies and programmes. Cash waqf is deemed as a potential instrument towards this end. Another indication is the population statistics reported by the United Nations World Population Prospect which showed that Malaysia would reach a population of 36 million by the year 2030. Likewise, a Washington-based researcher stated that the Muslim population is expected to increase up to 72.4 percent by 2050 due to high fertility rates as compared to other religions in Malaysia

(Malay Mail, 2015). In comparison to the global scenario, the United Nations World Population Prospect reported that the Muslim population has the highest fertility rate at an estimated average of 3.1 children per woman by 2050, nearly equal to that of the Christians. By 2070, Islam is projected to be the world's largest religion. Therefore, a large pool of cash waqf collection could possibly be generated based on these statistics in Malaysia and globally. Accordingly, this indicates the significance of this study.

Remarkably, cash waqf not only benefits the Muslim community, but also has a significant impact on economic development particularly in alleviating poverty. Despite rising per capita income, Malaysia continues to face the issues of poverty, discrimination, unemployment, and unequal wealth distribution (Rahman, 2009). The economic development of a country relates to economic growth which involves several elements namely self-growth sustainability, structural changes in production, technological improvement, social, political, and institutional modernization as well as improvements to well-being. Consequently, waqf particularly cash waqf, could aid in the eradication of poverty and the redistribution of wealth to reflect Malaysia's actual economic development. The News Strait Times reported that Sultan Nazrin Shah, the Sultan of Perak, stated in his speech at the Third Annual Symposium on Islamic Finance 2017 that Islamic financial instruments such as waqf, sadaqah, and zakat must act as financing tools in supporting financial institutions, assisting organization operations, raising funds, and benefiting parties such as investors, social entrepreneurs, NGOs, and government agencies. In the event of a crisis, these donors or waqifs should offer crucial aid and continue to provide financial support. Thus, cash waqf as an Islamic financial instrument should serve as a tool for

combating economic crisis and advancing global sustainability, accountability, and generosity for the country.

In Malaysia, there are numerous organizations managing waqf administration including *Yayasan Waqaf Malaysia* (YWM), the Department of Waqf, Zakat and Hajj (JAWHAR), and the State Islamic Religious Council (SIRC). SIRC is the sole trustee of all waqf properties in Malaysia as stated in the Islamic Administration Act, Enactment and Ordinance. All waqf properties in Malaysia must be registered under the SIRC. Sultans, kings, or governments delegate their authority to the SIRC in their respective states. At the Federal level, JAWHAR was established as a coordinating agency while YWM was established to assist and provide services to the SIRC in the development and creation of waqf property through *Sharia* compliant instruments. Specialised corporations/bodies had been set up by the SIRC to manage and launch waqf development in their respective states such as *Perbadanan Wakaf Selangor* (PWS), *Perbadanan Wakaf Negeri Sembilan Sendirian Berhad*, and *Tabung Baitumul Sarawak*.

Cash waqf was first introduced by the state of Perak under *Majlis Agama Islam dan Adat Melayu Perak (MAIAMP)* through *Lembaga Amanah Masjid Negeri Perak* in 1959. Subsequently, in 1999, Selangor established waqf share under the act of *Peruntukan Enakmen Wakaf Negeri Selangor No. 7 Tahun 1999*, followed by the Malacca Waqf Shares (*Enakmen Wakaf Negeri Melaka 2005*) in 2005. In 2007, when the National Fatwa Council of Malaysia announced cash waqf as *harus* or permissible, the Terengganu Cash Waqf Scheme launched the *Pelaksanaan Skim Wakaf Wang Tunai 2007*. Later, in 23rd July 2008, YWM was established under *Akta Pemegang Amanah 1952* by JAWHAR. Although the waqf system in Malaysia is implemented through the jurisdiction of MAIN, together with

YWM, both function as the administrator and designated trustee for cash *waqf* and all other forms of *waqf* property (Ibrahim & Ibrahim, 2013; Ismail et al., 2014). Almost a year later, the state of Kedah implemented the Cash Waqf Fund Scheme on 31st March 2009, and a few years after, on 9th June 2013, *Majlis Agama Islam Kelantan (MAIK)* introduced its own. As of to-date, the Penang Waqf Fund Scheme, Johor Waqf Shares, Negeri Sembilan Cash Waqf Scheme, and Pahang Waqf Shares are already in operation.

In terms of waqf value, the lowest is the Penang Waqf Fund Scheme at RM5, whereas other waqf funds or schemes in Selangor, Pahang, Johor, Terengganu and Melaka are set at a value of RM10. In addition, YWM and *Yayasan Dakwah Islamiyah Malaysia (YADIM)* have offered the Muslim community a national cash waqf scheme at a minimum price of RM10. The payment channels have also been implemented, such as online cash transfer which requires users to have an Internet banking account, auto debit via banks, cash pay via postal money order, cash waqf counter, and salary deduction (www.ywm.gov.my). Interestingly, waqf bonds are mentioned in Negeri Sembilan under Section 11 (2) of the Endowment (Negeri Sembilan) Act 2005, although the development of waqf based on securities mechanisms such as sukuk or Islamic bonds for the development of waqf property has yet to be implemented in Malaysia.

In conclusion, practically all states in Malaysia have recognized waqf instruments in the form of waqf share or cash waqf to the extent that they are codified by the state government in the statutes and subsidiary laws. The question now is whether cash waqf can assist in the economic development of the community and country. If so, what is the best strategy for ensuring that cash waqf receives the attention of the Muslim community in

Malaysia, and what factors need to be developed or enhanced to ensure the viability of cash waqf as an Islamic financial instrument?

1.4 Statement of the Problem

Extant literature identifies various issues affecting the development of waqf and cash waqf institutions in Malaysia. Cash waqf practices in the form of schemes have existed for many years at the state level (Osman et al., 2015), these practices are generally still in their nascent stages and not broadly implemented. As such, cash waqf schemes face the issue of inadequate funds (Asni & Sulong, 2017; Chowdhury et al., 2011; Ismail et al., 2014). Alias (2011) asserted that the impact of such schemes is questionable due to this issue. According to Ahmad and Rusdianto (2020), a significant amount of potential cash waqf has not been optimized. The cash waqf collection data from PWS in 2019 showed an increase in the total collection, i.e., RM10,770,305 compared to the previous year's RM10,044,756 (refer to Table 1.1), through all its waqf mediums, including PWS FPX (Wakaf Selangor Online), SnapNPlay, TULUS application, salary deduction, auto debit, waqf counter, and donation boxes at mosques, government institutions, and selected gas stations around Selangor. However, there was a decrease in the number of waqifs who contributed cash waqf through salary deduction, i.e., from 12,068 waqifs in 2017 to 5,285 waqifs in 2019. In the meantime, the Penang Islamic Religious Council (PIRC) had introduced salary deduction and online payment methods, but the annual contribution levels are irregular and inconsistent (Mokhtar, 2018).

In addition, the development of waqf institutions in general, including the growth of the Muslim population, does not translate into a similar growth for waqf properties

(Chowdhury et al., 2011; Zakaria & Muda, 2015). In essence, these issues have compounded the vulnerability of the development of waqf institutions, particularly cash waqf institutions (Cizakca, 1998). The presence of cash waqf in Malaysia has been observed over an extended period. However, the challenges of inadequate funds and the need to attract more waqifs have emerged as significant concerns. Consequently, this study aims to bridge this gap by examining the behavioral factors of waqifs, namely attitude, knowledge, experience, perception, trust, and commitment, which contribute to their loyalty towards cash waqf.

Table 1.1: PWS Comprehensive Income Statement (Cash Waqf and Property Rental) for Financial Year Ending 31st December 2019

	2019 (RM)	2018 (RM)
INCOME		
Cash Waqf	10,770,305	10,044,756
Property Rental	1,343,370	1,242,430
	12,113,675	11,287,186

Source: Perbadanan Wakaf Selangor Annual Report, 2019 (pg: 41)

Attitude has been identified as a significant factor that exerts a strong influence on decision-making processes, as evidenced by previous studies conducted on various topics, including donation and waqf. However, the factor of attitude has only been examined in relation to intention and preference towards cash waqf, and it has not been specifically investigated in terms of its impact on continuous contribution and the resulting loyalty. Therefore, the present study aims to address this research gap by examining the attitude toward significant impact to loyalty, which can have substantial long-term implications, as well as the strategies employed to augment the waqf cash fund. In order to promote more

funds to cash waqf, people need to be aware of the benefits and implementation of cash waqf.

The mislead of cash waqf which seen as *sadaqah* (Shukor et al., 2014), would lead random and inconsistent contributions to the cash waqf. The acquisition of information is facilitated by its source and the subsequent enhancement of its utility, resulting in an expanded search process and the accumulation of greater knowledge. It is hope this can be overcome by having knowledge on matters pertaining to the cash waqf or at least at the fundamental level. Previous studies stated knowledge has an impact to the decision making (Beaden & Rose, 1990; Brucks, 2002; Clark & Goldsmith, 2006; O'Cass, 2004), however, knowledge that influence the waqifs behavior toward cash waqf loyalty has never been studied. In addition, it is crucial for individuals to possess a deep understanding of waqf institutions, as well as a comprehensive knowledge of cash waqf-related information and news, in order to develop a strong grasp of waqifs' expertise. This understanding can serve as a motivating factor for waqifs to contribute on a regular basis. Therefore, this study aims to investigate the influence of knowledge on loyalty, thereby addressing the existing gap in the literature.

Less interaction of customers with an organization will resulted to inexperience especially in the marketing brand context as studied by previos studies (Garg et al., 2014a; Johnson et al., 2006; S. L. S. Jr et al., 2007; Mascarenhas et al., 2006). Whereas in the context of cash waqf in this study, experience refers to the conditions where waqifs, who contribute to cash waqf, have clear information, convenience, assurance, willingness to share information, and prior engagement without confidentiality concerns. The existing literature lacks discussion on the significance of experience in relation to loyalty in cash

waqf, primarily due to the distinctive nature of the waqf market, which differs from the competitive consumer market which typically associated with brands. The presence of limited competition within the Islamic financial service market has constrained the ability of waqif to make a contribution that surpasses their initial expectations. Quantifying the requisite level of expertise in the waqf service proves challenging due to the subjective nature of evaluation, primarily rooted in religious considerations such as the anticipated spiritual rewards in the hereafter. Therefore, this study asserts that the level of experience in cash waqf plays a significant role in influencing the behavioral factor of waqifs towards their loyalty to cash waqf. This finding contributes to bridging the existing gap in the literature.

Furthermore, according to Rofiqo et al. (2021), the perception of the waqifs and the public depends on the waqf organization's ability to manage their reputation and administer waqf assets and funds. Consequently, comprehensive waqf legislation on various types of waqf, including immovable and moveable waqf such as cash, shares, and bonds waqf, is necessary to fulfill the rising demand for competent waqf administration and to address issues with the state's waqf management (Ali & Markom, 2020). It is critical to ensure that Muslims, particularly waqifs, have a clear understanding of the perception toward cash waqf. In this study, perception focus on waqifs who hold the belief that the combination of good intentions and cash waqf yields societal and national benefits, ultimately resulting in rewards bestowed by Allah SWT. Due to their awareness of the significance of cash waqf, abstaining from its execution would elicit feelings of remorse within them. Therefore, this study proposes that perception should be examined as a behavioral factor in the context of retaining consistent contribution in cash waqf loyalty. This study posits the hypothesis

that a favorable perception of waqifs is likely to result in increasing the loyalty towards cash waqf. This research aims to address the existing gap in the literature, as previous studies have not adequately explored the concept of loyalty in relation to cash waqf.

Besides, waqf institutions and other practices in general are plagued with trust issues. Studies done by Johari et al. (2015) and Michalak (2021) stated that there is a low level of trust among waqifs towards waqf institutions due to non-transparent information, for instance, regarding the beneficiaries of the fund. In fact, trust is an essential factor for charitable institutions in increasing their credibility and legitimacy (Sargeant & Lee, 2004). The issue of trust also has been further associated with the decline in contributions by waqifs. Waqifs possess a strong belief that waqf institutions will exhibit a commitment to acting in their utmost interest, conducting operations with ethical integrity, refraining from exploitation, appropriately managing funds and resources, disseminating accurate information, and possessing sufficient expertise to successfully undertake requisite projects and activities. Consequently, an element of trust has been constructed into the theoretical framework of this study in order to delve deeper into the influence of trust on cash waqf. The results of this study are expected to provide valuable insights for cash waqf management in effectively addressing the issue of trust, thereby enhancing the likelihood of receiving positive responses from waqifs.

Most research on waqf and cash waqf focuses on solving managerial and governance issues in the institutions. But it is undeniable that consumer behavior is a strong factor contributing to economic development (Khan, 2013). According to Khan (2013), an Islamic theory of consumer behavior, incorporating the concept of 'Rushd', helps to better understand consumer behavior from an Islamic perspective, highlighting the significance

of fulfilling needs. In this study, the behavioral factors that are characteristics of waqifs were explained using conventional theories (stimulus-organism-response model, social cognitive theory, and trust-commitment theory) to solve the issues of Islamic financial instruments, which is cash waqf. Previous studies have utilized the SOR Model in contemporary marketing research. However, this study diverges from previous research by integrating the aforementioned theories within the framework of Islamic financial instruments, with an emphasis on cash waqf. Understanding waqifs' needs is critical because it leads to the important subject of loyalty from the waqifs' behavioral perspective, which would provide better insight into cash waqf management, particularly from a marketing standpoint.

There is a need to increase the number of waqifs so as to establish long-term repetitive contributions or loyalty contributions. Loyalty is defined as repetitive behavior that consumers are willing to attach themselves to and that would impact future usage (Chatterjee et al., 2017) on top of creating value (Chai, Malhotra, & Alpert, 2015). In one of the different contexts of the study (Malaysian luxury hotels in Kuala Lumpur), customers' behavior was continuously shaped according to their psychological needs, leading to perceived value and customer loyalty (Hassan et al., 2018). Hence, this study fills the gap of understanding loyalty from the perspective of waqifs' behavior in cash waqf, with the assumption that it will help to encourage loyalty contributions from the waqif with appropriate strategies taken. Loyalty is also related to trust and commitment. In marketing, for instance, trust can be described as a consumer's (the trustor's) willingness to depend on the trustee and take a risky action, making the trustor (the consumer) vulnerable to the trustee in the hopes of a good outcome (Al-Nasser et al., 2014). From a waqf perspective,

trust has positive and significant impacts on cash waqf collection (Shatar et al., 2021). Consequently, low trust towards NGOs would result in low earnings for them (Michalak, 2021). Therefore, it is crucial to investigate the effect of trust in terms of accountability and openness on repeated cash waqf contributions at the Islamic microfinance institution level (Ahmad & Rusdianto, 2020). While numerous studies have consistently demonstrated a willingness among individuals to donate, there have been inconsistent findings regarding their level of commitment. As a result, it has become evident that the current level of contributions is inadequate for the establishment of a sustainable waqf institution or charitable organization (Jalil et al., 2019). Therefore, within the theoretical framework of this research, the inclusion of trust and commitment as mediators enables an analysis in which the waqifs' commitment contributes to the improvement of their behavioral inclinations towards loyalty in the context of cash waqf.

Overall, based on the issues raised above, it is worthwhile to investigate the behavioral factors that influence the loyalty of waqifs in contributing cash waqf, which is the aim of this study. The inconsistency in previous studies concerning each variable or exogenous factor has highlighted the necessity and gaps that require further investigation, particularly in relation to loyalty within the context of cash waqf. Furthermore, trust and commitment require further investigation since both are likely necessary for ensuring repeated cash waqf contributions. Questions on the behavioral factors influencing the loyalty of waqifs as well as the roles of trust and commitment should be analyzed in depth. Accordingly, this research considers trust and commitment as mediating variables in examining the behavior of waqifs in contributing cash waqf. Finally, the findings would be

useful for waqf institutions in promoting cash waqf to generate more funds and stimulate the economic growth of the ummah and the country.

1.5 Research Questions and Objectives of the Study

Table 1.2 shows the five research objectives to answer each of the research questions, which also reflect the development of the proposed framework later.

Table 1.2: Research Questions and Objectives

	Research Questions	Research Objectives
i	<p>What is the impact of the behavioral factors of waqifs that determine loyalty in cash waqf?</p> <p>a. Attitude b. Knowledge c. Experience d. Perception</p>	<p>To determine the impact of the behavioral factors of waqifs towards loyalty in cash waqf.</p> <p>a. Attitude b. Knowledge c. Experience d. Perception</p>
ii	<p>Is there any relationship between the behavioral factors of waqifs with trust and commitment?</p> <p>a. Attitude b. Knowledge c. Experience d. Perception</p>	<p>To examine the relationship between the behavioral factors of waqifs with trust and commitment.</p> <p>a. Attitude b. Knowledge c. Experience d. Perception</p>
iii	<p>What are the impacts of trust and commitment on the loyalty of waqifs in contributing cash waqf?</p>	<p>To analyze the impacts of trust and commitment on the loyalty of waqifs in contributing cash waqf.</p>
vi	<p>Do trust and commitment have a mediating effect on the relationship between the behavioral factors of waqifs and loyalty in cash waqf?</p> <p>a. Attitude b. Knowledge c. Experience d. Perception</p>	<p>To investigate the mediating effect of trust and commitment on the relationship between the behavioral factors of waqifs and loyalty in cash waqf.</p> <p>a. Attitude b. Knowledge c. Experience d. Perception</p>
v	<p>Is there any relationship between trust and commitment?</p>	<p>To determine the relationship between trust and commitment.</p>

1.6 The Significance of the Study

The current study is significant in several ways. Firstly, it develops the internal comprehension of waqifs' internal attributes which are attitude, knowledge, experience, and perception. All these constructs function as stimulus and expected to have a direct relationship with the loyalty of waqifs in contributing cash waqf. These constructs are based on the Social Cognitive theory by Bandura (1986).

Secondly, this study empirically expands the Trust-Commitment of Relationship Marketing Theory by Morgan and Hunt (1994) whereby trust and commitment are tested for their mediating effect on the relationship between the waqifs' internal attributes and their loyalty in contributing cash waqf. The aim is to reveal that consistent action can be influenced by trust and commitment specifically in the relationship between the waqifs' internal attributes and their loyalty in contributing cash waqf from all aspects including management, operation, and most importantly marketing.

Thirdly, the study employed the Mehrabian-Rusell Stimulus-Organism-Response (SOR) Model as the underpinning or grand theory in explaining the continuity and consistency of the relationship between the factors influencing waqifs' loyalty namely internal attributes (attitude, knowledge, experience and perception) as stimulus (S), followed by trust and commitment as the mediating variables or organism (O), and the waqifs' loyalty in contributing cash waqf as response (S) to the proposed research framework. The social cognitive theory and commitment-trust theory of relationship marketing were employed to fill the gap in understanding the extent of the waqifs' behavioural loyalty in contributing cash waqf.

Fourthly, this study also expands a new resource to the literature in this field and increases the body of knowledge on cash waqf. The findings could assist researchers, academicians, waqf institutions, regulators and decision makers in strategic planning and the implementation of cash waqf endowment service blueprint with the aim of increasing loyalty among waqifs and cash waqf funds.

Lastly, the waqf institutions play a crucial role in the management and marketing of cash waqf. Practically, this study hopes to contribute to the development of good practices by the waqf institutions specifically in the context of marketing and managerial decisions in general. In conclusion, the proposed framework will not only provide understanding of the internal behavior of waqifs, but also the impact of trust and commitment on cash waqf loyalty in the marketing process. Table 1.3 and 1.4 summarize the significance of this study.

Table 1.3: Conceptual, Methodological, Empirical and Managerial Significance of the Study.

		<i>Level of Significance</i>	
		Replication	Extension
<i>Area of Significance</i>	Conceptual	<ul style="list-style-type: none"> • Apply internal and external factors to influence consistent action and decision making in individual behaviour. 	<ul style="list-style-type: none"> • Clarify the concept of <i>waqif</i> attributes, trust, commitment, and loyalty intention.
	Theoretical	<ul style="list-style-type: none"> • Apply underpinning theory. • Provide supporting theories as basis to explain the connections between the variables involved in the theoretical framework. 	<ul style="list-style-type: none"> • Confirm the Stimulus-Respond Model (SOR Model) as underpinning theory in the study. • Integrate the Social Cognitive Theory and Trust-Commitment Relationship Marketing Theory as supporting theories to the theoretical framework.

Table 1.4: Conceptual, Methodological, Empirical and Managerial Significance of the Study
(continue)

	<i>Level of Significance</i>		
	Replication	Extension	
<i>Area of Significance</i>	Methodological	<ul style="list-style-type: none"> • Verify the validity and reliability of the instruments involved in the research framework. 	<ul style="list-style-type: none"> • Test the determinant impact of the internal attributes (attitude, knowledge, experience and perception) of waqifs on loyalty in cash waqf. • Test the applicability of the loyalty framework in the context of cash waqf endowment. • Test the effect of trust and commitment as mediators.
	Empirical	<ul style="list-style-type: none"> • Verify the integrated effect of the relationship between the independent and dependent variables with the effects of the mediating variables. 	<ul style="list-style-type: none"> • Confirm the relationship between the <i>waqifs'</i> attributes with trust and loyalty intention. • Confirm the effect of the mediators (trust to waqf institutions and commitment to endow waqf).
	Managerial		<ul style="list-style-type: none"> • Provide in-depth understanding of the marketing relationship from the <i>waqifs'</i> perspective. • Suggest behavior of endowers to be examined further as marketing strategy and plan development.

1.7 Scope of the Study

Firstly, this study emphasizes cash waqf loyalty as influenced by the waqifs' internal attributes. In addition, the study examines the roles of trust and commitment as mediating factors that strengthen the relationship between the waqifs' internal attributes and loyalty in cash waqf contributions.

Secondly, the study only focuses on waqifs who are paying cash waqf continuously through salary deduction. This criterion matches the primary variable, namely loyalty, as the waqifs have repeatedly donated via payroll deduction.

The research was carried out at government agencies, subsidiaries, and semi-bodies whose employees had registered with and donated to the waqf institution, PWS. The PWS was chosen due to its systematic database on cash waqf. Moreover, the feasibility of this research includes respondents with similar characteristics, namely waqifs who have made cash waqf endowment contributions through salary deduction, in order to achieve better sampling requirements in investigating the influence on the waqifs' loyalty. Pusat Wakaf Selangor (PWS), which is one of the most renowned states for cash waqf endowment, reported that Selangor has the most cash waqf funds collected compared to other states in Malaysia, with a total of RM6.12 million collected by 2017 through online banking, district collection, salary deduction, agents, and cooperatives. Based on an unofficial report from 2017, the most common way for waqifs to pay was through salary deduction. This method was used by 12,068 waqifs from government bodies, private sectors, cooperatives, and other places to pay almost RM2.83 million (PWS, 2017). Therefore, Selangor was chosen to meet the objectives of the study. Hence, the choice of Selangor as the scope of this study is justified by its appropriateness due to the availability and accessibility of the systematic database provided by the PWS.

For analysis purposes, this research focuses on the quantitative method utilizing partial least squares structural equation modeling (PLS-SEM) as the tool of analysis. Meanwhile, probability sampling, specifically stratified random sampling, was selected as

the sampling technique for deriving the needed sample size from the sampling frame of the overall population.

1.8 Conceptual and Operational Definitions

This study measures the impact of internal attributes on cash waqf loyalty and the mediating effect of trust and commitment on the relationship between internal attributes and loyalty in cash waqf. Four constructs are hypothetically viewed as the internal attributes that influence the behavior of the waqifs to perform cash waqf endowment consistently. The internal attributes are attitude, knowledge, experience and perception. The results of the test score provided in the research instrument establish the factors influencing the cash waqf loyalty of the waqifs. In addition, this research examines the significant impact of trust and commitment as mediators on the relationship between the waqifs' internal attributes and their loyalty in contributing cash waqf. Table 1.5, 1.6 and 1.7 present the conceptual and operational definitions of the constructs investigated in this research:

Table 1.5: Conceptual and Operational Definitions of the Constructs in this Study

	Conceptual Definitions	Operational Definitions
Endowment	According to Oxford Dictionary, this is a verb referring to donation of an income (cash) or property to a person or institutions.	An act of philanthropy intention or charitable giving which in this context is cash waqf made to non-profit organizations or religious bodies referring to Majlis Agama Islam Negeri (MAIN) as permitted by authority (SIRC, YWM, JAWHAR dan JAKIM).
Waqif (Endower)	An individual who endows in <i>waqf</i> or charity in terms of cash or real estate (Chowdhury et al., 2011) to the respective council as the donor (Osman et al., 2012).	Individuals who endow in cash waqf consistently through salary deduction in Selangor according to the database provided by Perbadanan Wakaf Selangor (PWS).

Table 1.6: Conceptual and Operational Definitions of the Constructs in this Study (continue)

	Conceptual Definitions	Operational Definitions
Cash Waqf	An Islamic financial instrument to generate funds endowed by waqifs for the purpose of implementing various waqf projects (Mohsin, 2013) and for assisting social welfare services to foster the socio-economy system of a country (Cizakca, 1998; Zuki, 2012)	The contribution of an amount of money by individuals (waqifs) through salary deduction with the commitment and consistency of its usufruct in perpetuity to the welfare of the society and ummah.
Internal Attributes	Referring to attitudinal, behavioral and innate characteristics (Ngai et al., 2015) such as attitudes on behavior towards helping others and charity organizations (Webb et al., 2000) and acquiring certain knowledge (Supphellen & Nelson, 2001), consisting internal, emotional connection and interaction of contact between the customer and the organization (Garg et al., 2014) and belief on the service quality of an institution or organization by the consumer / individual (Berry et al., 2002) including endowment decision making (Sargeant et al., 2004).	Inner or internal factors of individuals (waqifs) that can be performed as antecedents in cash waqf endowment. They are perception, experience, attitude and knowledge of the individual waqif in this context of study.
Attitude	Categorized into attitudes towards helping others (AHO) and attitudes towards charitable organizations that help individuals (ACO) (Webb et al., 2000) which covers a wide range of altruistic and donation behaviors that implicate values and personal norms (Piliavin & Charng, 1990; Rodriguez-Ricardo et al., 2018).	Waqifs acceptance toward cash waqf through generosity, support, and willingness to help others with good intention besides having a positive image to the waqf institutions and confidence that the cash waqf is meant for good causes.
Knowledge	Knowledge can be acquired when an organization conveys messages to the target while helping target uses to interpret or conclude views on the organization's performance (Supphellen & Nelson, 2001) and getting more information about the organization (Brucks, 2002), thus leading to greater confidence in making correct decisions (Bearden et al., 1990, O'Cass, 2004, Clark & Goldsmith, 2006).	Waqifs' good knowledge, familiarity of information, willingness to learn, awareness of activities, awareness of the advantages, potential and latest news pertaining to cash waqf endowment. It also entails good understanding of the functions of waqf institutions.

Table 1.7: Conceptual and Operational Definitions of the Constructs in this Study (continue)

	Conceptual Definitions	Operational Definitions
Experience	Customer experience is a behavioral response aroused by brand stimuli (Brakus et al., 2009) consisting of internal, emotional connection and interaction of contact between the customer and the organization (Garg et al., 2014). It has a significant influence on intention to re-donate (Aly et al., 2017).	Waqifs receive clear information, convenient to be involved, feel secure with their contributions, willing to communicate to others about cash waqf, and had experience with activities of cash waqf regardless of difficulties and confidential issues.
Perception	Perception is the belief regarding the service quality of an institution or organization by consumers / individuals (Berry et al., 2002), including endowment decision making (Sargeant et al., 2004) and is recognized as an individual's attributes that lead to relationship marketing (R. Bennett & Barkensjo, 2005).	Waqifs believe that having good intention and performing cash waqf is a duty in Islam which benefit the society and country, on top of being rewarded by Allah SWT. Not performing it would make them feel bad and guilty because they understand the purpose and importance of cash waqf.
Trust	Belief that the charity organizations are operating ethically and utilizing donation funds appropriately (Sargeant et al., 2006).	Waqifs have good faith that the waqf institutions will act in their best interest, operate ethically with integrity, without exploitation, utilize the funds and resources appropriately, provide accurate information and have enough experience to carry out necessary projects/activities.
Commitment	Relationship that is committed, repeatedly maintained, deserves maximum effort, willingness to give more (Sargeant et al., 2006) and repatronize a preferred service in the future (Oliver, 1997).	Waqifs concern with activities/projects of cash waqf and willing to give maximum effort by maintaining good relationship through repeat contribution, give more, become loyal supporter and care the future of cash waqf.
Loyalty	Keen to contribute more and continuously, disseminate positive information, willingness to recommend cash waqf to family members, friends and others (Boenigk & Helmig, 2013a; Sundermann, 2017; Swanson et al., 2007).	Waqifs remain loyal by contributing more cash waqf consistently, supporting the waqf institutions including the implementation of activities/projects and any future planning that benefits the ummah, willingness to suggest cash waqf to others and always thinking positive about cash waqf endowment.

1.9 Structure of Thesis

This research comprises six chapters: (1) Introduction, (2) Literature Review, (3) Framework and Hypotheses Development, (4) Research Methodology, (5) Data Analysis, and (6) Discussion and Conclusion. Figure 1.1 illustrates the sequential flow.

Chapter 1 presents an overview of the study in terms of introduction, background of study, cash waqf development in Malaysia, statement of the problem, research questions, research objectives, significance, and limitations of the study. The chapter also presents the conceptual and operational definitions, the structure of the thesis, and a summary.

Chapter 2 commences with the literature review by first presenting the introduction, followed by the importance of waqf in two parts: the background of waqf and cash waqf. Next, details about the model and theories applied are presented, including the Mehrabian-Rusell or SOR Model, the Social Cognitive Theory, and the Trust-Commitment Theory of Relationship Marketing. The chapter subsequently presents critical reviews of literature pertaining to the foundation of loyalty in marketing and waqf endowment. Next is a review of the internal attributes of waqifs, including attitude, knowledge, experience, and perception. Last but not least, the mediating impacts of trust and commitment are explained.

Chapter 3 presents the proposed conceptual and theoretical research framework. The subsequent topics are the hypotheses development of the study, which focuses on the relationship between the identified variables, i.e., the waqifs' internal attributes and loyalty; the relationship between the waqifs' internal attributes and trust; the relationship between the waqifs' internal attributes and commitment; the relationship between trust and loyalty; the relationship between commitment and loyalty; trust and commitment as mediators; and

the relationship between trust and commitment. The final section summarizes the research hypothesis based on the research questions.

Chapter 4 describes the research methodology adopted to test the proposed hypotheses, beginning with the introduction, research paradigm, research approach, and design, including their justification. Next is the elaboration of the research phase, location and sampling frame, technique, and size. This is followed by a description of the questionnaire's design and preparation, the structure of the questionnaire, its construct and scale, and the translation procedure. Next, the pre-test procedure is explained, involving face validity, content validity, and pilot test results. This continues with the elaboration on data collection and distribution and, lastly, the data analysis technique entailing data cleaning and the usage of the structural equation modeling partial least squares (SEM-PLS).

Chapter 5 presents the data analysis stage entailing: (1) preliminary data analysis consisting of data cleaning, outliers, data normality, and common method variance; (2) descriptive analysis of the demographic profile; (3) analysis of waqifs' participation in cash waqf; (4) stages for data analysis adopting the PLS-SEM version 3.0 software involving measurement and structural model assessments; (5) hypotheses testing; (6) assessment of mediation analysis; and (7) measurement of model fitness.

Chapter 6 starts with an overview of the study, followed by a discussion of the findings according to the research objectives. It then presents the implications and limitations of the study, suggestions for future research, and finally the overall conclusion.

Figure 1.1 depicts the sequential flow of the research process.

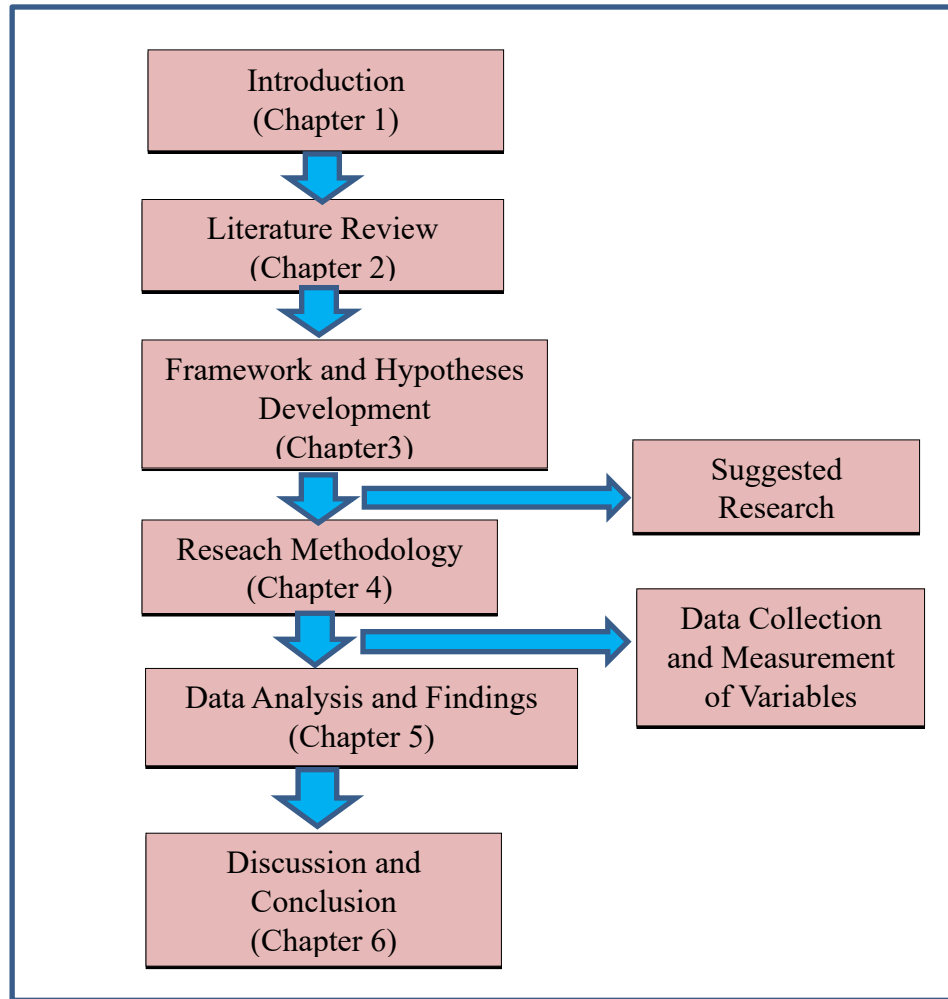


Figure 1.1: Structure of the Thesis

1.10 Summary

This introductory chapter presents a general overview of this research. It covered the topics of the research context and briefly reviewed studies on monetary donation behavior. The research questions, research objectives, significance of the study, scope, and limitations, as well as conceptual and operational definitions, were then discussed. Finally, this chapter concluded with a presentation of the thesis structure. Chapter Two, which focuses on the literature review of this study.